Volume 1, Issue 1

December 2012

Rhode Island Data Book

A Publication of the Rhode Island Public Expenditure Council

Inside this issue:

Population

Overview	2
Migration	3
Income	4
Health Insurance	7
Social Assistance	9
Education	11

Economy

Indicators	17
Employment	19
GDP	26
Trade	30
Housing	33
Energy	37
Business Climate	39
R&D	40

Government

Expenditures	42
Revenues	45
Taxes	47
How RI Compares	50
Economic Forecast	56
Caseload Estimating	57

RIPEC

This book includes summaries and analysis of national, regional, and state data related to the topics of population, economics, and government spending.

The following pages provide a number of indicators to measure Rhode Island's population trends, economy, and governmental spending against national and regional averages. Several of these comparisons indicate that in most cases, Rhode Island fairs better than the nation as a whole, but worse than the regional average. The state will only improve its relative standing by maintaining progress on areas of strength, and developing a comprehensive plan to address areas in need of improvement. The indicators in this data book highlight positive and negative trends for further examination and consideration.

For example, Rhode Island saw mixed results related to population income distribution. The state's per capita personal income and median household income levels are higher than the nation's, but lower than the region's average. Similarly, while the state has a smaller share of its population below the poverty line than the national share, the state's overall population below poverty is increasing at a rate above those in the US and across New England.

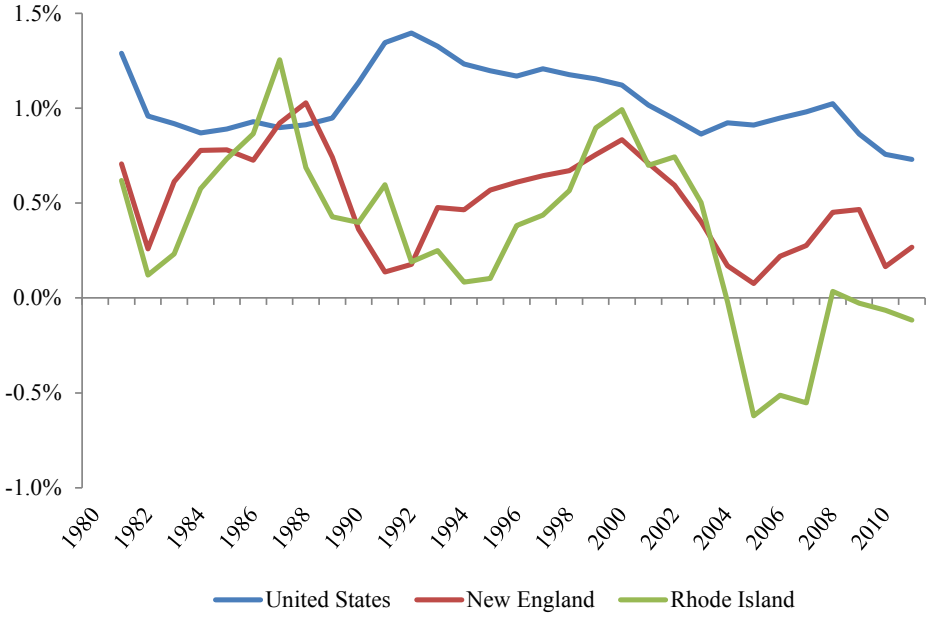
Measures of economic growth followed similar trends: though the state's per capita GDP outpaced national and regional growth in the early 2000's, recently it has grown at a consistently lower rate than both regional and national rates. Unemployment is another indicator in which Rhode Island fares worse than regional and national metrics. Alternatively, Rhode Island has seen success in one particular economic indicator – energy consumption. Rhode Island consumed the least amount of energy per capita in 2010.

Although Rhode Island's FY 2013 tax revenues are expected to increase by $5.2 million over the enacted budget, general revenue deficits in out-years are projected to grow to $373.9 million, or 10.4 percent of available revenue, by FY 2017 as estimated expenditures are expected to grow at a rate almost double the estimated revenue growth rate (19.7 percent versus 7.5 percent). Census data show that the largest component of growth in the state's budget over the past decade was related to vendor payments (primarily Medicaid), which accounted for over one-third of the state's expenditure growth from 2000-2010.

These examples provide only a preliminary overview of the types of metrics explored in this report. Rhode Island has already demonstrated a commitment to improving the state's economic climate through revisions to the income tax structure and regulatory environment. The state's ability to continue this momentum will go a long way in determining the future direction of Rhode Island's economy.

Population: Overview

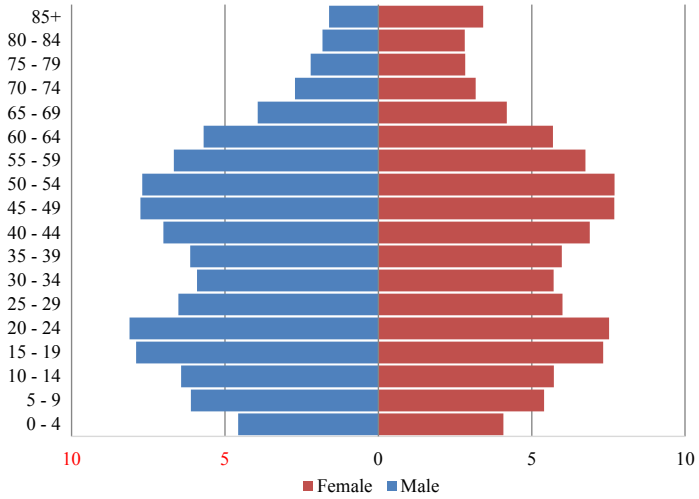
Annual Population Change, 1980-2011



Source: U.S. Census Bureau, Population Estimates Division, RIPEC calculations

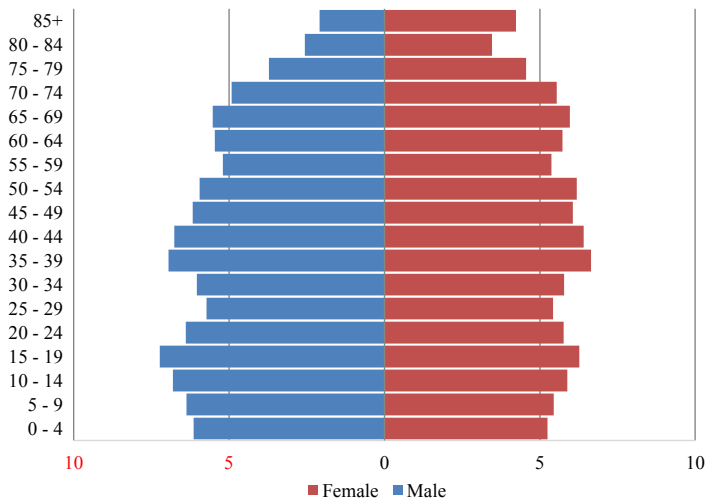
In general, population growth has been slower in both Rhode Island and the New England region, when compared to the national average. On average, the national population has grown at a rate of approximately 1 percent per year between 1980 and 2010. In New England, the population grew at an average rate of 0.5 percent per year during the same time frame. After Rhode Island saw strong population growth from 1982 to 1987, the state's population growth began to slow and Rhode Island's population declined in 2005, 2007, 2010 and 2011.

Rhode Island Population Pyramid (% of Total Population), 2010



SOURCE: U.S. Census Bureau, Population Division; RIPEC calculations

Rhode Island Population Pyramid (% of Total Population), 2030



SOURCE: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005; RIPEC calculations

Population pyramids show population growth or decline by age, sex, as a share of the overall state population. These two pyramids show Rhode Island's estimated population in 2010 and projected population for 2030. The most prominent changes over these two time periods relate to the working age population (ages 25-64) and the retired population (ages 65 and older). In 2010, the working age population accounted for just over 50 percent of the total population (53.4 percent of males and 52.4 percent of females). By 2030, the working age population is projected to decrease to under 50 percent of the population (48.3 percent male, 47.6 female). At the same time, the male population over 65 is projected to increase from 12.3 percent to 16.4 percent, while the 65+ female population is projected to increase from 18.8 percent to 23.8 percent.

Population: Migration

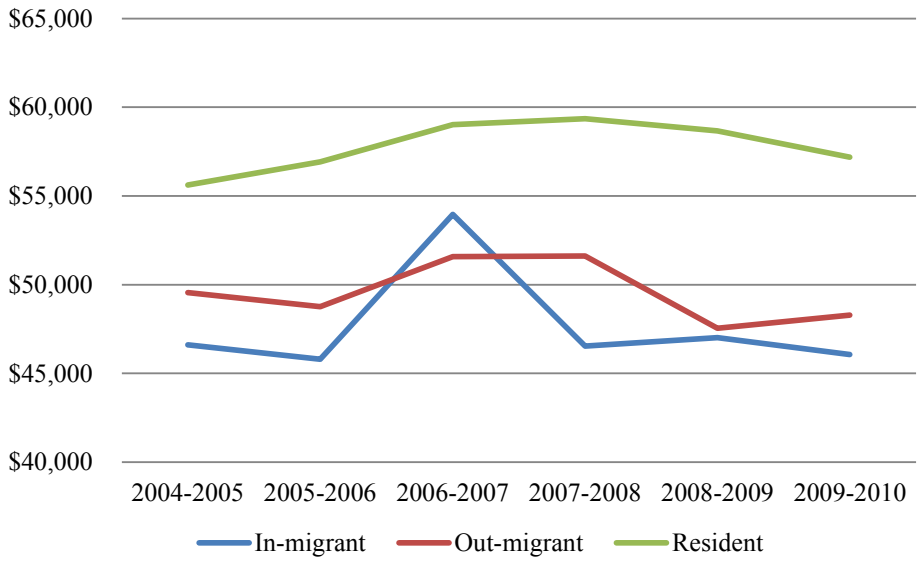
Rhode Island Net Exemption In- and Out-migration, Top 5 Locations, 2004-2010

		2004-2005		2005-2006		2006-2007		2007-2008		2008-2009		2009-2010	
		Net In	Net Out	Net In	Net Out	Net In	Net Out	Net In	Net Out	Net In	Net Out	Net In	Net Out
1	State	For	FL	For	FL	For	FL	For	MA	For	MA	NY	FL
	Exemptions	398	(3,938)	277	(3,006)	505	(2,197)	563	(1,609)	370	(1,599)	332	(1,266)
2	State	NY	CT	NY	CT	NJ	NC	MI	FL	MI	FL	IL	MA
	Exemptions	217	(1,273)	128	(939)	160	(958)	83	(1,510)	64	(1,223)	62	(792)
3	State	NJ	NC	LA	MA	ID	MA	WA	NC	MO	VA	NJ	VA
	Exemptions	135	(578)	96	(935)	18	(904)	33	(655)	39	(477)	60	(400)
4	State	WA	VA	NJ	NC	MI	CT	KY	GA	VT	TX	For	NC
	Exemptions	58	(547)	11	(902)	12	(587)	22	(416)	8	(325)	58	(360)
5	State	MA	GA	IA	GA	NE	SC	VT	CT	IN	NC	NV	TX
	Exemptions	51	(350)	7	(518)	9	(512)	6	(386)	7	(307)	47	(310)
	Total	**859**	**(6,686)**	**519**	**(6,300)**	**704**	**(5,158)**	**707**	**(4,576)**	**488**	**(3,931)**	**559**	**(3,128)**

SOURCE: US Internal Revenue Service

Migration, one component of population change, can be examined by looking at statistics of income. The data show year-to-year address changes, which illustrate in and out-migration trends. Overall, Rhode Island experienced more net out-migration than net in-migration. In other words, from one year to the next, more individuals were filing returns with addresses outside of Rhode Island than those changing their returns to a Rhode Island address. This chart highlights the five locations that saw the most migration from 2004-2010. In five of the six cases, Rhode Island's highest ranked net in-migration was from foreign populations (the exception was from 2009-2010, when the highest net in-migration was from New York). In four of the six years, out-migration was highest in number of individuals leaving Rhode Island for Florida.

Rhode Island Adjusted Gross Income per Return
In-migrants, Out-migrants, and Residents



SOURCE: US Internal Revenue Service

Adjusted gross income (AGI), or income after deductions, as shown illustrates the income status of individuals leaving, migrating to, or residing in Rhode Island over time. The AGI for Rhode Island residents was consistently higher than the AGI for both in-migrants and out-migrants from 2004 through 2010. With the exception of 2006-2007, the individuals leaving Rhode Island had a higher AGI than the individuals migrating into Rhode Island. This trend has become less prominent over time, as the AGI for incoming and outgoing migrants was relatively similar starting in 2008.

Population: Income

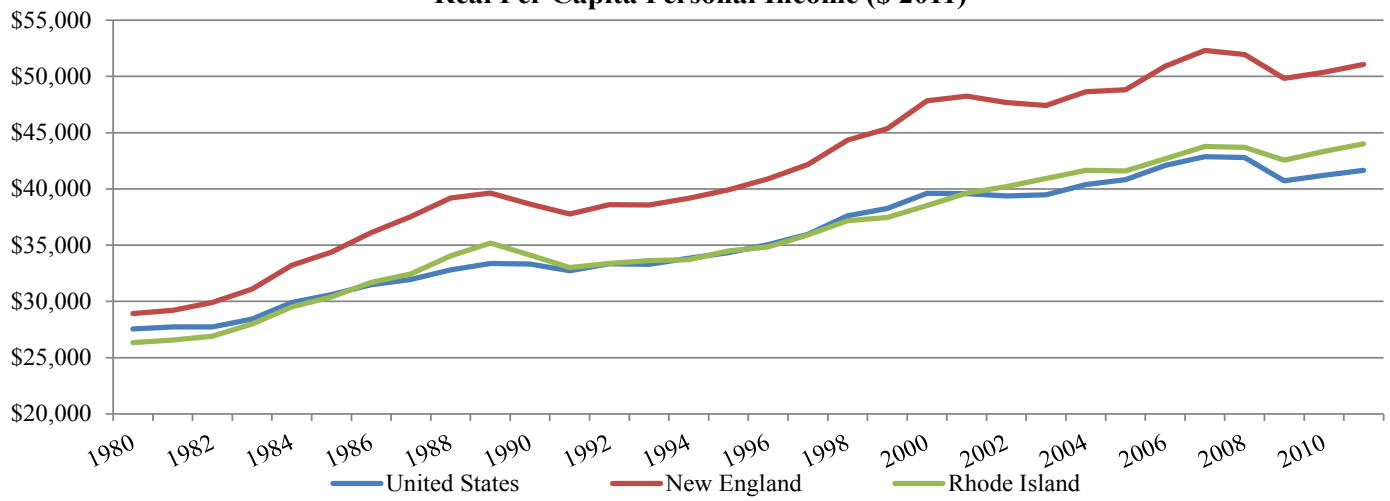
Per Capita Personal Income, CY 1980-2011

CY	Nominal ($ current)			Real ($ 2011)			% Change (Real)		
	RI	NE	US	RI	NE	US	RI	NE	US
1980	$9,645	$10,598	$10,091	$26,329	$28,931	$27,547	0.0%	-0.5%	-2.7%
1981	10,733	11,800	11,209	26,560	29,200	27,738	0.9%	0.9%	0.7%
1982	11,540	12,833	11,901	26,899	29,913	27,741	1.3%	2.4%	0.0%
1983	12,389	13,770	12,583	27,980	31,098	28,418	4.0%	4.0%	2.4%
1984	13,629	15,342	13,807	29,506	33,215	29,892	5.5%	6.8%	5.2%
1985	14,538	16,440	14,637	30,392	34,368	30,599	3.0%	3.5%	2.4%
1986	15,445	17,592	15,338	31,699	36,105	31,479	4.3%	5.1%	2.9%
1987	16,387	18,958	16,137	32,448	37,539	31,953	2.4%	4.0%	1.5%
1988	17,909	20,612	17,244	34,053	39,192	32,788	4.9%	4.4%	2.6%
1989	19,389	21,848	18,402	35,172	39,633	33,382	3.3%	1.1%	1.8%
1990	19,821	22,462	19,354	34,113	38,658	33,309	-3.0%	-2.5%	-0.2%
1991	19,981	22,867	19,818	32,999	37,766	32,730	-3.3%	-2.3%	-1.7%
1992	20,820	24,077	20,799	33,380	38,602	33,346	1.2%	2.2%	1.9%
1993	21,600	24,773	21,385	33,624	38,563	33,289	0.7%	-0.1%	-0.2%
1994	22,199	25,804	22,297	33,694	39,165	33,843	0.2%	1.6%	1.7%
1995	23,364	27,048	23,262	34,485	39,922	34,334	2.3%	1.9%	1.5%
1996	24,299	28,521	24,442	34,836	40,889	35,041	1.0%	2.4%	2.1%
1997	25,621	30,087	25,654	35,908	42,167	35,954	3.1%	3.1%	2.6%
1998	26,945	32,128	27,258	37,184	44,336	37,616	3.6%	5.1%	4.6%
1999	27,741	33,581	28,333	37,455	45,340	38,254	0.7%	2.3%	1.7%
2000	29,498	36,610	30,319	38,532	47,822	39,605	2.9%	5.5%	3.5%
2001	31,197	37,996	31,157	39,624	48,260	39,573	2.8%	0.9%	-0.1%
2002	32,160	38,131	31,481	40,211	47,677	39,362	1.5%	-1.2%	-0.5%
2003	33,477	38,798	32,295	40,925	47,430	39,480	1.8%	-0.5%	0.3%
2004	34,976	40,837	33,909	41,649	48,628	40,378	1.8%	2.5%	2.3%
2005	36,117	42,376	35,452	41,598	48,807	40,832	-0.1%	0.4%	1.1%
2006	38,251	45,627	37,725	42,679	50,909	42,092	2.6%	4.3%	3.1%
2007	40,349	48,223	39,506	43,773	52,316	42,859	2.6%	2.8%	1.8%
2008	41,822	49,726	40,947	43,694	51,952	42,780	-0.2%	-0.7%	-0.2%
2009	40,595	47,513	38,846	42,563	49,817	40,729	-2.6%	-4.1%	-4.8%
2010	41,995	48,840	39,937	43,321	50,382	41,198	1.8%	1.1%	1.1%
2011	43,992	51,074	41,663	43,992	51,074	41,663	1.5%	1.4%	1.1%

SOURCE: US Bureau of Economic Analysis; RIPEC calculations

Per capita personal income is a measure of all personal income in a geographic area divided by that area's population. Personal income is income received by all sources—from participation in production and from transfer payments. It is typically measured on a pre-tax basis and can be measured in nominal terms (unadjusted for inflation) or real terms (adjusted for inflation). In general, Rhode Island's per capita personal income is slightly higher than the US but lower than the per capita personal income in New England. In 2010, Rhode Island saw a 1.8 percent change in adjusted per capita personal income from 2009. Rhode Island also saw positive growth in per capita personal income between 2010 and 2011, as real capita personal income increased by 1.5 percent. Over these two years, Rhode Island's growth in per capita personal income was higher than growth in New England and the US.

Real Per Capita Personal Income ($ 2011)



Source: US Bureau of Economic Analysis, RIPEC calculations

Population: Income

Household income includes the income of every resident over the age of 18. The Bureau of Economic Analysis defines households as consisting of families and unrelated individuals. Income includes wages, salaries, and other governmental transfers (unemployment insurance, disability payments, child support payments, regular rental receipts, or other types of income received regularly). Median household income is the middle income value in a distribution of household incomes for a particular geographic area. It is preferable to mean or average income, since sometimes particularly low or high income values can skew the average.

Rhode Island's median household income has remained higher than the national median household income but lower than the regional New England median household income. Since 1984, Rhode Island has experienced a 14.5 percent increase in median household income (adjusted), while New England saw a 13.1 percent increase and the US saw a 5.1 percent increase in median household income. However, in 2006 Rhode Island's median household real income started to decline, which was before the national decline. Though New England saw a brief decline after 2007, median household income in the region has leveled out, while median household income in Rhode Island and the US continues to decline.

Median Household Income, 1984-2010

	Nominal ($ current)				Real ($ 2011)			
	US	CT	MA	RI	US	CT	MA	RI
1984	$22,415	$29,951	$26,959	$21,612	$48,528	$64,843	$58,365	$46,789
1985	23,618	31,090	28,207	24,625	49,374	64,994	58,967	51,479
1986	24,897	32,721	30,339	26,540	51,098	67,155	62,267	54,470
1987	26,061	32,862	32,241	28,292	51,603	65,070	63,840	56,021
1988	27,225	36,213	33,213	29,842	51,766	68,856	63,152	56,742
1989	28,906	42,321	36,086	30,124	52,436	76,771	65,461	54,646
1990	29,943	38,870	36,247	31,968	51,533	66,897	62,382	55,018
1991	30,126	42,154	35,714	30,836	49,754	69,619	58,983	50,927
1992	30,636	40,841	36,359	30,432	49,118	65,479	58,293	48,791
1993	31,241	39,516	37,064	33,509	48,632	61,513	57,696	52,162
1994	32,264	41,097	40,500	31,928	48,971	62,377	61,471	48,461
1995	34,076	40,243	38,574	35,359	50,295	59,398	56,934	52,189
1996	35,492	42,119	39,494	36,986	50,883	60,384	56,620	53,025
1997	37,005	43,985	42,023	34,797	51,862	61,644	58,895	48,768
1998	38,885	46,508	42,345	40,686	53,661	64,181	58,436	56,146
1999	40,696	50,593	44,005	42,719	54,947	68,309	59,414	57,678
2000	41,990	50,172	46,753	42,197	54,850	65,538	61,072	55,121
2001	42,228	53,347	52,253	45,723	53,635	67,757	66,368	58,074
2002	42,409	53,387	49,855	42,417	53,026	66,753	62,336	53,036
2003	43,318	54,965	50,955	44,711	52,956	67,194	62,292	54,659
2004	44,334	55,100	52,019	47,935	52,792	65,612	61,943	57,080
2005	46,326	56,835	56,017	49,484	53,356	65,460	64,518	56,994
2006	48,201	62,404	55,330	53,736	53,781	69,628	61,735	59,957
2007	50,233	64,141	58,463	54,210	54,496	69,585	63,425	58,811
2008	50,303	64,682	60,320	53,241	52,554	67,577	63,020	55,624
2009	49,777	64,851	59,373	51,634	52,190	67,995	62,252	54,138
2010	49,445	66,452	61,333	51,914	51,006	68,550	63,269	53,553

Population: Income

Median Family Income by Family Size, 2011

	Connecticut	Maine	Massachusetts	New Hampshire	Rhode Island	Vermont
2-person families	$83,106	$58,375	$80,425	$76,609	$69,604	$66,190
3-person families	71,400	52,148	66,076	64,495	60,358	60,451
4-person families	84,638	59,200	80,822	81,243	75,306	66,400
5-person families	100,451	78,310	101,523	97,441	82,086	84,011
6-person families	103,090	66,662	103,741	90,037	78,125	71,665
7-or-more-person families	101,232	60,275	92,244	102,628	85,326	72,520
Total:	$89,887	$59,395	$91,184	$115,636	$78,730	$77,222

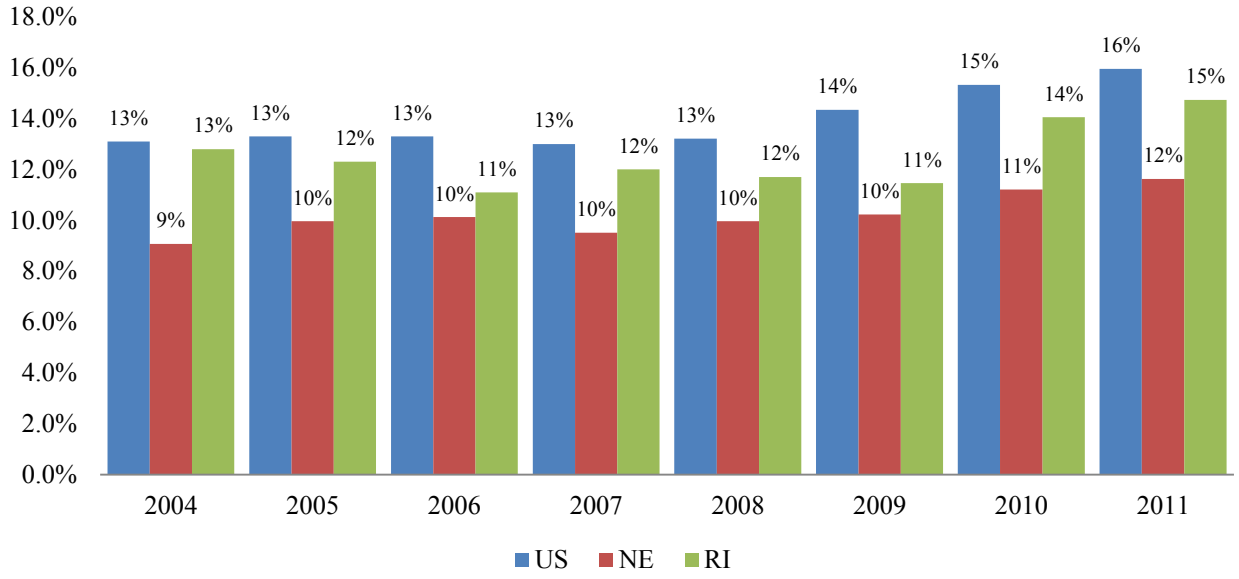
SOURCE: 2011 American Community Survey, 1-year Estimates

Median family income, as with median household income, is the middle value in a consecutive set of family income values, dividing the set into two equal segments. Unlike household income, median family income represents the income of only related householders and is often used as a measure of eligibility for social services programs. In Rhode Island, median family income is also used as a factor in the education aid distribution formula. The Census Bureau provides state median family income by family size, which is a way to measure whether a family's total money income is higher or lower than the applicable poverty threshold.

Poverty thresholds are the dollar amounts used to determine poverty status and the thresholds vary according to size of the family and ages of the family members. The same thresholds are used throughout the US, as they do not vary geographically. They are updated annually for inflation using the Consumer Price Index.

Although the share of the population below poverty in Rhode Island is below the national share, between 2009 and 2010, Rhode Island's population in poverty increased by 2.6 percent. This was more than double the 1.0 percent increases for the US and New England.

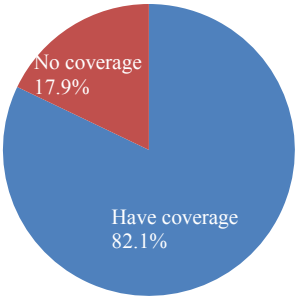
Percent of Population below Poverty, 2004-2011



SOURCE: American Community Survey; RIPEC calculations

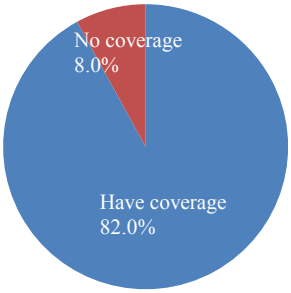
Population: Health Insurance

Health Insurance Coverage for the Population <65, United States, 2011



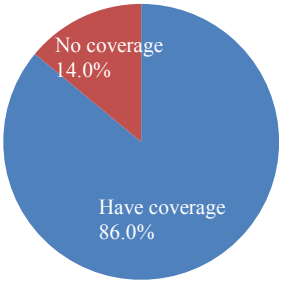
SOURCE: Current Population Survey

Health Insurance Coverage for the Population <65, New England, 2011



SOURCE: Current Population Survey

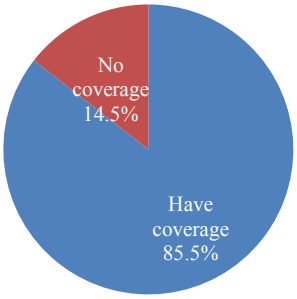
Health Insurance Coverage for the Population <65, Rhode Island, 2011



SOURCE: Current Population Survey

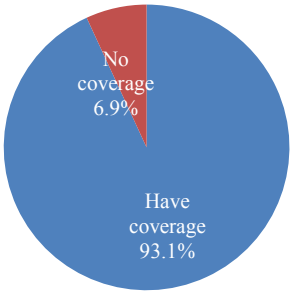
The top three pie charts illustrate health insurance coverage for individuals under the age of 65 (since individuals 65 and older qualify for Medicare). More individuals in the US are not covered by health insurance (17.9 percent) than in Rhode Island (14.0 percent) and New England (8.0 percent).

Health Insurance Coverage of Children under 19, at or below 200% of Poverty, U.S., 2011



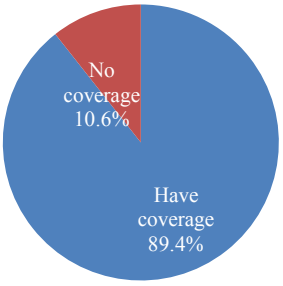
SOURCE: Current Population Survey

Health Insurance Coverage of Children under 19, at or below 200% of Poverty, N.E., 2011



SOURCE: Current Population Survey

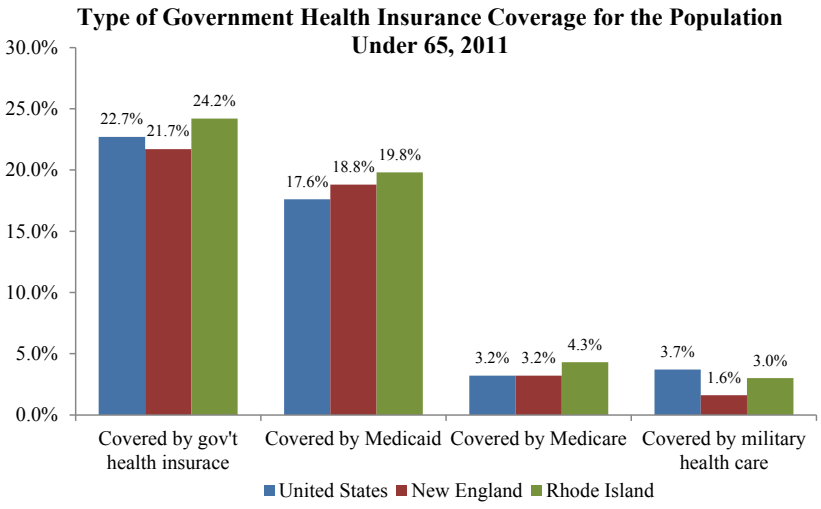
Health Insurance Coverage of Children under 19, at or below 200% of Poverty, R.I., 2011



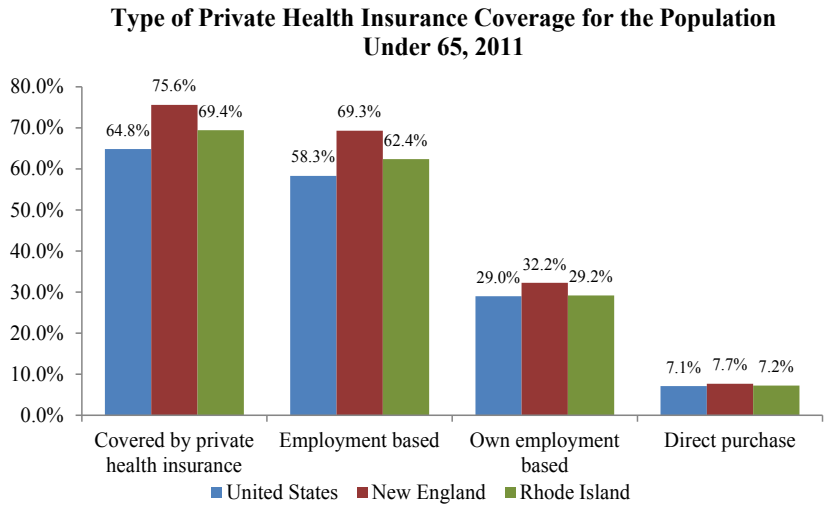
SOURCE: Current Population Survey

The bottom three pie charts illustrate health insurance coverage for children under the age of 19 who are at or below 200 percent of the poverty level, which is used as a federal guideline for the children's health insurance program (SCHIP) eligibility. Based on the federal threshold of children at or below 200 percent of the poverty level, 10.6 percent of children in Rhode Island are eligible for SCHIP , but are not covered by health insurance, public or private. While this is higher than across New England, it is lower than the national average. Of note, all New England states have a higher income threshold for SCHIP eligibility than the federal minimum of 200 percent of the FPL. Unlike many other states, Rhode Island does not offer a separate SCHIP program.

Population: Health Insurance



SOURCE: US Census Bureau, Current Population Survey, 2012 ACES



SOURCE: US Census Bureau, Current Population Survey, 2012 ACES

In 2011 private health insurance coverage for individuals under the age of 65 was more common in New England than in the country as a whole. In Rhode Island, 69.4 percent of the population was covered by private health insurance, which is higher than the US (64.8 percent) but lower than the region (75.6 percent).

Employment-based private insurance is when an individual receives health insurance through their own employer or a relative's employer or union. In 2011, 62.4 percent of the under-65 population in Rhode Island was covered by employment-based private insurance which was higher than the US (58.3 percent), but lower than in New England (69.3 percent).

Own employment-based coverage is offered through one's own employment and only the policyholder is covered by the plan. Roughly 29 percent of Rhode Islanders under 65 were covered by this type of insurance in 2011.

Direct-purchase coverage is through a plan purchased by an individual from a private company. Rhode Island's percent of its population under the age of 65 covered by direct purchase private insurance (7.2 percent) was higher than the US (7.1 percent), but lower than the region (7.7 percent). As a percent of the population under 65, more Rhode Islanders were covered by government health insurance in 2011 than national and regional percentages. The Rhode Island percentage was 24.2 percent while the national share was 22.7 percent and the regional share was 21.7 percent.

Medicaid is a program administered at the state level, which provides medical assistance to the needy. Families with dependent children, the aged, blind, and disabled who are in financial need are eligible. More Rhode Islanders under the age of 65 were covered by Medicaid (19.8 percent) than individuals under 65 in New England (18.8 percent) and the US (17.6 percent).

Medicare is a federal program which helps pay health care costs for people 65 and older and for certain people under 65 with long-term disabilities. More Rhode Islanders under the age of 65 were covered by Medicare (4.3 percent) than individuals under 65 in New England (3.2 percent) and the US (3.2 percent).

There are three types of military health care coverage: TRICARE, CHAMPVA, and other Veterans Affairs medical assistance. Of the population 65 and under, Rhode Island had slightly double the percentage of its population covered by military health care than the New England proportion (1.6 percent), and less than the national percentage of individuals under 65 covered by military health care (3.7 percent).

Population: Social Assistance

SNAP stands for the Supplemental Nutrition Assistance Program (formerly Food Stamps). The program is managed by the Food and Nutrition Service of the United States Department of Agriculture and it assists low-income individuals and families buy food.

Average Monthly SNAP Participation and Benefit per Person, FY 2007-FY 2011

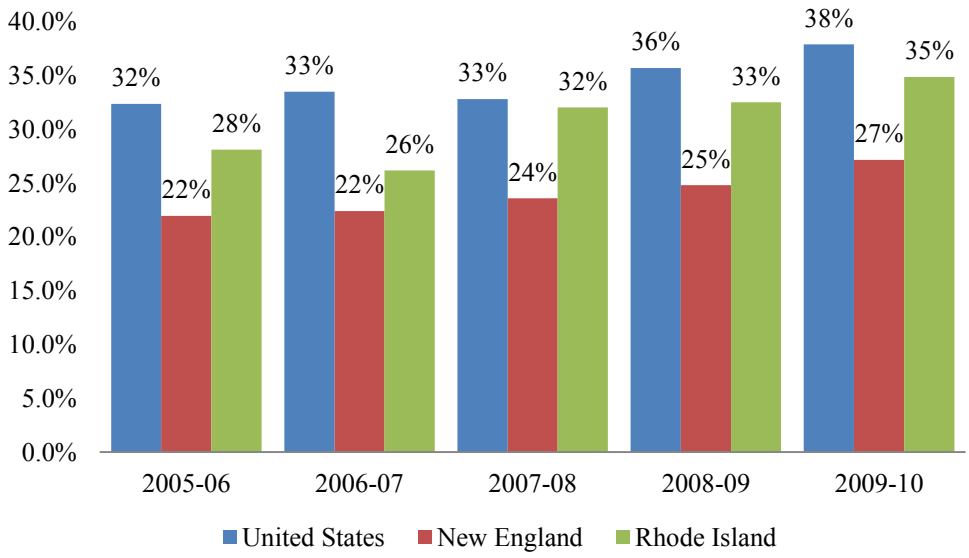
	Average Monthly Participation			Average Monthly Benefit		
	US	NE	RI	US	NE	RI
FY 2007	26,316,045	1019384	76,315	$96.18	$90.17	$97.57
FY 2008	28,222,630	1108502	84,868	102.19	98.40	105.77
FY 2009	33,489,975	1340394	102,303	125.31	125.65	138.85
FY 2010	40,301,878	1643795	138,966	133.79	132.08	142.49
FY 2011	44,708,726	1805897	160,201	133.85	133.52	142.91
Change	18,392,681	786,513	83,886	$37.67	$43.35	$45.34
% Change	69.9%	77.2%	109.9%	39.2%	48.1%	46.5%

SOURCE: USDA Food and Nutrition Service; RIPEC calculations

In terms of participation, from fiscal year 2007 to 2011, Rhode Island's average monthly SNAP participation increased by 109.9 percent. This percentage change was over 32.0 percentage points higher than the regional growth in SNAP participation and approximately 40.0 percentage points higher than national changes. The high participation percentage change reflects increased outreach, as well as increased need.

Though Rhode Island's average monthly participation in SNAP has increased at a higher rate than regional and national averages, the change in Rhode Island's average monthly benefit is only slightly higher than the national average, and slightly below the regional average.

Free/Reduced Lunch Eligibility, School Years 2005-06 - 2009-10



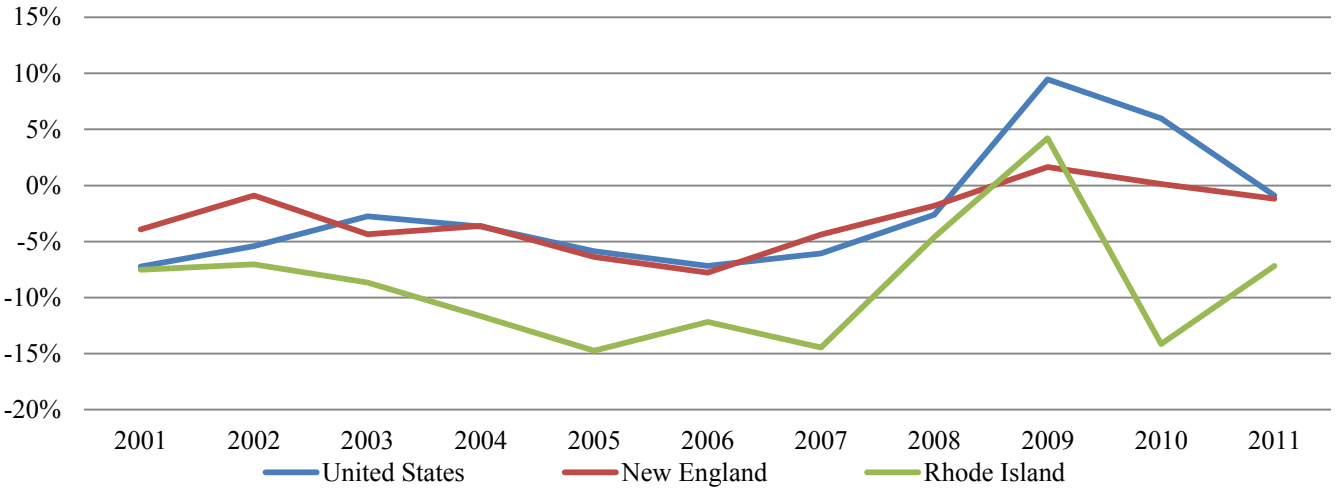
The population served by the free or reduced lunch can be used as a proxy for the concentration of low-income students in the state's school system. Children at or below 130 percent of the Federal Poverty Level (FPL) are eligible for free lunch, while children below 185 percent of the FPL qualify for reduced-price lunch.

SOURCE: National Center for Education Statistics; RIPEC calculations

From the 2005-2006 school year to the 2009-2010 school year, the share of students in Rhode Island receiving free/ reduced lunch was lower than the national average but higher than the New England average. Over time, Rhode Island's percentage of the population receiving free or reduced lunch has increased seven percentage points, from 28 percent in the 2005-2006 school year to 35 percent in the 2009-2010 school year. This increase was less than the national increase (32 percent in 2005-2006 to 38 percent in 2009-2010) and the regional increase (22 percent in 2005 -2006 to 27 percent in 2009-2010).

Population: Social Assistance

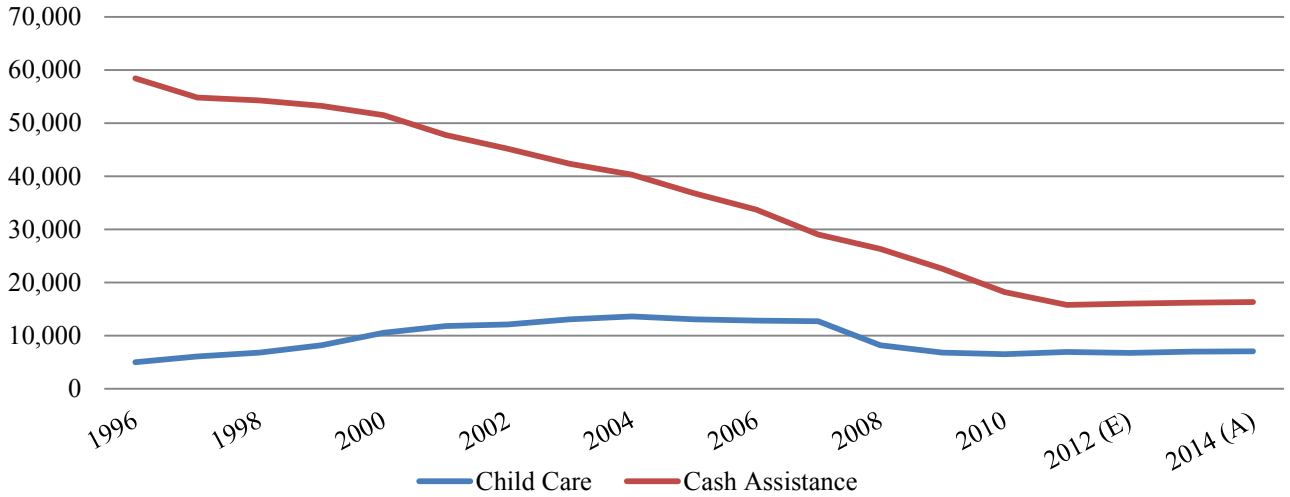
Average Monthly TANF Recipiency, Total Recipients, % Change from Previous Year



SOURCE: US Department of Health & Human Services, ACF; RIPEC calculations

The Temporary Assistance for Needy Families (TANF) program, is a block grant provided to states, covering benefits, administrative expenses, and services targeted to low-income families with the goal of helping them achieve self-sufficiency. In Rhode Island, the money is administered through the Department of Human Services' Rhode Island Works program. Though TANF recipiency declined nationally from 2001-2006, the decline in Rhode Island's of 43.9 percent was almost double the regional and national declines (21.1 percent and 22.6 percent respectively). Additionally, from 2008 to 2011, Rhode Island's TANF recipiency decreased by 20.3 percent while New England's recipiency only decreased by 1.1 percent and the average US recipiency increased by roughly 5 percent.

Rhode Island Child Care and TANF Cash Assistance Caseload, FY 1996-FY 2014 (Adopted)

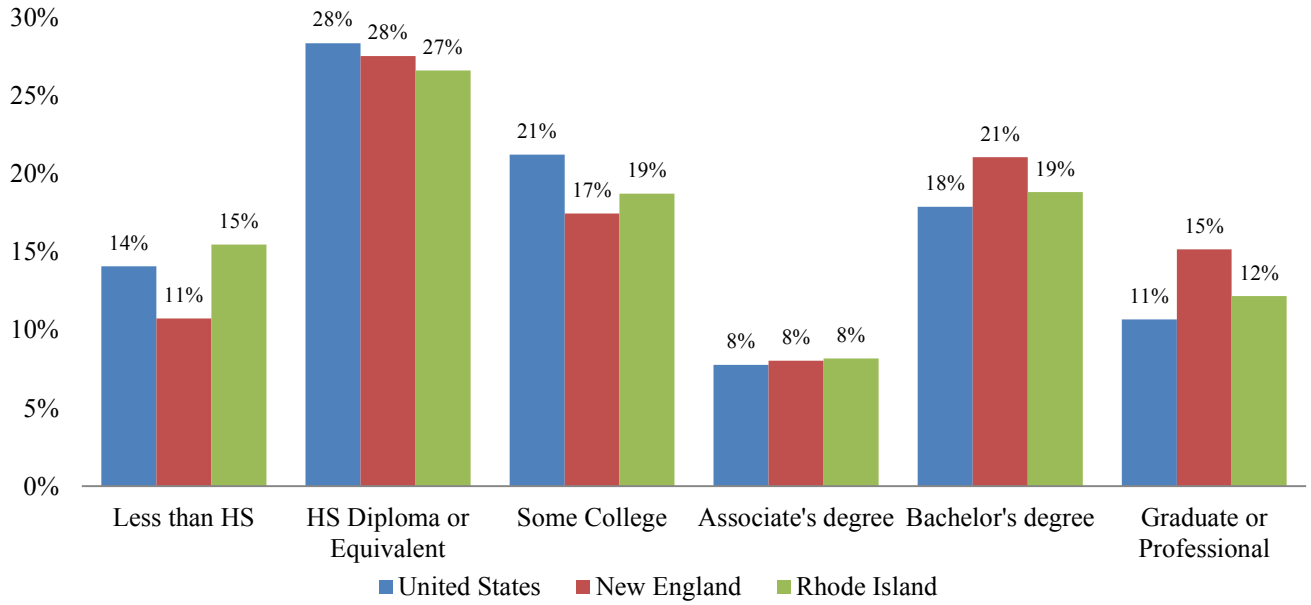


SOURCE: State budget documents; November 2012 Caseload Estimating Conference; RIPEC calculations; E = enacted, A = adopted

Since FY 1996, the number of TANF cash assistance recipients has declined steadily, from 58,405 to a projected 16,300 in FY 2014, a decrease of 72.1 percent. In contrast, the state's child care population increased through FY 2004, when it peaked at 13,601 child care slots, 172.9 percent higher than FY 1996 enrollments. Between FY 2003 and FY 2014 (adopted), child care enrollment has declined by 6,546 slots, or 48.1 percent.

Population: Education

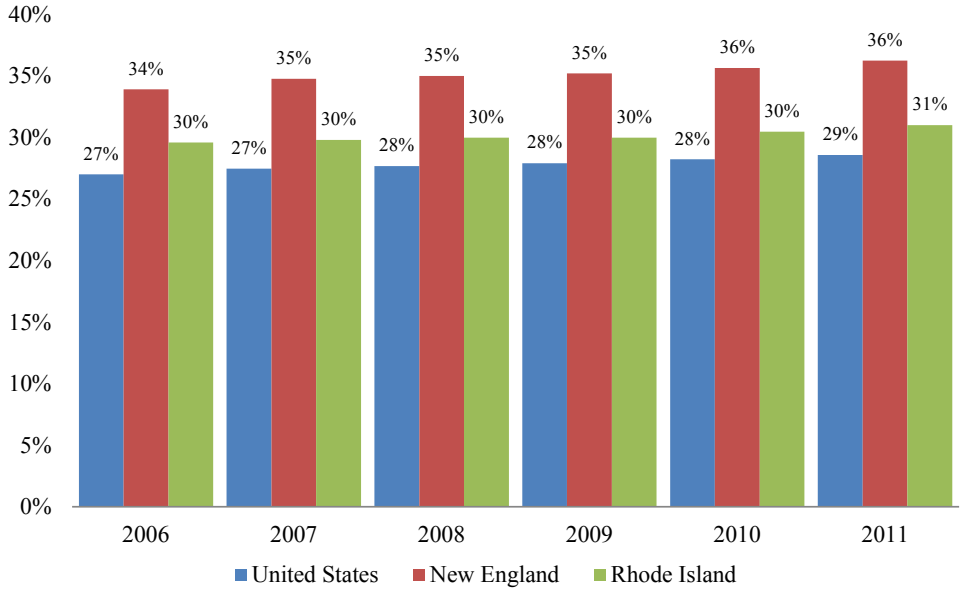
Educational Attainment of Persons 25+, 2011



SOURCE: US Bureau of the Census, American Community Survey; RIPEC calculations

Combined, 42.1 percent of Rhode Islanders 25 and older had a high school diploma or less in 2011, which was lower than the national rate of 42.4 percent, but higher than the regional rate of and 38.3 percent. Similar trends exist at the other end of the educational spectrum: Rhode Island has more individuals 25 and older with a bachelor's degree or higher (31.0 percent) compared to the national proportion (28.6 percent), but less than the regional share (36.2 percent).

Percent of Population 25+ with Bachelor's Degree or Higher

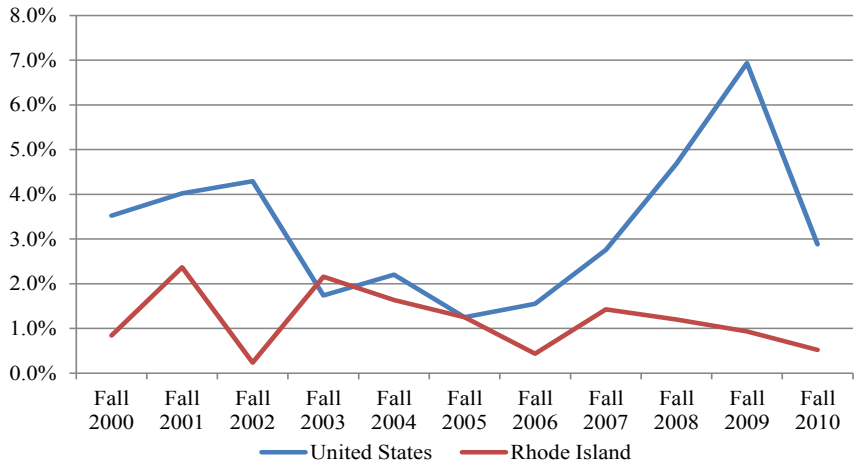


SOURCE: US Census Bureau American Community Survey; RIPEC calculations

The percentage of Rhode Island's population with a bachelor's degree or higher has stayed fairly consistent over time (approximately 30 percent of the population since 2006). This proportion has remained higher than the share of the US population with a bachelor's degree or higher, but lower than the region. Although Rhode Island saw an increase in the share of persons with a bachelor's degree or higher between 2006 and 2011, it was lower than increases nationally and regionally during the same time frame.

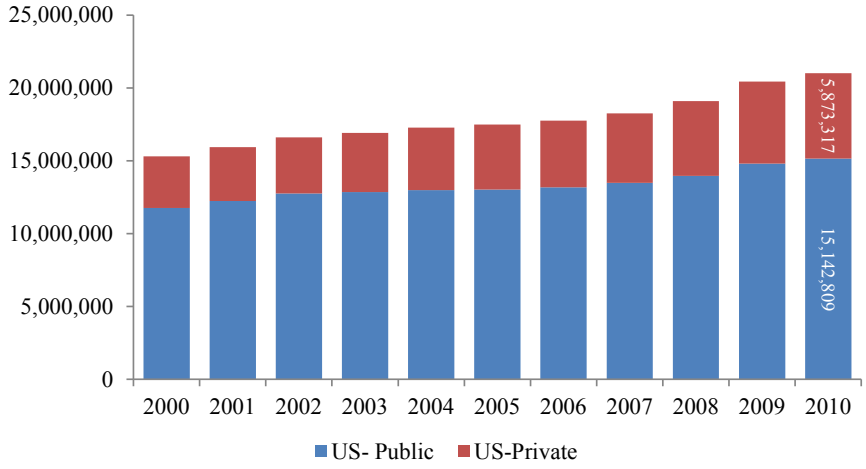
Population: Education

Percent Change in Higher Education Enrollment
Rhode Island and United States



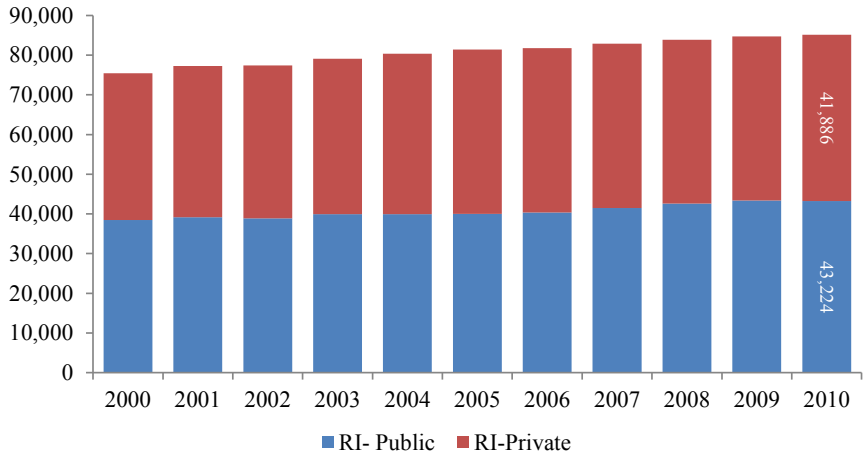
SOURCE: U.S Department of Education, Digest of Education Stastics

Higher Education Enrollment in the United States
Fall 2000-Fall 2010



SOURCE: Digest of Education Statistics

Higher Education Enrollment in Rhode Island
Fall 2000-Fall 2010



SOURCE: Digest of Education Statistics

Overall from 1999 through 2010, both the US and Rhode Island saw positive percent changes in higher education enrollment. The US growth in enrollment over that time period was 42.1 percent, while Rhode Island's growth was 13.8 percent. Though neither the US nor Rhode Island experienced declines from 1999 enrollment figures, both experienced periods of decreased growth. The US saw slowing in growth between 2002 and 2003, and 2009 through 2010, while Rhode Island saw slowing growth in 2003 through 2006, and 2008 through 2010. While Rhode Island was experiencing slowed growth from 2007 levels, US higher education enrollment increased rapidly. From 2007 to 2009, US enrollment grew by 11.9 percent, while RI's enrollment grew by 2.1 percent.

Though public higher education has consistently accounted for the majority of national higher education enrollment in the US, it comprises a much smaller share of higher education enrollment in Rhode Island. For example, in 2010, there were approximately 21 million enrollees in higher education in the US. Of this total, approximately 72 percent were enrolled in public institutions, while 28 percent were enrolled in private institutions. Of the 85,000 higher education enrollees in Rhode Island in 2010, approximately 49 percent were enrolled in private higher education, while 51 percent were enrolled in public higher education.

Population: Education

Total Average Undergraduate Costs for Full-time Students in Degree-granting Institutions

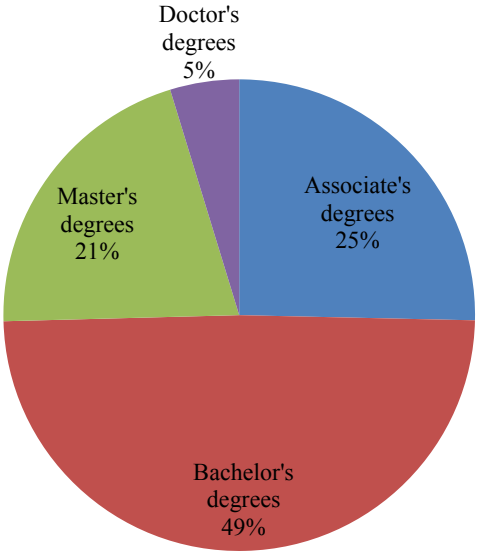
	Public 4-year				Private 4-year		Public 2-year			
	In-state, 2009-10	In-state, 2010-11	Out-of-state 2009-10	Out-of-state 2010-11	2009-10	2010-11	In-state, 2009-10	In-state, 2010-11	Out-of-state 2009-10	Out-of-state 2010-11
United States	$15,014	$15,918	$18,451	$19,622	$31,488	$32,617	$2,285	$2,439	$6,075	$6,183
Rhode Island	18,509	19,815	24,624	25,594	40,295	42,610	3,376	3,652	9,008	9,792

SOURCE: Digest of Higher Education Statistics

Across the board, Rhode Island's total average undergraduate costs for full-time students are higher than the national average. As a percentage difference, the difference is largest for 2010-2011 public 2-year institutions for out-of-state students. In this category, Rhode Island's cost was 45.2 percent higher than the national cost.

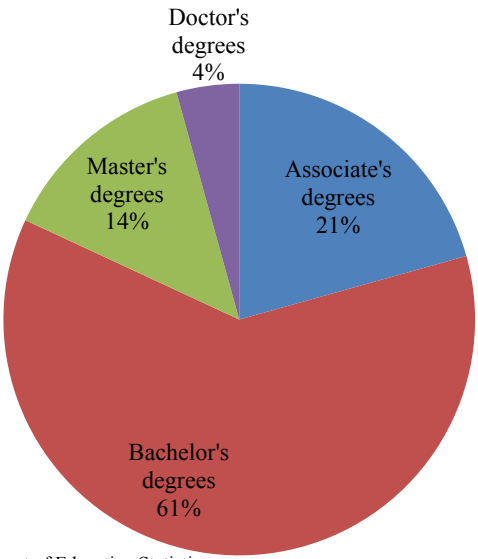
Higher education costs between the 2009-10 and 2010-2011 school years increased more in Rhode Island than the US in every category except for public 4-year institutions for out-of state residents. In this category, national costs changed by 6.3 percent from the 2009-2010 school year to the 2010-2011 school year, while Rhode Island's costs changed by 3.9 percent over this same time period.

Degrees Conferred by Degree-granting Institutions, United States, 2011



SOURCE: Digest of Education Statistics

Degrees Conferred by Degree-granting Institutions, Rhode Island, 2011



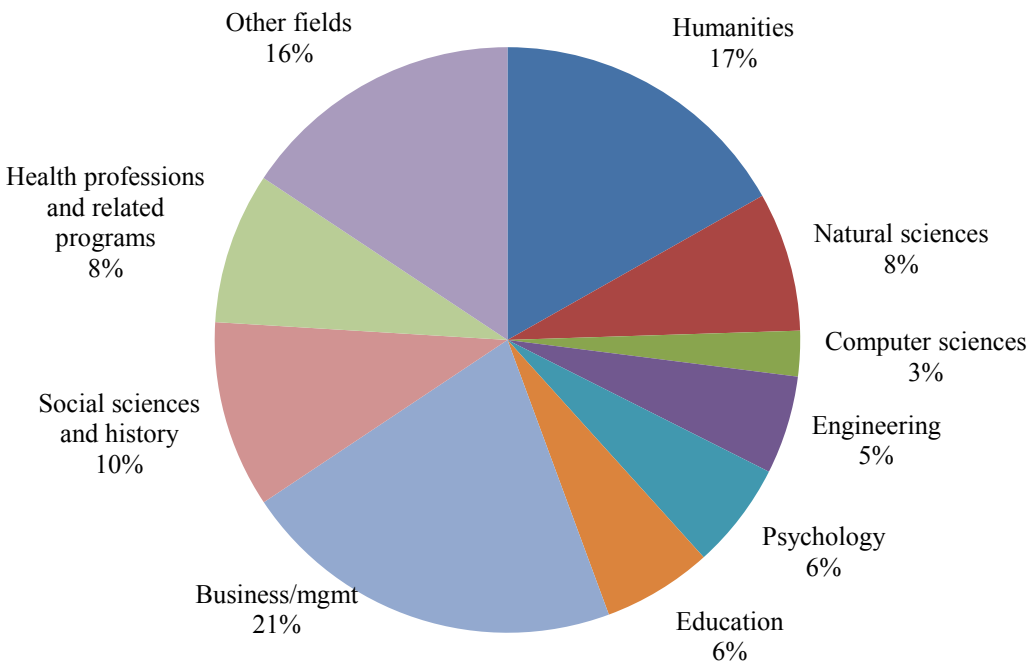
SOURCE: Digest of Education Statistics

Bachelor's degrees comprise a larger share of overall degrees conferred in Rhode Island (61.3 percent) than in the US (49.2 percent). When master's and doctoral degrees are combined, they account for approximately 18.1 percent of degrees in Rhode Island, which is less than the national share of 25.4 percent.

Population: Education

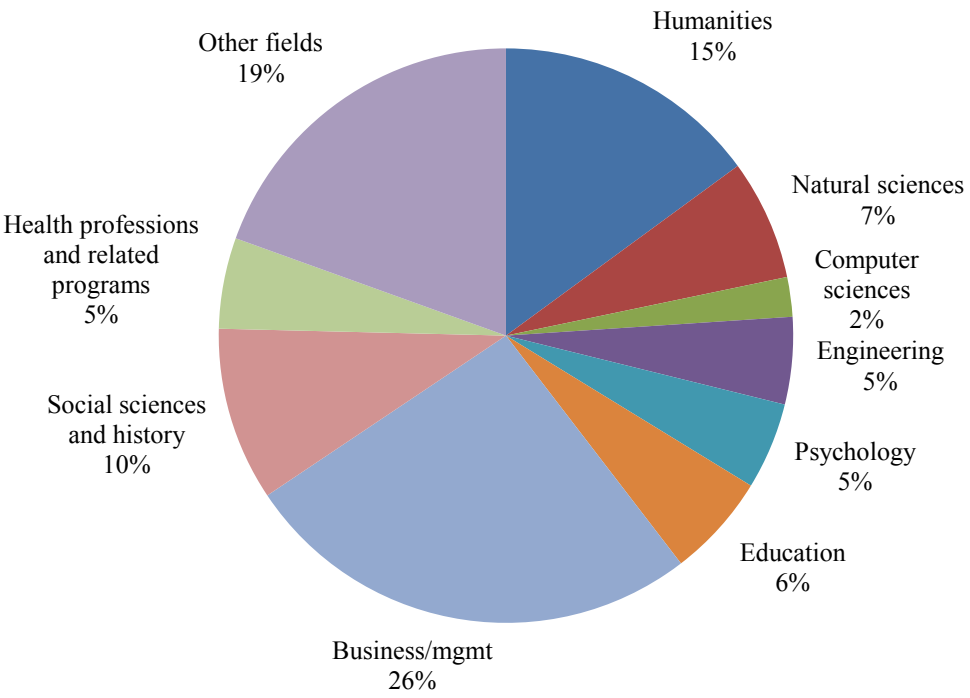
On the whole, bachelor's degrees granted by Rhode Island colleges and universities was similar to national the composition in the 2010-2011 school year. However, in the fields of science, technology, engineering, and math education (otherwise known as STEM) – which includes the fields of natural sciences, computer sciences, engineering and health/related clinical science – roughly five percent fewer degrees were conferred in Rhode Island compared to the national average (24.0 percent v. 19.0 percent). In contrast, as a share of overall bachelor's degrees conferred, colleges and universities in Rhode Island granted more business management degrees than the US (26.0 percent v. 21.3 percent). Higher education institutions in Rhode Island also conferred more bachelor's degrees than the US in the "other" category, a catch-all category that includes, but is not limited to: agricultural sciences, communication and related fields, family and consumer services, security and protective services, and legal professions.

Bachelor's Degrees by Field of Study, 2010-2011, United States



SOURCE: Digest of Education Statistics

Bachelor's Degrees by Field of Study, 2010-2011, Rhode Island



SOURCE: Digest of Education Statistics

Population: Education

NAEP Mathematics Assessment

Grade 4

State	Score			Percentage								
				2000			2009			2011		
	2000	2011	Change 00-11	Below Basic	At or Above Basic	At or Above Proficient	Below Basic	At or Above Basic	At or Above Proficient	Below Basic	At or Above Basic	At or Above Proficient
United States	224	240	16	36%	64%	22%	18%	81%	38%	18%	82%	40%
Connecticut	234*	242	8	24%	76%	31%	14%	86%	46%	18%	82%	45%
Maine	230*	244*	14	27%	73%	23%	13%	87%	45%	13%	87%	45%
Massachusetts	233*	253*	20	23%	77%	31%	8%	92%	57%	7%	93%	58%
New Hampshire	N/A	252*	N/A	N/A	N/A	N/A	8%	92%	56%	8%	92%	57%
Rhode Island	**224**	**242**	**18**	**35%**	**65%**	**22%**	**19%**	**81%**	**39%**	**16%**	**84%**	**43%**
Vermont	232*	247*	15	27%	73%	29%	11%	89%	51%	11%	89%	49%

Grade 8

State	Score			Percentage								
				2000			2009			2011		
	2000	2011	Change 00-11	Below Basic	At or Above Basic	At or Above Proficient	Below Basic	At or Above Basic	At or Above Proficient	Below Basic	At or Above Basic	At or Above Proficient
United States	272	283	11	38%	62%	25%	29%	71%	33%	27%	73%	35%
Connecticut	281*	287*	6	30%	70%	33%	22%	78%	40%	25%	75%	38%
Maine	281*	289*	8	27%	73%	30%	22%	78%	35%	22%	78%	39%
Massachusetts	279*	299*	20	30%	70%	30%	15%	85%	52%	14%	86%	51%
New Hampshire	N/A	292*	N/A	N/A	N/A	N/A	22%	82%	43%	18%	82%	44%
Rhode Island	**269**	**283**	**14**	**41%**	**59%**	**22%**	**32%**	**68%**	**28%**	**27%**	**73%**	**34%**
Vermont	281*	294*	13	27%	73%	31%	18%	81%	43%	18%	82%	46%

* Represents a score that is statistically significantly higher than Rhode Island (significant at the 0.05 level).

Source: National Center for Education Statistics - The Nation's Report Card - Mathematics; RIPEC Calculations

The National Assessment of Educational Programs (NAEP) is the only standardized test used to compare education results across the United States. It is known as a "common yardstick" for academic subjects including math and reading.

In 2011, the math scale score for Rhode Island 4th graders improved from 2000 levels by 18 points. Rhode Island 4th grade math scores were also two points above the national average in 2011, although this was not a statistically significant difference. In 2011, 43 percent of Rhode Island fourth graders scored at or above proficient on the mathematics assessment, which was almost double the percentage from 2000 (22 percent) and was higher than the national percentage (40 percent), but lower than every other New England state.

In 2011 math scores for eighth graders improved from 2000 levels by 14 points and were equal to national scale scores. Though the share of Rhode Island 8th graders scoring at or above proficient improved from 2000 levels by 12 percentage points (22 percent to 34 percent), it still slightly trails the national average and the other New England states.

Population: Education

NAEP Reading Assessment

Grade 4

State	Score 1998	Score 2011	Change 98-11	Percentage 1998 Below Basic	1998 At or Above Basic	1998 At or Above Proficient	2009 Below Basic	2009 At or Above Basic	2009 At or Above Proficient	2011 Below Basic	2011 At or Above Basic	2011 At or Above Proficient
United States	213^	220^	7	42%	58%	28%	33%	67%	33%	33%	67%	34%
Connecticut	230*	227*	-3	24%	76%	43%	24%	76%	42%	27%	73%	42%
Maine	225*	222	-3	28%	72%	25%	30%	70%	35%	30%	70%	32%
Massachusetts	223*	237*	14	30%	70%	35%	20%	80%	47%	17%	83%	50%
New Hampshire	226*	230*	4	26%	74%	37%	23%	77%	41%	22%	78%	43%
Rhode Island	**218**	**222**	4	**36%**	**64%**	**31%**	**31%**	**69%**	**36%**	**30%**	**70%**	**35%**
Vermont	N/A	227*	N/A	N/A	N/A	N/A	25%	75%	41%	27%	73%	41%

Grade 8

State	Score 1998	Score 2011	Change 98-11	Percentage 1998 Below Basic	1998 At or Above Basic	1998 At or Above Proficient	2009 Below Basic	2009 At or Above Basic	2009 At or Above Proficient	2011 Below Basic	2011 At or Above Basic	2011 At or Above Proficient
United States	261^	264^	3	29%	71%	30%	25%	75%	32%	24%	76%	34%
Connecticut	270*	275*	5	19%	81%	40%	19%	81%	43%	17%	83%	45%
Maine	271*	270*	-1	17%	83%	41%	20%	80%	35%	20%	80%	39%
Massachusetts	269*	275*	6	21%	79%	38%	17%	83%	43%	16%	84%	46%
New Hampshire	N/A	272*	N/A	N/A	N/A	N/A	19%	81%	39%	16%	84%	40%
Rhode Island	**264**	**265**	1	**24%**	**76%**	**32%**	**28%**	**72%**	**28%**	**24%**	**76%**	**33%**
Vermont	N/A	274*	N/A	N/A	N/A	N/A	16%	84%	41%	18%	82%	44%

* Represents a score that is statistically significantly higher than Rhode Island (significant at the 0.05 level).

^ Represents a score that is statistically significantly lower than Rhode Island (significant at the 0.05 level).

Source: National Center for Education Statistics - The Nation's Report Card - Reading; RIPEC Calculations

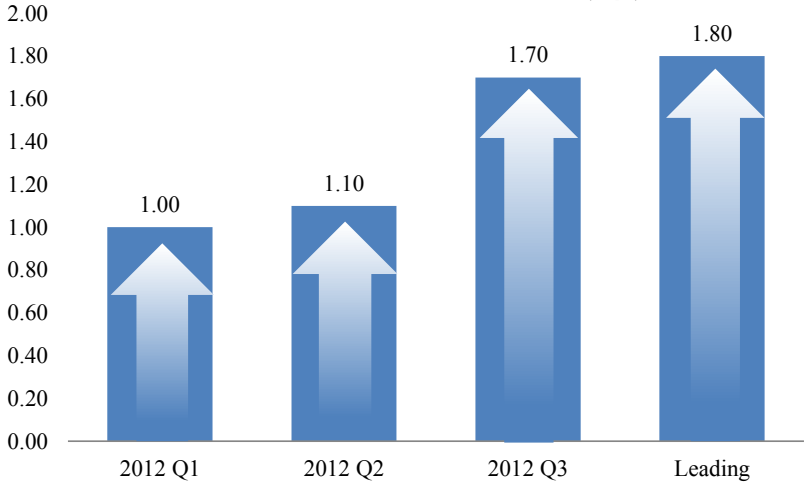
Rhode Island 4th graders scored higher than the US scores at a statistically significant level in both 1998 and 2011. During this time, the average scale score increased by 4 points, slightly lower than the national average increase At the same time, 4th grade reading scores continue to lag the majority of New England states (other than Maine). In 2011, 35 percent of Rhode Island fourth graders scored at or above proficient, which is higher than the 1998 percentage of fourth graders (31 percent), and higher than the national 2011 average (34 percent), but lower than most other New England states.

While Rhode Island eighth graders saw average scale scores improve between 1998 and 2011, they continue to lag their New England peers. Similarly, although the percentage of Rhode Island eighth graders scoring at or above proficient also increased over the same time period (from 32 percent in 1998 to 33 percent in 2011), the share of Rhode Island 8th graders scoring proficient remains below national and regional averages.

Economy: Economic Indicators

The Current Economic Indicator (CEI) combines several key gauges of economic activity in a single statistic that measures the overall current economic conditions in Rhode Island. It is calibrated at the rate of the Real Gross State Product, so it can be interpreted as the underlying growth rate of the state economy. The Rhode Island CEI is affected by regional and national changes in economic conditions. The CEI for the third quarter of 2012 indicates Rhode Island's economic growth slowed significantly over the first half of 2012. The leading CEI suggests that, at least in the short term, Rhode Island's economic difficulties will continue.

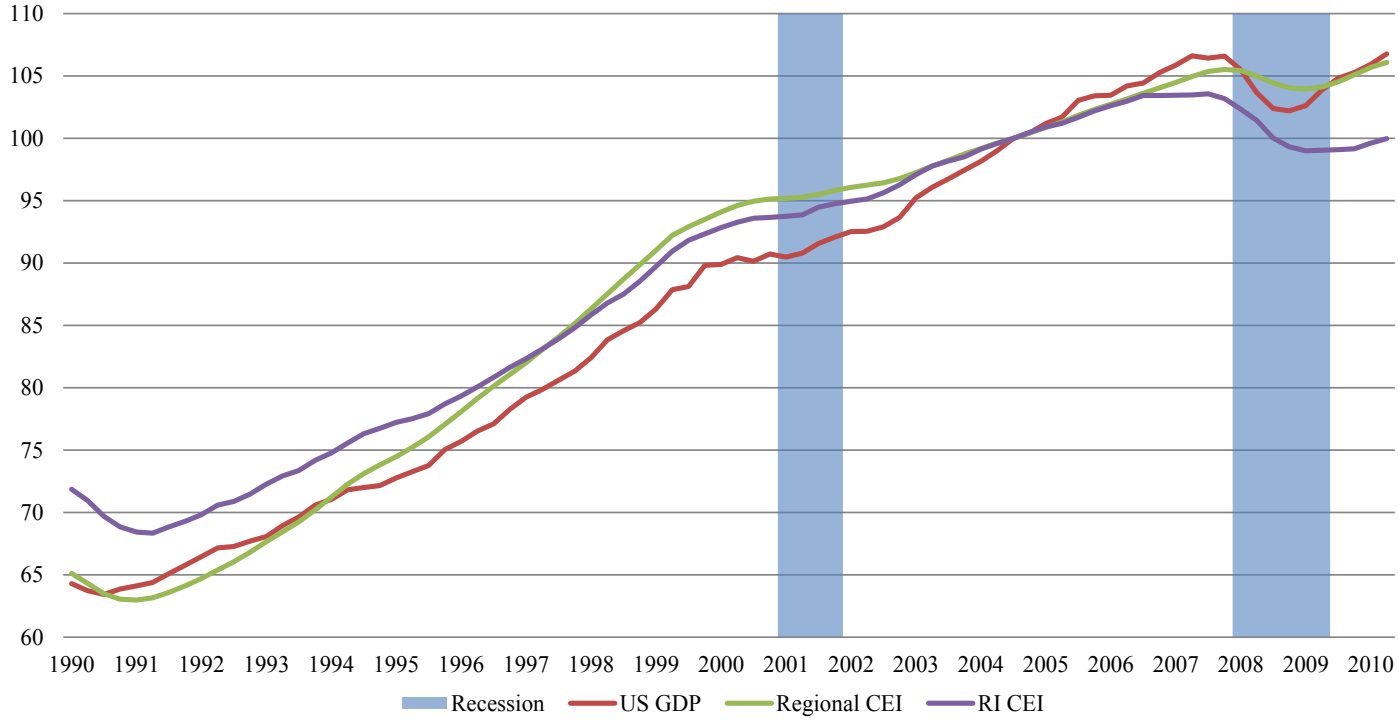
Rhode Island Current Economic Indicator, Q3, 2012



SOURCE: Rhode Island Economic Indicator Briefing - Q3

Negative internal dynamics, coupled with a softening of the national and regional economy, have dampened Rhode Island's economic growth prospects thus far in 2012. The U.S. Gross Domestic Product (GDP) increased at an annualized rate of 2.0 percent in the third quarter of 2012, compared to a rate of 1.3 percent in the first quarter. The revised CEI for the second quarter of 2012 increased 1.1 percent (revised up from 0.4 percent) and the CEI for the third quarter of 2012 increased 1.7 percent (annualized rate). The Q3 2012 growth is the fastest expansion since the CEI was first published in 2010.

US GDP, Regional and Rhode Island Current Economic Indicator, 1990-2010



SOURCE: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; RI Current Economic Indicator

Economy: Economic Indicators

U.S. and New England Coincident Indexes

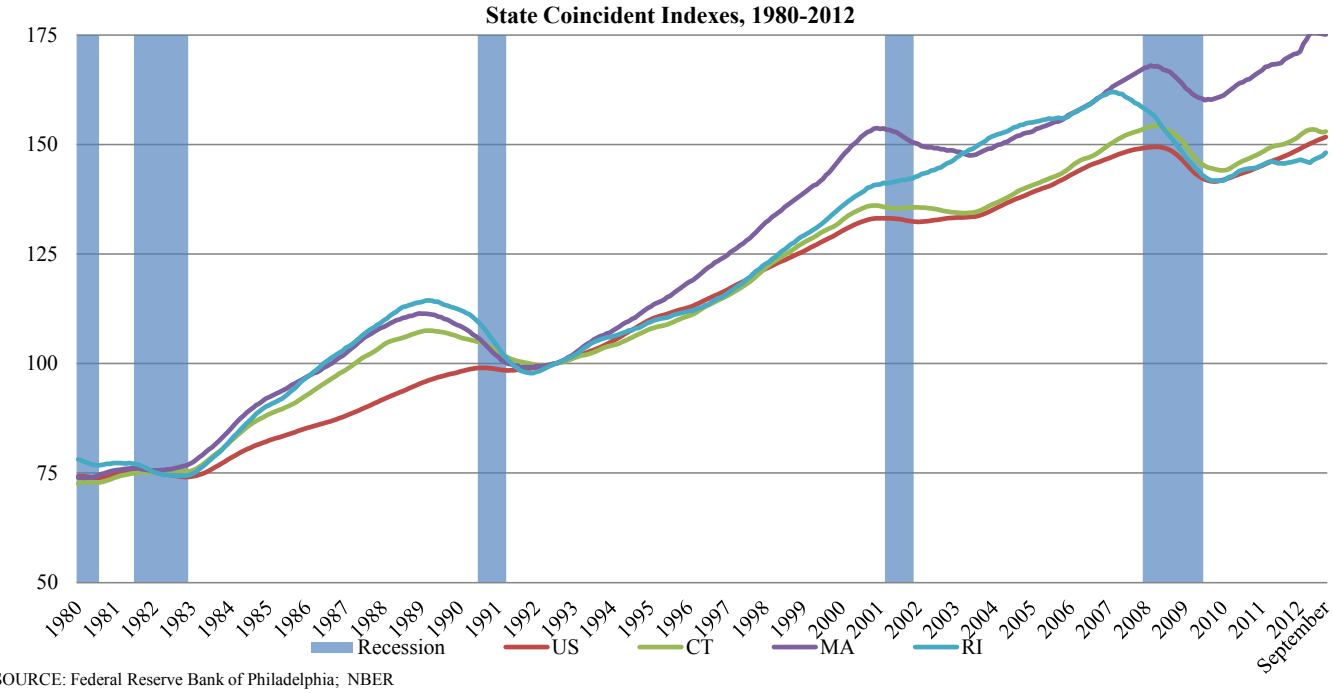
	September 2012	1-month Change	3-month Change	12-month Change
United States	151.73	0.32	0.93	4.10
Connecticut	152.94	0.18	-0.36	2.51
Maine	132.65	0.51	0.28	0.72
Massachusetts	175.12	-0.07	-0.53	5.33
New Hampshire	186.10	-0.01	-0.22	1.85
Rhode Island	**148.13**	**0.68**	**1.38**	**2.33**
Vermont	143.67	0.09	-0.36	2.08

SOURCE: Federal Reserve Bank of Philadelphia
NOTE: Indexes are set to 100 at July 1992

These indexes, provided by the Federal Reserve Bank of Philadelphia, provide one measure of current economic conditions through a combination of state-level indicators. The index variables included are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, wage and salary disbursements (adjusted for consumer price index). This combined indicator is then adjusted to each state's gross domestic product.

Rhode Island's September 2012 coincident index of 148.13 ranks in the middle of its New England competitors but below the US average. Rhode Island saw the highest one-month change of all New England. Additionally, Rhode Island is one of two New England states with a positive three-month index change.

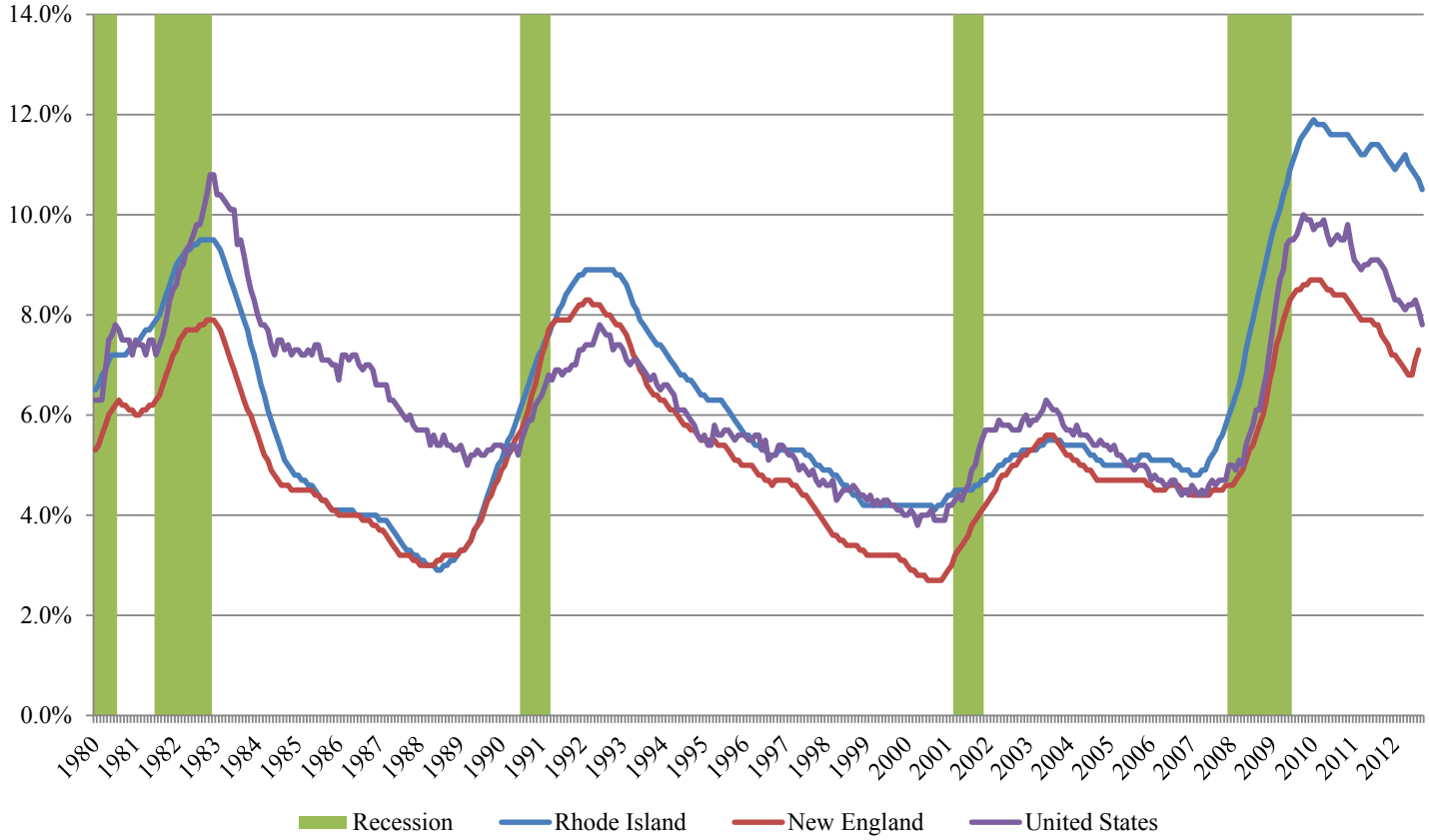
When compared with Massachusetts, Rhode Island entered the 2008 recession first (around 2007), had a steeper decline during the recession, and a weaker recovery following the recession. According to this index, Rhode Island's recovery from the 2008 recession was on par with the national recovery until approximately 2011, when Rhode Island's recovery dipped below national and regional rates



SOURCE: Federal Reserve Bank of Philadelphia; NBER

Economy: Employment

Monthly Unemployment Rate, 1980-2012



Source: US Bureau of Labor Statistics, RIPEC calculations

Rhode Island's unemployment rate has been consistently higher than regional and national rates since in late 2005. The state's unemployment rate peaked at 11.9 percent in January 2010, a month after New England's rate peaked at 8.7 percent, and three months after the US rate peaked at 10.0 percent. Rhode Island's unemployment rate declined to 10.4 percent as of October 2012, though this figure remains significantly higher than the rest of the region and the country. Moreover, the unemployment rate in Rhode Island has not declined as fast as the rest of the country or the region, hovering near 11 percent for over six months.

Rhode Island Labor Force Statistics

	2012 October	1-Month Change	2012 September	12-Months Change	2011 October
Labor Force	563,411	5,268	558,143	820	562,591
Employed	504,704	5,224	499,480	5,340	499,364
Unemployed	58,707	44	58,663	-4,520	63,227
Unemployment Rate	10.4%	0.1%	10.5%	0.8%	11.2%

SOURCE: RI DLT; RIPEC calculations

In October 2012, Rhode Island's unemployment rate of 10.4 percent was 0.1 percent lower than the September 2012 unemployment rate and 0.8 percent lower than the unemployment rate in October 2011. Over the past year, the number of unemployed has declined by 4,520 persons, the number of individuals in the state's labor force has increased by 820 persons, and the number of individuals counted as employed has increased by 5,340 persons.

Economy: Employment

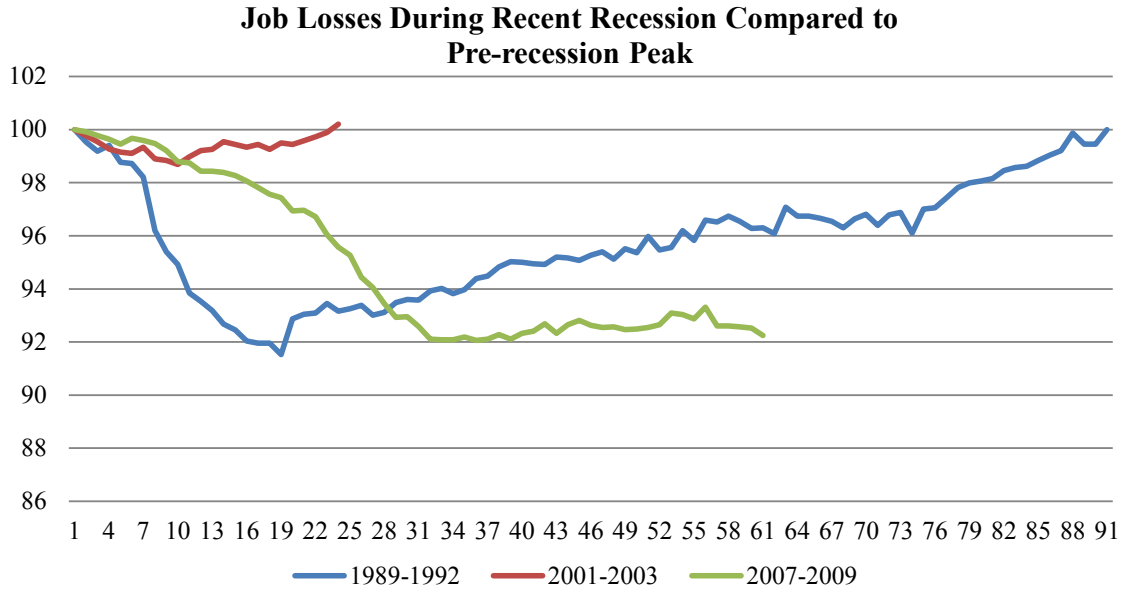
RI Job Losses During Recessions (Seasonally Adjusted, as of August 2012)

	Peak Job Count	Trough Job Count	Change #	Change %	Peak Unemploy. Rate	Peak-Trough Months Duration	Peak-Trough Months to Recoup Jobs
1974-1975	370,500 June '74	344,800 Apr. '75	-25,700	-6.9%	13.0%	10	19 Nov. '76
1981-1982	404,500 April '81	384,100 Dec. '82	-20,400	-5.0%	9.5%	20	13 Jan. '84
1989-1992	467,100 June '89	416,200 Dec. '91	-50,900	-10.9%	8.9%	30	93 Sept. '99
2001-2003	482,000 Feb. '01	475,700 Nov. '01	-6,300	-1.3%	5.5%	9	14 Jan. '03
2007-2009	496,400 Dec. '06	457,000 Nov. '09	-39,400	-7.9%	11.9%	35	??? ???

NOTE: The latest national recession began in December 2007 and officially ended in June 2009.
SOURCE: RI Department of Labor and Training, Labor Market Information unit compiled from Bureau of Labor Statistics Current Employment Statistics and Local Area Unemployment Statistics data.

Rhode Island has lost close to 40,000 jobs from the recent recession's peak in December 2006 to the trough in November 2009. This is the second highest level of job losses in a recession since the 1974 recession.* In the 1989 recession, Rhode Island lost close to 51,000 jobs from peak to trough, and it took just under eight years (93 months) for the state to regain the jobs lost in the recession. Comparatively, Rhode Island's recovery has been fairly flat over the past thirty months, especially when compared to the previous two recessions, as job growth continues to stagnate in the state.

*Data prior to 1974 was not available



SOURCE: US Bureau of Labor Statistics; RI Department of Labor and Training: RIPEC calculations

Economy: Employment

Labor Supply and Demand, Q2 2012

	EmployRI Postings*	Unemployed Claimants**	Claimants/ Postings
Construction & extraction	145	1267	8.7
Building & grounds cleaning/maint.	143	605	4.2
Installation, maintenance & repair	167	868	5.2
Production	355	3354	9.4
Transport. & material moving	428	1542	3.6
Education, training & library	118	614	5.2
Food prep & serving related	248	1441	5.8
Community & social services	182	453	2.5
Office & admin support	1003	4690	4.7
Personal care & service	151	584	3.9
Legal	41	105	2.6
Arts, design, ent., sports, & media	129	525	4.1
Business & fin. Operations	454	839	1.8
Protective services	181	349	1.9
Management	1252	2355	1.9
Life, physical & social science	129	168	1.3
Healthcare support	600	830	1.4
Sales & related	1181	1649	1.4
Architecture & engineering	280	290	1.0
Computer & mathematical	672	451	0.7
Healthcare practicioner & technical	1655	620	0.4
Total	**9514**	**23599**	**2.5**

* Jobs posted during the 90 days prior to June 30, 2012, and still open as of June 30, 2012

** Individuals receiving benefits for the week ending June 16, 2012

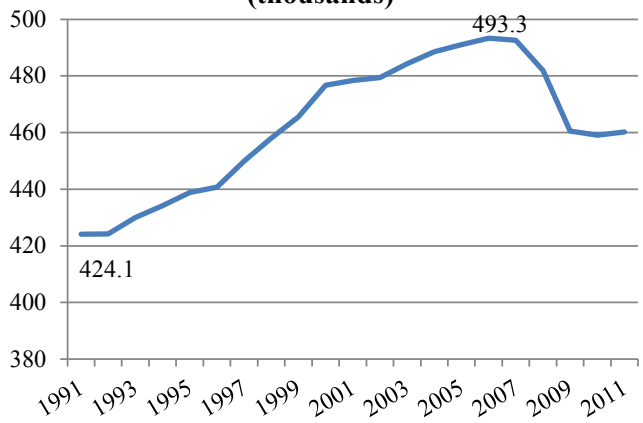
EmployRI is an online career center that offers an opportunity for job seekers and employers to find or post positions. This table illustrates the supply of labor, as indicated by the employment postings on EmployRI, as well as the demand for positions, as illustrated by the number of unemployment claimants receiving benefits.

As of June 2012, there are 9,514 open positions for employment in Rhode Island, while there are 23,599 unemployed claimants. Occupations with the highest number of claimants per posting are those for which there is the most employment supply. Construction and extraction, production, and food prep and serving were occupations with relatively high claimants per posting. Alternatively, the computer and mathematical and healthcare practitioner occupations have less than one claimant per posting (indicating insufficient supply to meet demand).

Economy: Employment

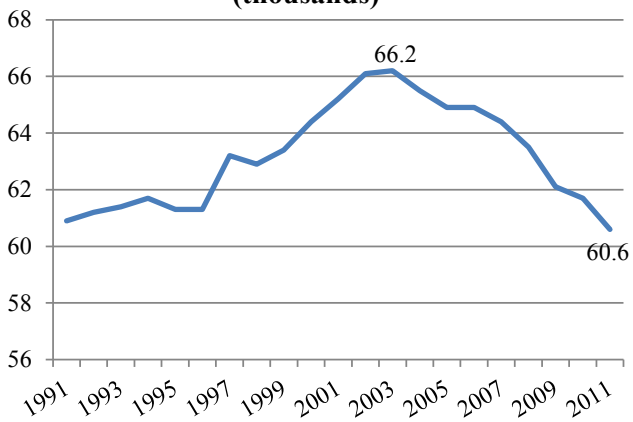
The following charts illustrate Rhode Island's change in employment by industry from 1991 through 2011. By 2011, of these industries, the manufacturing industry and government employment declined the most from 1991 levels. (53.5 percent and 0.5 percent declines, respectively). The largest increases in employment from 1991 to 2011 were in the leisure and hospitality industry (50.0 percent increase), the education and health industry (49.1 percent increase), and the professional and business industry (42.6 percent increase). Some industries, such as trade, transportation and utilities or the information industry, experienced moderate, single-digit increases in employment from 1991-2011 (2.7 percent and 4.1 percent increases, respectively).

Total Private Employment, 1991-2011 (thousands)



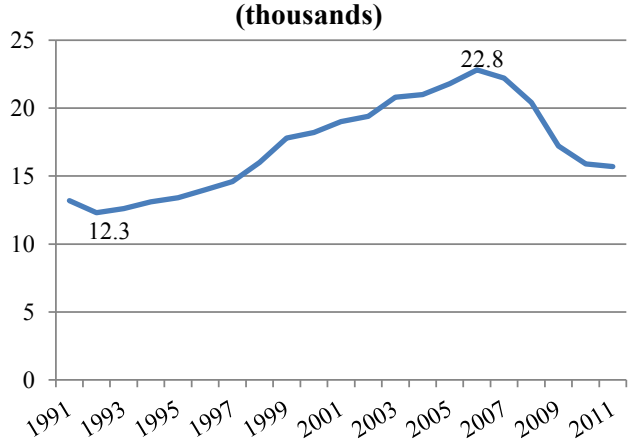
SOURCE: Bureau of Labor Statistics CES

Total Government Employment, 1991-2011 (thousands)



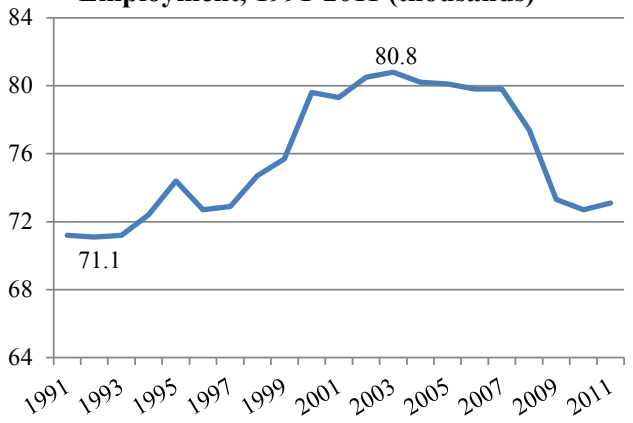
SOURCE: Bureau of Labor Statistics CES

Total Construction Employment, 1991-2011 (thousands)



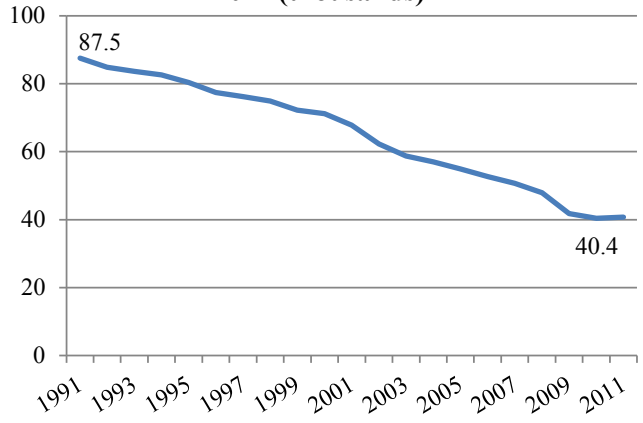
SOURCE: Bureau of Labor Statistics CES

Total Trande, Transportation & Utilities Employment, 1991-2011 (thousands)



SOURCE: Bureau of Labor Statistics CES

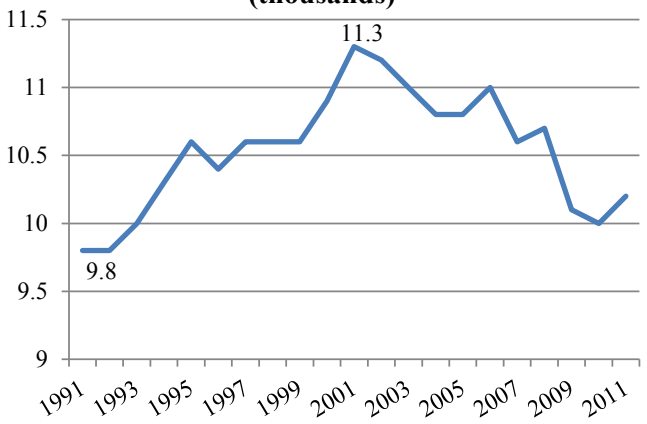
Total Manufacturing Employment, 1991-2011 (thousands)



SOURCE: Bureau of Labor Statistics CES

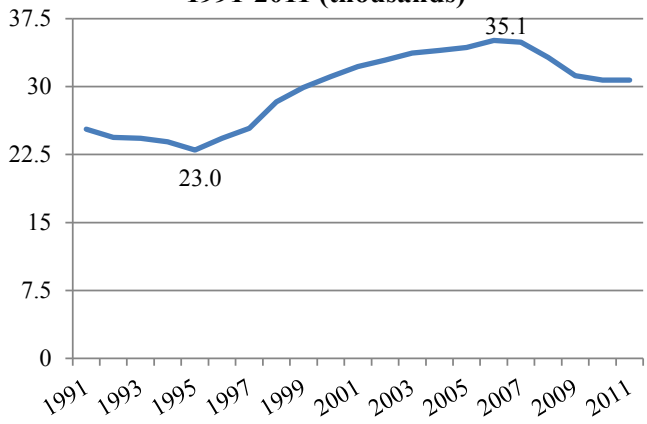
Economy: Employment

Total Information Employment, 1991-2011 (thousands)



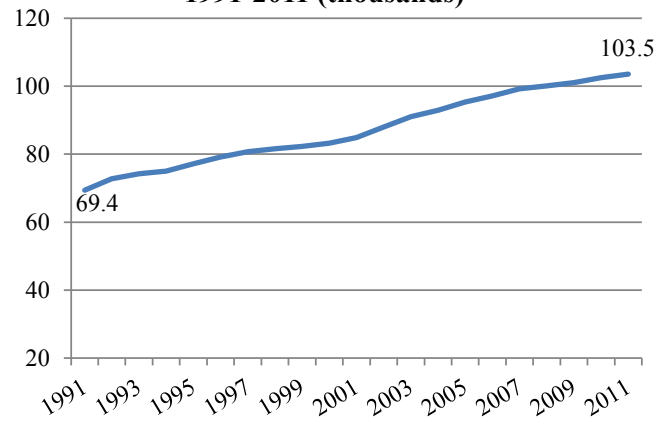
SOURCE: Bureau of Labor Statistics CES

Total Financial Activities Employment, 1991-2011 (thousands)



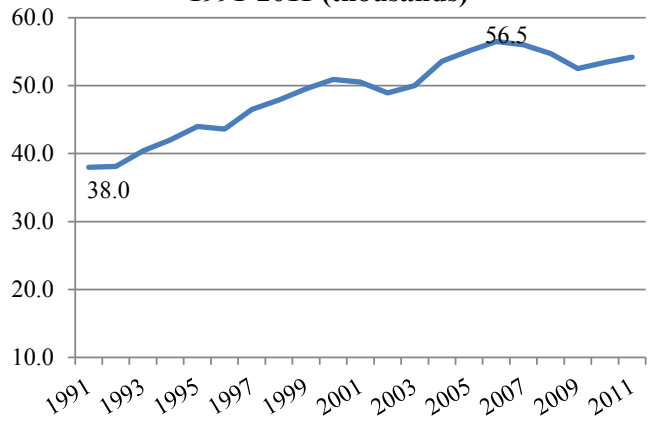
SOURCE: Bureau of Labor Statistics CES

Total Education & Health Employment, 1991-2011 (thousands)



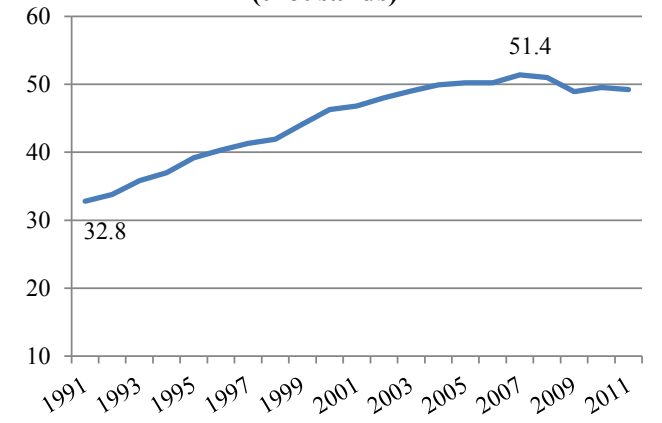
SOURCE: Bureau of Labor Statistics CES

Total Professional & Business Employment, 1991-2011 (thousands)



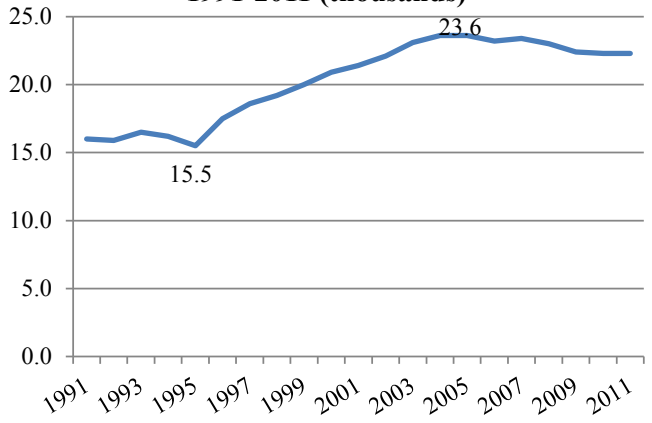
SOURCE: Bureau of Labor Statistics CES

Total Leisure & Hospitality, 1991-2011 (thousands)



SOURCE: Bureau of Labor Statistics CES

Total Other Nonfarm Private Employment, 1991-2011 (thousands)



SOURCE: Bureau of Labor Statistics CES

Economy: Employment

25 Largest Employers in Rhode Island (by employment)

	Employer	Headquarters	Total RI-employment
1	RI State Government	Providence	14,904
2	Lifespan	Providence	11,869
3	US Government (in RI)	Providence	11,581
4	Roman Catholic Diocese of Providence	Providence	6,200
5	Care New England	Providence	5,953
6	CVS Corporation	Woonsocket	5,800
7	Citizens Financial Group, Inc.	Scotland	4,991
8	Brown University**	Providence	4,800
9	Stop & Shop Supermarket Co. Inc (Royal Ahold)	Quincy	3,632
10	Bank of America (Statewide)	North Carolina	3,500
11	Fidelity Investments	Boston, MA	2,934
12	Rhode Island ARC	Cranston, RI	2,851
13	MetLife Insurance Co.	New York	2,604
14	General Dynamics Corp.	Virginia	2,243
15	University of RI (2011 Budget)	South Kingstown, RI	2,155
16	Wal-Mart	Arkansas	2,078
17	The Jan Companies	Cranston, RI	2,050
18	Shaw's Supermarkets (supervalu Inc.)	Minnesota	1,900
19	St. Joseph Health Services of RI (Charter Care)	North Providence, RI	1,865
20	The Home Depot, Inc.	Georgia	1,780
21	Hasbro, Inc.	Pawtucket, RI	1,750
22	Memorial Hospital of Rhode Island	Pawtucket, RI	1,488
23	Roger Williams Medical Center	Providence	1,470
24	Roger Williams University	Bristol	1,452
25	Raytheon	Waltham, MA	1,430

***Brown University estimates do not include undergraduate or graduate student employees*

SOURCE: RI Economic Development Corporation, 2011

The Rhode Island Economic Development Corporation lists the largest Rhode Island employers by total Rhode Island-based employment. Both public and private sector employers are included. The top employer, Rhode Island State Government, is ranked by total number of employee positions—not the total number of full-time equivalent (FTE) positions. Lifespan, which includes the Rhode Island Hospital, The Miriam Hospital, Newport Hospital, Bradley Hospital, Lifespan Corporate Services, Newport Alliance, Lifespan MSO and Home Medical. Though the employers on this list employ the most Rhode Islanders, they are not necessarily headquartered in Rhode Island, with approximately ten of them headquartered out of state.

Economy: Employment

Rhode Island Employment Projections by Major Occupational Group

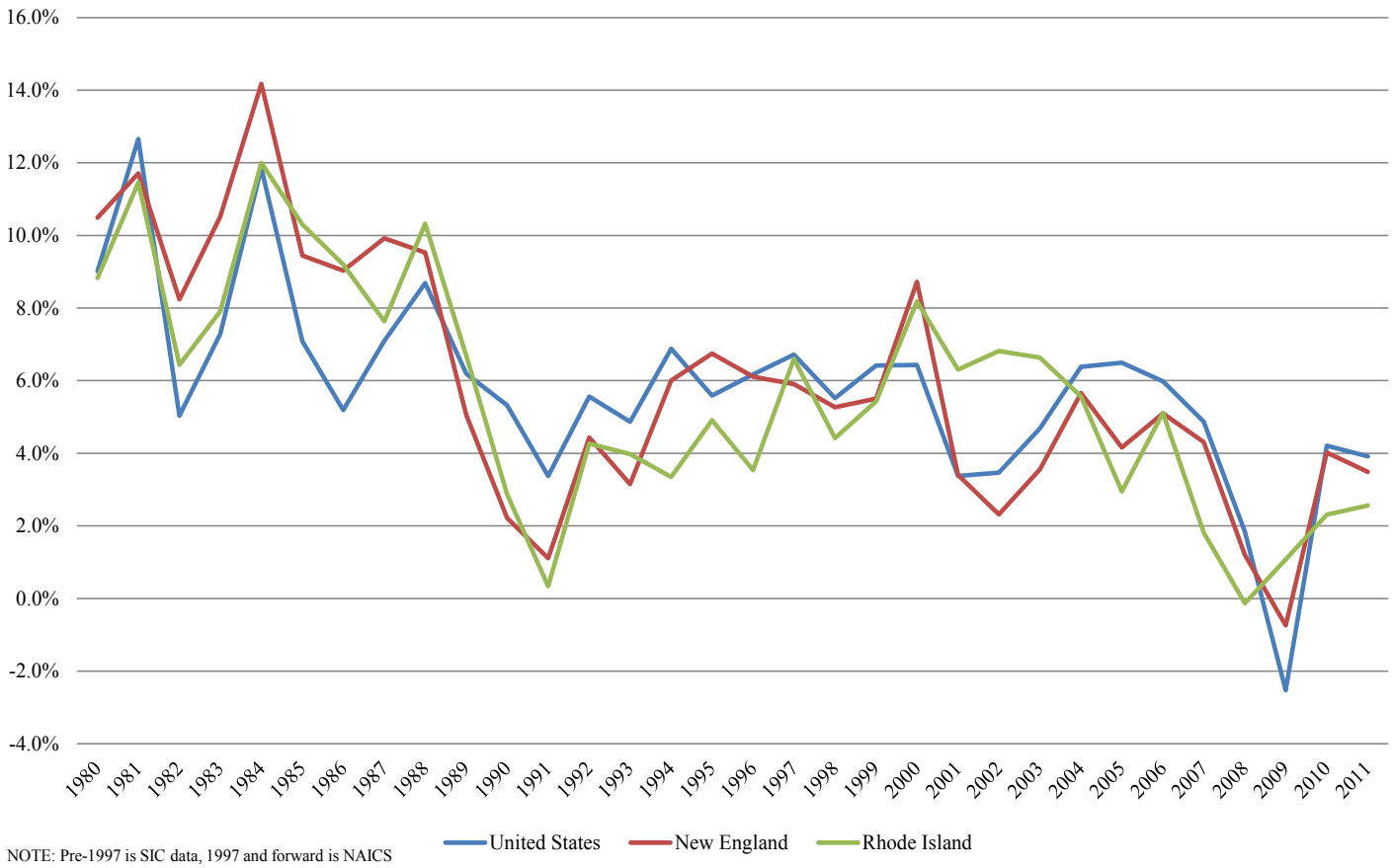
Occupation	2010 Estimated Employment	2020 Projected Employment	Net Change	Percent Change	Share of Increase
Management	24,230	25,815	1,585	6.5%	3.0%
Business and Financial	21,845	25,175	3,330	15.2%	6.4%
Computer and Mathematical	11,945	14,135	2,190	18.3%	4.2%
Architecture and Engineering	7,829	8,401	572	7.3%	1.1%
Life, Physical, and Social Science	3,813	4,355	542	14.2%	1.0%
Community and Social Service	10,241	11,603	1,362	13.3%	2.6%
Legal Occupations	3,776	4,017	241	6.4%	0.5%
Education, Training, and Library	31,721	34,809	3,088	9.7%	5.9%
Arts, Design, Entertainment, Sports, and Media	8,540	9,409	869	10.2%	1.7%
Healthcare Practitioners and Technical	35,503	41,097	5,594	15.8%	10.7%
Healthcare Support	20,964	25,102	4,138	19.7%	7.9%
Protective Service	10,777	11,299	522	4.8%	1.0%
Food Preparation and Serving	43,673	49,422	5,749	13.2%	11.0%
Building and Grounds Cleaning and Maintenance	17,941	19,439	1,498	8.3%	2.9%
Personal Care and Service	17,581	20,654	3,073	17.5%	5.9%
Sales and Related	48,505	53,617	5,112	10.5%	9.8%
Office and Administrative Support	79,181	84,280	5,099	6.4%	9.7%
Farming, Fishing, and Forestry	718	721	3	0.4%	0.0%
Construction and Extraction	18,541	21,295	2,754	14.9%	5.3%
Installation, Maintenance, and Repair	16,894	18,364	1,470	8.7%	2.8%
Production	30,221	31,191	970	3.2%	1.9%
Transportation and Material Moving	23,739	26,350	2,611	11.0%	5.0%
Total, All Occupations	**488,178**	**540,550**	**52,372**	**10.7%**	

SOURCE: RI Department of Labor and Training, 2012

Overall, between 2010 and 2020, it is estimated that Rhode Island will experience a 10.7 percent increase in employment. The largest share of the overall increase during the 2010 to 2020 time period is in food preparation and serving occupations, which are expected to increase by 13.2 percent, but are projected to comprise 11.0 percent of the overall state increase. The second-largest increase on a relative basis is for healthcare practitioners and technical occupations, which is expected to increase by 15.8 percent. Overall employment in these related occupations is projected to increase by 5,594 jobs, accounting for the second largest share of the state's overall increase in employment. The largest percent change in employment is projected to be in healthcare support occupations, which are projected to increase by 4,138 jobs (7.9 percent of the overall increase).

Economy: GDP

GDP % Change from Prior Year, 1980-2011



NOTE: Pre-1997 is SIC data, 1997 and forward is NAICS
SOURCE: Bureau of Economic Analysis; RIPEC calculations

Gross domestic product (GDP) is a measure of the total output of a geographical region. From 1979 to 2011, Rhode Island's GDP grew at an average annual rate of 5.5 percent, slightly lower than national and regional GDP, which grew at an average annual rate of 5.7 percent. Although Rhode Island's GDP outpaced national and regional growth in the early part of the 2000's, the state has seen GDP grow at a consistently lower rate than either the US or New England. Since the beginning of the recession in 2007, Rhode Island GDP has increased at an average annual rate of 1.5 percent, compared to the US and New England, which saw GDP increase at an average annual rate of 2.4 percent.

Although Rhode Island has had positive growth in GDP since 2008, and saw a smaller contraction in GDP compare to the rest of the country and the region, GDP in Rhode Island has not recovered at the same rate, growing by just 2.3 percent between 2009 and 2010, and by 2.6 percent between 2010 and 2011.

Economy: GDP

In general, per capita GDP in Rhode Island has been higher than the national average, but lower than New England since 1980. During this time period, real per capita GDP grew at an average annual rate of 1.8 percent in both Rhode Island and New England, and at an average annual rate of 1.3 percent across the US as a whole.

Between 2007 and 2008, Rhode Island saw a steeper decline in per capita GDP, compared to the rest of the region and the country, but saw a stronger rebound the following year. However, since 2009, the state has seen weaker growth in per capita GDP compared to the rest of the region and country.

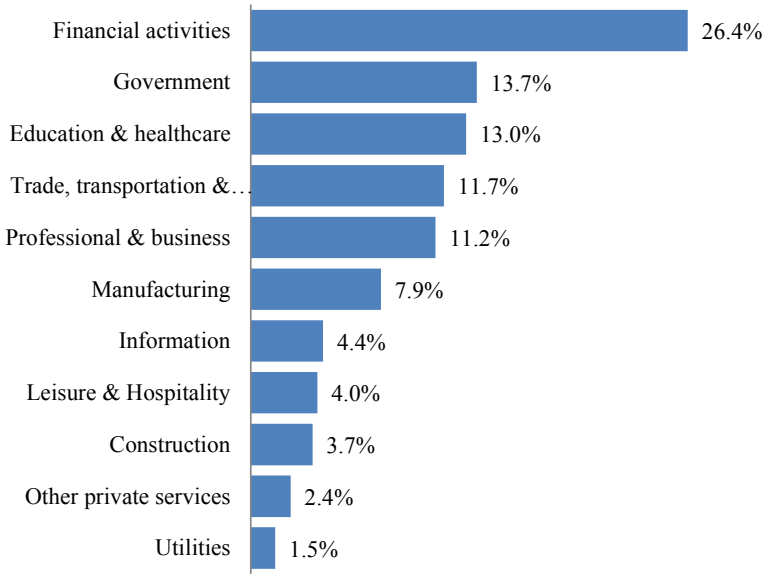
Per Capita GDP, 1997-2011

CY	Nominal ($ current)			Real ($ 2011)			% Change (Real)		
	US	NE	RI	US	NE	RI	US	NE	RI
1980	11,944	11,677	10,146	32,605	31,876	27,696	-4.9%	-2.9%	-4.0%
1981	13,324	12,977	11,258	32,970	32,112	27,859	1.1%	0.7%	0.6%
1982	13,862	14,010	11,969	32,312	32,656	27,898	-2.0%	1.7%	0.1%
1983	14,737	15,389	12,885	33,282	34,754	29,100	3.0%	6.4%	4.3%
1984	16,341	17,434	14,348	35,378	37,745	31,062	6.3%	8.6%	6.7%
1985	17,344	18,933	15,710	36,259	39,579	32,841	2.5%	4.9%	5.7%
1986	18,077	20,494	17,007	37,100	42,062	34,905	2.3%	6.3%	6.3%
1987	19,188	22,322	18,079	37,994	44,199	35,798	2.4%	5.1%	2.6%
1988	20,667	24,199	19,809	39,296	46,013	37,666	3.4%	4.1%	5.2%
1989	21,741	25,236	21,045	39,439	45,779	38,176	0.4%	-0.5%	1.4%
1990	22,641	25,703	21,535	38,966	44,235	37,062	-1.2%	-3.4%	-2.9%
1991	23,095	25,953	21,509	38,143	42,862	35,523	-2.1%	-3.1%	-4.2%
1992	24,044	27,056	22,383	38,549	43,378	35,887	1.1%	1.2%	1.0%
1993	24,884	27,775	23,215	38,736	43,237	36,138	0.5%	-0.3%	0.7%
1994	26,272	29,306	23,971	39,876	44,482	36,384	2.9%	2.9%	0.7%
1995	27,413	31,107	25,123	40,460	45,913	37,081	1.5%	3.2%	1.9%
1996	28,768	32,806	25,913	41,243	47,033	37,149	1.9%	2.4%	0.2%
1997	30,334	34,521	27,502	42,513	48,381	38,543	3.1%	2.9%	3.8%
1998	31,636	36,098	28,556	43,658	49,815	39,408	2.7%	3.0%	2.2%
1999	33,281	37,799	29,838	44,936	51,035	40,287	2.9%	2.4%	2.2%
2000	35,030	40,767	31,977	45,759	53,252	41,770	1.8%	4.3%	3.7%
2001	35,857	41,881	33,771	45,542	53,194	42,894	-0.5%	-0.1%	2.7%
2002	36,758	42,604	35,774	45,960	53,270	44,730	0.9%	0.1%	4.3%
2003	38,151	43,934	37,956	46,639	53,709	46,401	1.5%	0.8%	3.7%
2004	40,212	46,342	39,946	47,884	55,184	47,567	2.7%	2.7%	2.5%
2005	42,431	48,237	41,379	48,871	55,557	47,658	2.1%	0.7%	0.2%
2006	44,538	50,593	43,693	49,694	56,450	48,751	1.7%	1.6%	2.3%
2007	46,264	52,649	44,729	50,191	57,117	48,525	1.0%	1.2%	-0.5%
2008	46,673	53,055	44,769	48,762	55,430	46,772	-2.8%	-3.0%	-3.6%
2009	45,098	52,433	45,307	47,284	54,975	47,504	-3.0%	-0.8%	1.6%
2010	46,606	54,354	46,403	48,077	56,069	47,867	1.7%	2.0%	0.8%
2011	48,079	56,098	47,647	48,079	56,098	47,647	0.0%	0.1%	-0.5%

NOTE: Pre-1997 data uses the SIC system, 1997-forward uses NAICS

SOURCE: US Bureau of Economic Analysis; RIPEC calculations

Composition of Rhode Island GDP by Sector, 2011

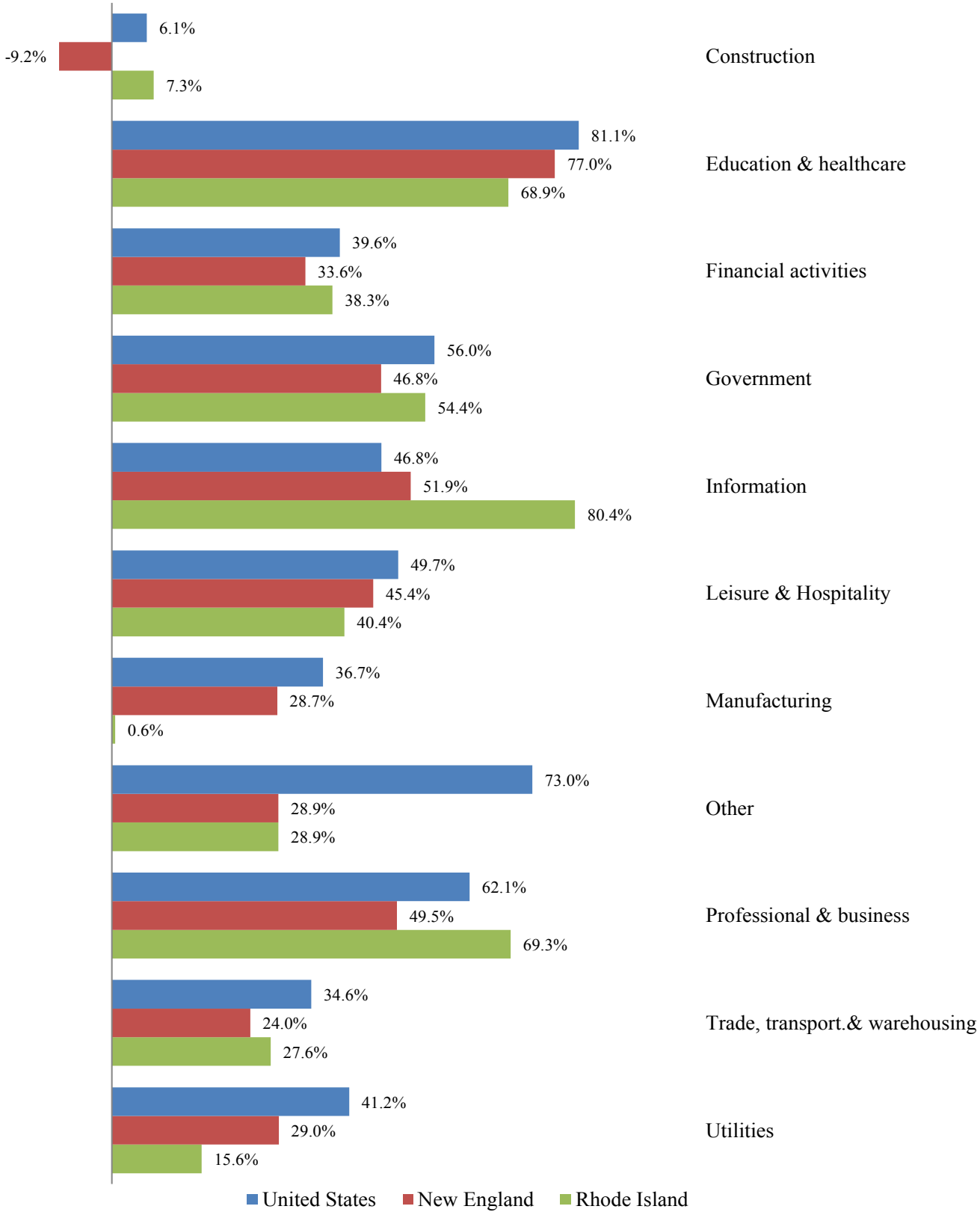


SOURCE: Bureau of Economic Analysis; RIPEC calculations

The composition of GDP by industry sector provides a snapshot of how industries contribute to Rhode Island's GDP. In 2011, financial activities comprised 26.4 percent of 2011 state GDP. Government, followed by education and healthcare was the second and third highest (13.7 percent and 13.0 percent respectively). Utilities, other private services, and construction were the three smallest contributors to Rhode Island's 2011 GDP (3.7 percent, 2.4 percent, and 1.5 percent, respectively).

Economy: GDP

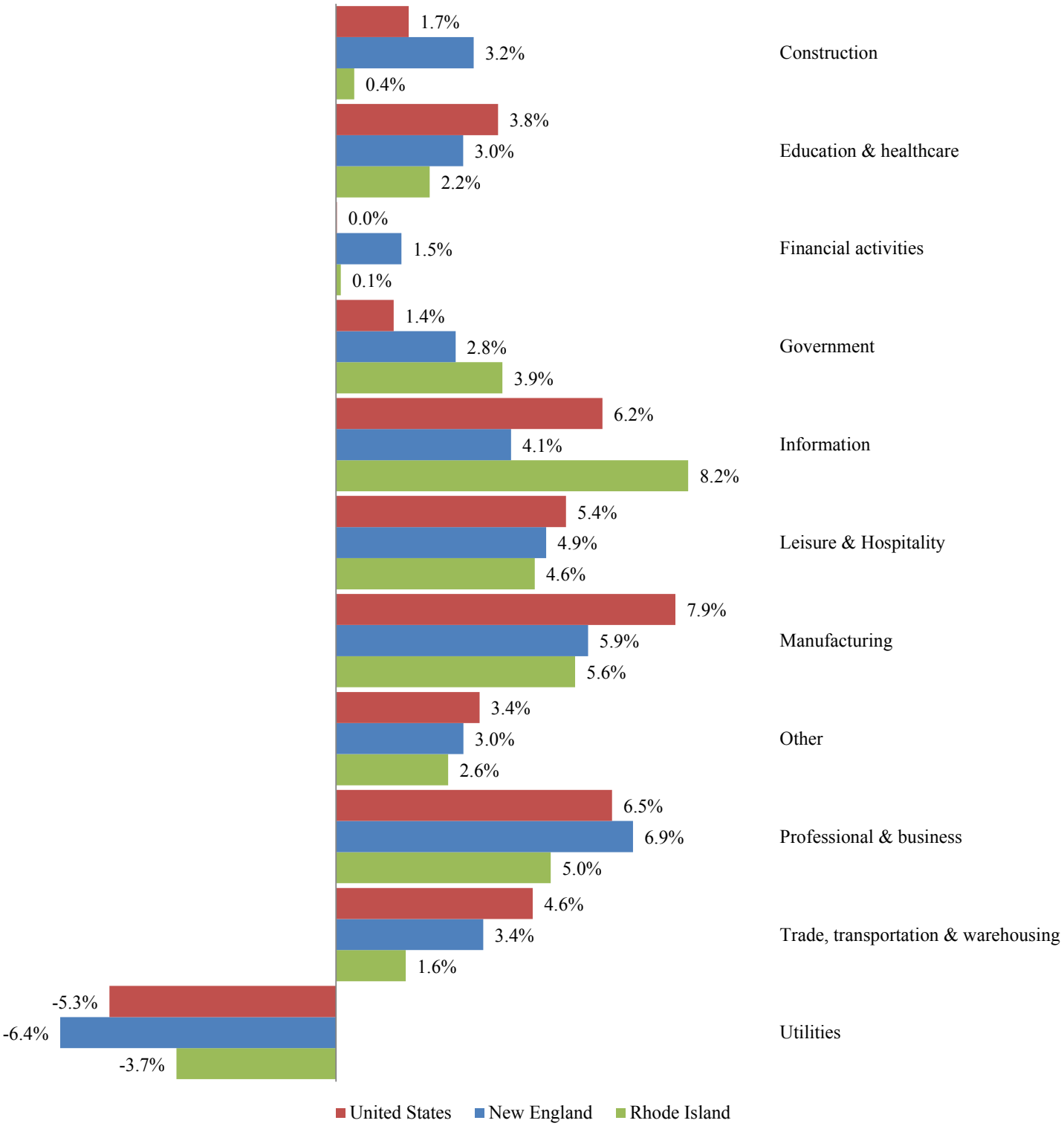
Change in GDP by Industry, 2001-2011



SOURCE: Bureau of Economic Analysis; RIPEC calculations

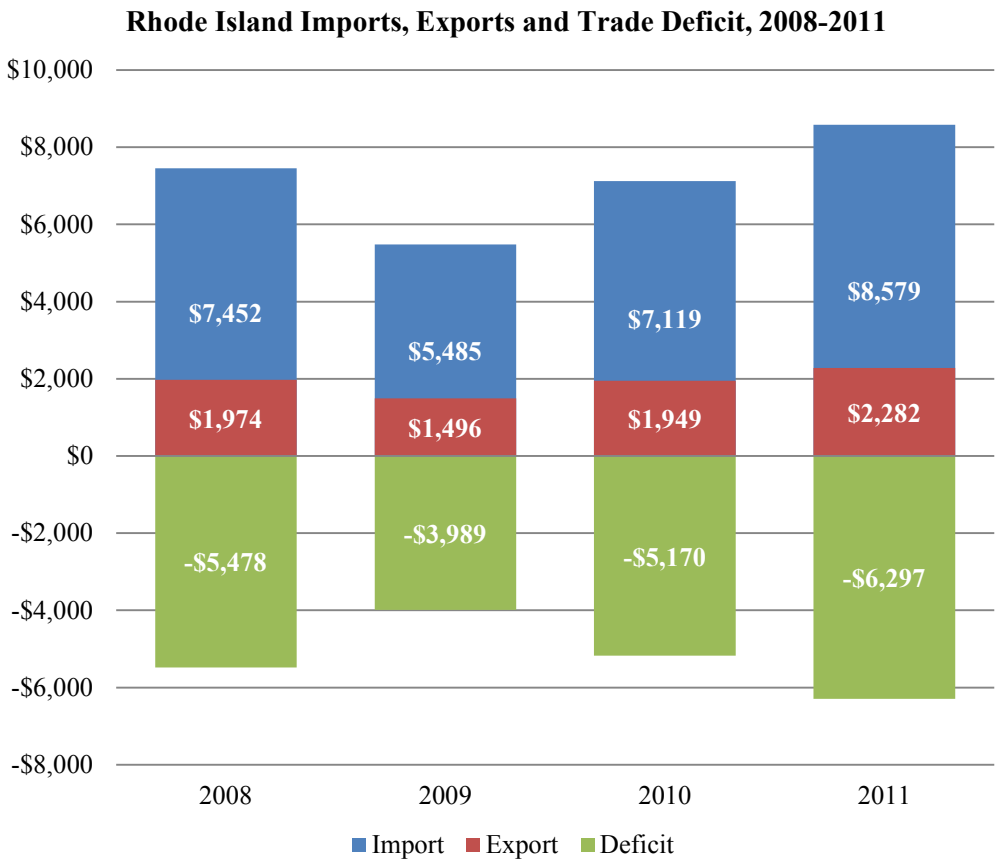
Economy: GDP

Change in GDP by Industry, 2010-2011

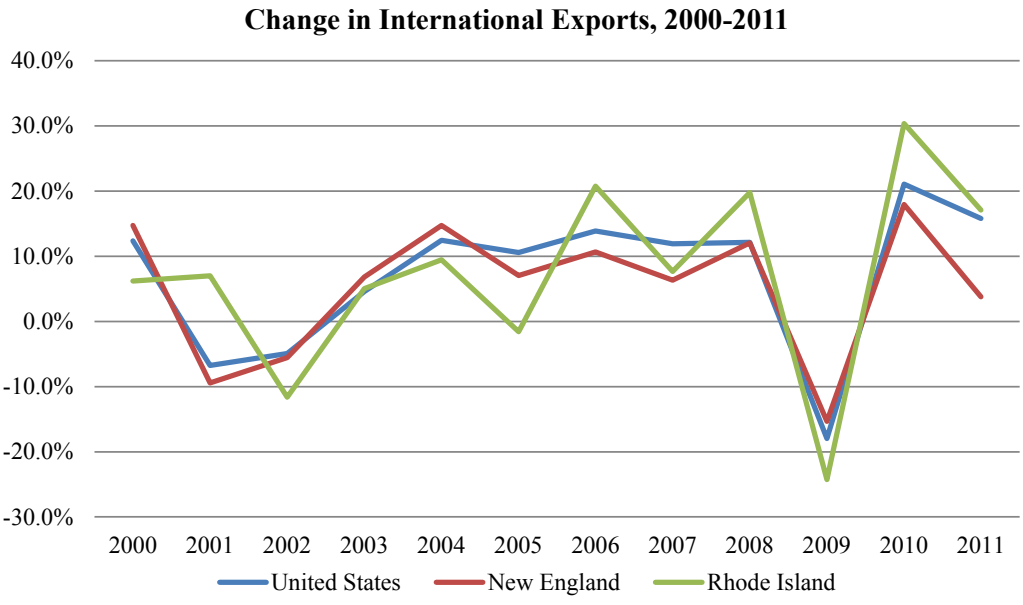


SOURCE: Bureau of Economic Analysis; RIPEC calculations

Economy: Trade



SOURCE: US Census Bureau, Foreign Trade State Data; RIPEC calculations



SOURCE: International Trade Association; RIPEC calculations

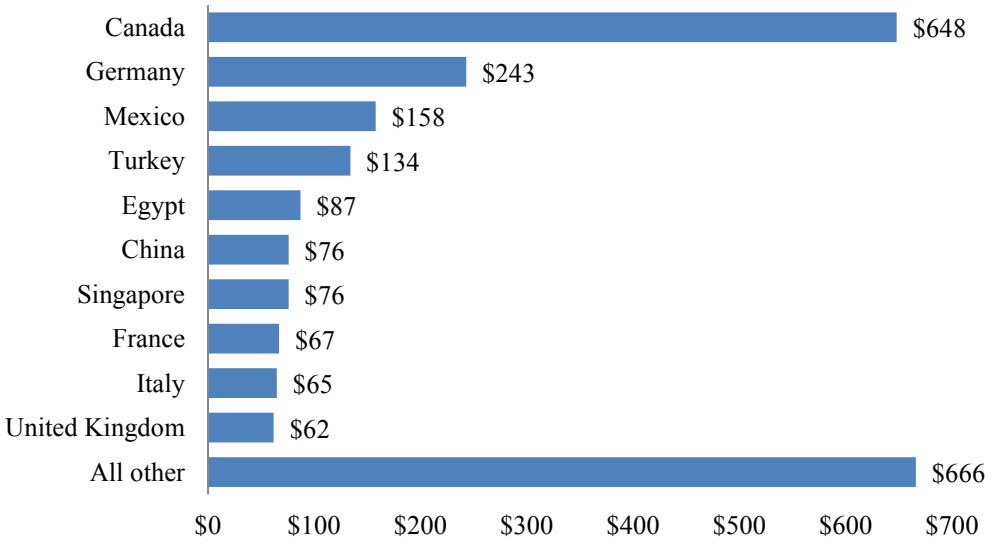
From 2009-2011, Rhode Island has seen an increase in both trade imports and exports. Since 2009, the value of imports has increased by 56.4 percent, while the value of exports has increased by 52.5 percent. Though both imports and exports grew over the past three years, the trade deficit has increased by 57.9 percent. In other words, the gap between what Rhode Island imported versus what it exported has widened over time. However, it should be noted that Rhode Island may not be the final destination for imports. For example, a shipment of cars arriving at Quonset that will be sent to multiple states, will show Rhode Island as the importer even though the majority of the cars may not stay in the state.

In 2009, exports declined in Rhode Island, New England and the US. However, the following year, Rhode Island saw as larger increase in exports – 30.3 percent increase from the previous year – than both New England and the US (17.9 percent and 21.0 percent, respectively). Between 2010 and 20011, Rhode Island's exports grew by 17.1 percent, which was also more than regional and national growth (3.8 percent and 15.8 percent, respectively).

Economy: Trade

In 2011, Canada was Rhode Island's top export partner, followed by Germany, Mexico, Turkey and Egypt. The state exported $648 million in goods to Canada, almost three times more than exports to Germany ($243 million), Mexico ($158 million), Turkey ($134 million, and Egypt ($87 million) combined.

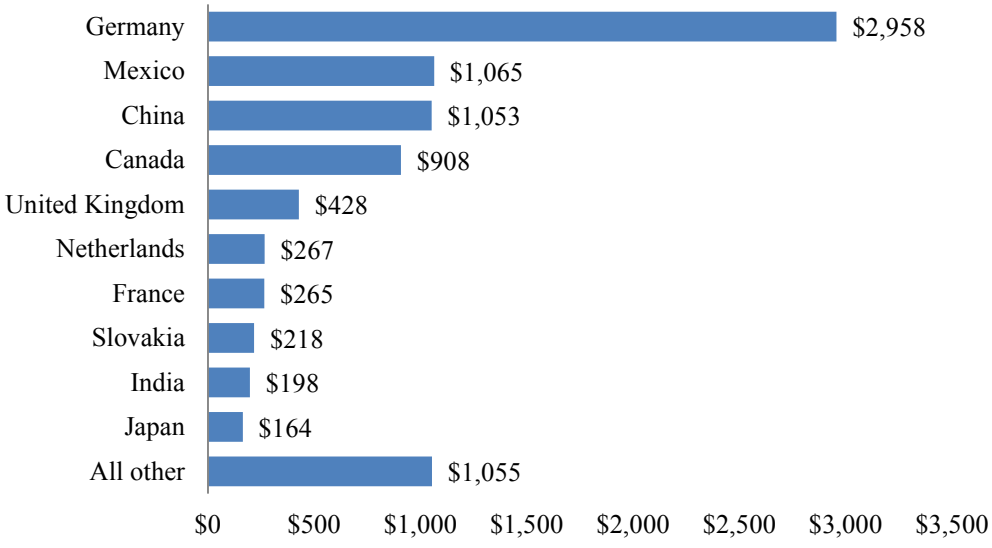
Rhode Island Top 10 Export Partners ($ millions)



SOURCE: US Census Bureau, Foreign Trade State Data; RIPEC calculations

The majority of goods imported to Rhode Island come from Germany ($2,958 million). German imports accounted for over one-third of total imports to the state and were almost three times larger than imports from Mexico, the state's second-largest import partner.

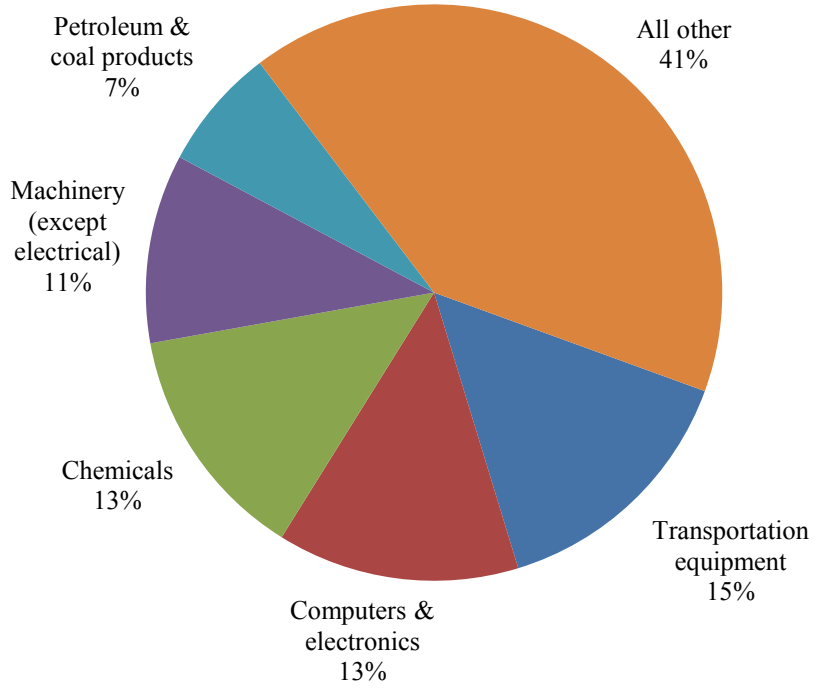
Rhode Island Top 10 Import Partners ($ millions)



SOURCE: US Census Bureau, Foreign Trade State Data; RIPEC calculations

Economy: Trade

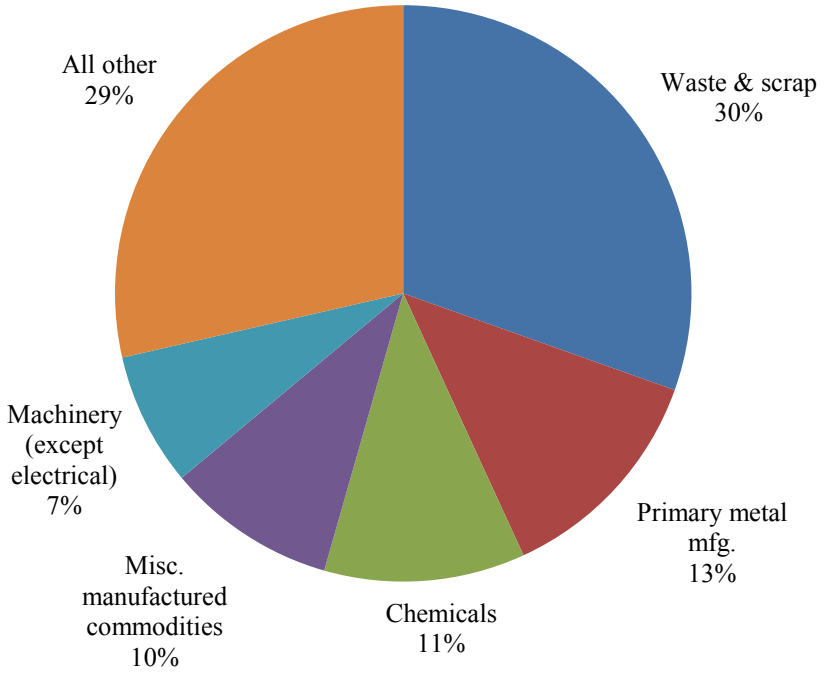
Top 5 United States Exports by NAICS Code, 2011



SOURCE: International Trade Association

Top US exports include transportation equipment (14.7 percent), computers and electronics (13.6 percent), machinery (except electrical; 10.6 percent), and petroleum and coal products (6.9 percent). Although petroleum and coal exports account for less than 10 percent of US exports, they are the fastest-growing category of US exports, growing by 1600 percent since 1999.

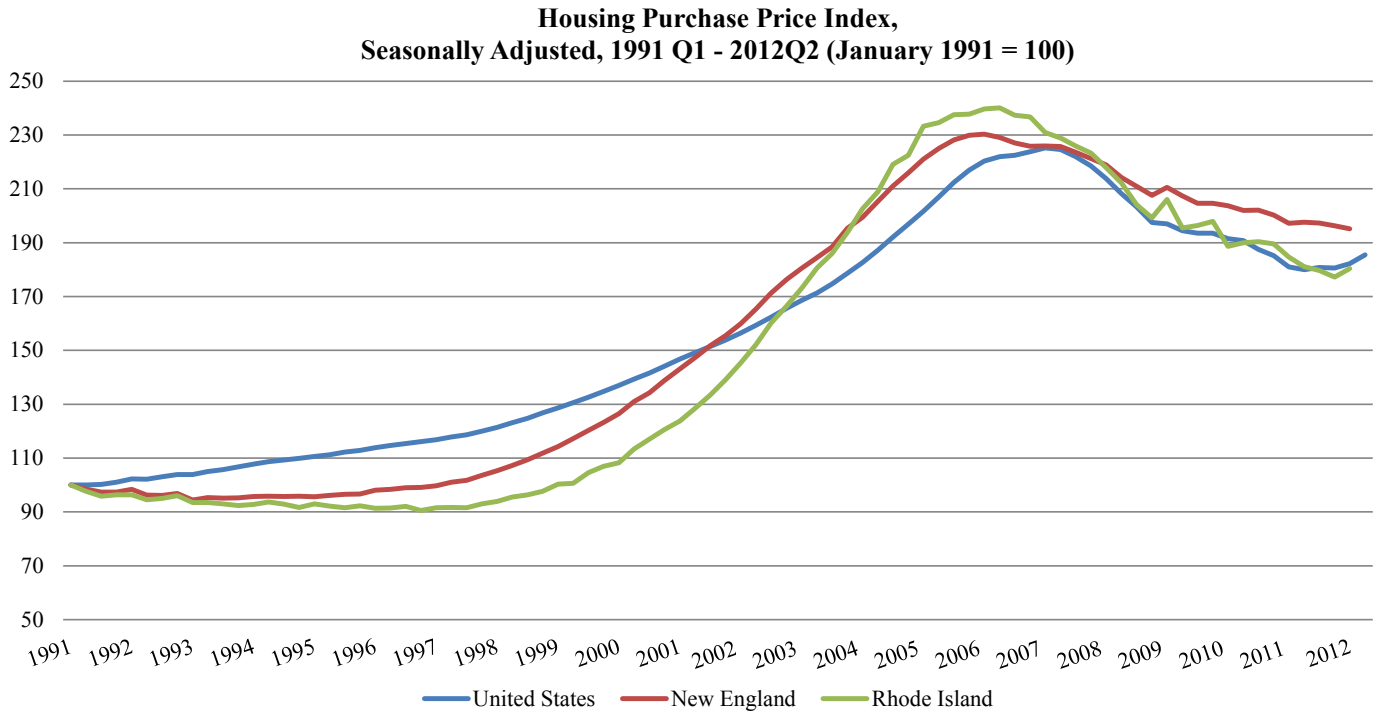
Top 5 Rhode Island Exports by NAICS Code, 2011



SOURCE: International Trade Association

In 2011, waste and scrap accounted for the largest share of Rhode Island's exports (30.4 percent), followed by primary metal manufacturing, chemicals, and miscellaneous manufactured commodities (12.7 percent, 11.3 percent, and 9.5 percent, respectively). Machinery (except electrical) exports (7.5 percent) and all other (28.6 percent) rounded out the balance. Waste and scrap is also the second-fastest growing category of exports since 1999, growing by almost 800 percent during that time frame.

Economy: Housing



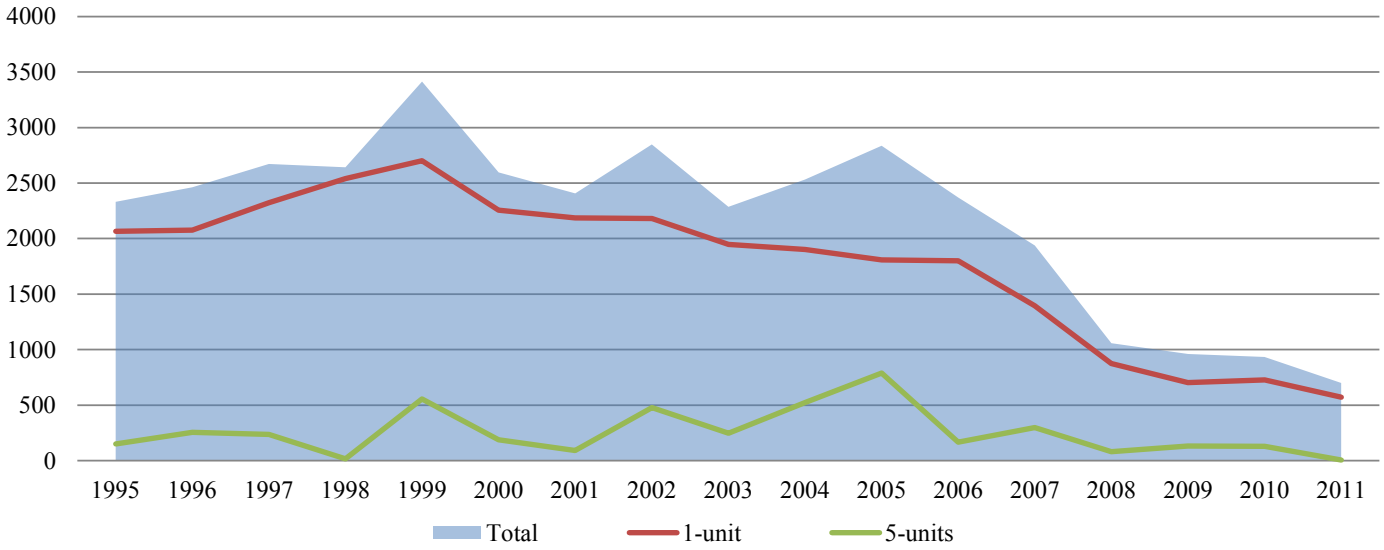
SOURCE: Federal Housing Finance Agency, August 2012; RIPEC calculations

The US Federal Housing Finance Agency (FHFA) calculates a seasonally house price index (HPI), which is indexed to housing prices in January 1991. The HPI is calculated using home sales price information from mortgages acquired by Fannie Mae and Freddie Mac. It is a broad measure of the movement of single-family house prices and is used to estimate changes in mortgage default rates, prepayment rates and housing affordability.

The housing market contraction has had a significant effect on residential property values in Rhode Island. Moreover, this deflation in housing prices was more severe in Rhode Island than it was nationally, or in either neighboring state. As measured by the Federal Housing Finance Agency Purchase Price Index, single-family housing prices in Rhode Island fell 27.0 percent between the market peak in the second quarter of 2006 and the last quarter of 2011. By contrast, peak-to-trough (or current) prices fell 19.8 percent nationally, and 15.3 percent across all of New England.

Economy: Housing

Rhode Island Housing Permits Authorized by Type, 1995-2011

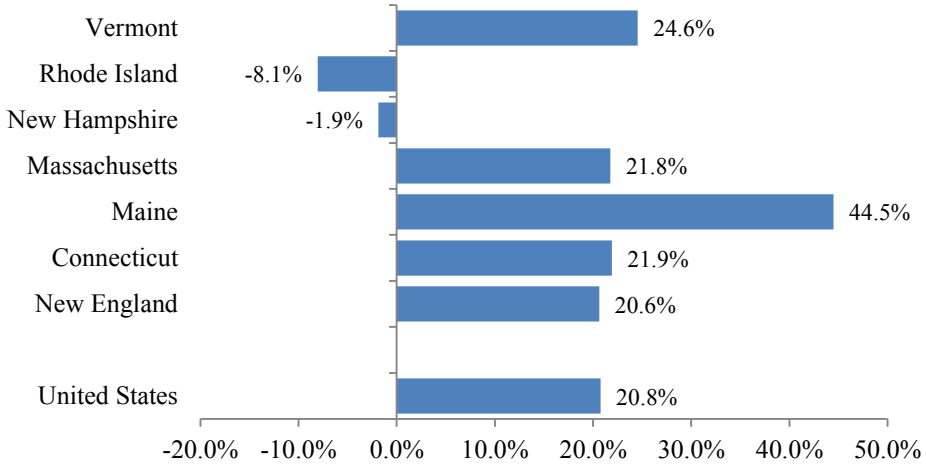


SOURCE: US Census Bureau, New Residential Construction Survey; RIPEC calculations

The US Census Bureau conducts a Building Permits Survey that collects information about the number of new housing units authorized by building permits. This chart illustrates housing permits authorized in Rhode Island annually, from 1995 through 2011.

From 2006 through 2009, the US, New England, and Rhode Island experienced year-to-year declines in total housing permits authorized. However, while the total number of permits authorized increased nationally and regionally from 2009 to 2010, the number of permits in Rhode Island continued to decline. From 2010 to 2011, the US continued to see the number of permits authorized increase, while authorized permits in New England declined by 14.2 percent. In Rhode Island, the number or permits authorized declined by 25.1 percent from 2010 levels.

Percent Change in Single-Unit Housing Permits, September 2011-September 2012



SOURCE: US Census Bureau, Building Permits Survey

More recently from September 2011 through September 2012, Rhode Island's single-unit housing permits decreased by 8.1 percent. During the same time period, New England's single-unit housing permits increased by 20.6 percent, while the national increase was 20.8 percent.

Economy: Housing

2011 Q2 and 2012 Q2, Single Family Home Sales

	Sales				Median Price		
	2012	2011	Change	% Change	2012	2011	% Change
Barrington	78	61	17	27.9%	$347,750	$355,000	-2.0%
Bristol	43	36	7	19.4%	235,000	252,500	-6.9%
Burrillville	38	34	4	11.8%	189,500	192,500	-1.6%
Central Falls	4	1	3	300.0%	87,383	38,000	130.0%
Charlestown	36	36	0	0.0%	287,500	373,900	-23.1%
Coventry	99	84	15	17.9%	145,000	164,000	-11.6%
Cranston	175	152	23	15.1%	171,500	178,500	-3.9%
Cumberland	71	64	7	10.9%	244,000	236,000	3.4%
East Greenwich	59	44	15	34.1%	389,000	454,250	-14.4%
East Providence	86	66	20	30.3%	173,500	175,950	-1.4%
Exeter	15	8	7	87.5%	265,000	204,950	29.3%
Foster	7	9	-2	-22.2%	275,000	237,500	15.8%
Glocester	17	26	-9	-34.6%	201,000	178,500	12.6%
Hopkinton	15	17	-2	-11.8%	212,000	225,000	-5.8%
Jamestown	15	18	-3	-16.7%	435,000	422,500	3.0%
Johnston	52	59	-7	-11.9%	144,000	145,000	-0.7%
Lincoln	38	34	4	11.8%	262,750	228,750	14.9%
Little Compton	9	5	4	80.0%	430,000	575,000	-25.2%
Middletown	26	36	-10	-27.8%	233,500	322,500	-27.6%
Narragansett	67	45	22	48.9%	365,000	369,000	-1.1%
New Shoreham	4	0	4	0.0%	1,661,500	950,000	0.0%
Newport	50	43	7	16.3%	349,000	360,000	-3.1%
North Kingstown	67	55	12	21.8%	281,000	286,450	-1.9%
North Providence	76	60	16	26.7%	146,000	162,500	-10.2%
North Smithfield	24	21	3	14.3%	234,500	218,000	7.6%
Pawtucket	91	86	5	5.8%	120,000	138,250	-13.2%
Portsmouth	45	34	11	32.4%	331,000	325,875	1.6%
Providence	130	102	28	27.5%	80,500	98,000	-17.9%
Providence (East Side)	60	43	17	39.5%	470,500	457,000	3.0%
Richmond	19	17	2	11.8%	215,000	240,000	-10.4%
Scituate	18	17	1	5.9%	226,750	262,000	-13.5%
Smithfield	39	33	6	18.2%	224,000	220,000	1.8%
South Kingstown	77	72	5	6.9%	299,900	291,000	3.1%
Tiverton	36	17	19	111.8%	194,000	215,000	-9.8%
Warren	17	9	8	88.9%	230,000	285,000	-19.3%
Warwick	255	228	27	11.8%	145,000	155,000	-6.5%
West Greenwich	13	9	4	44.4%	295,000	245,000	20.4%
West Warwick	53	48	5	10.4%	126,000	153,000	-17.7%
Westerly	61	49	12	24.5%	285,000	237,500	20.0%
Woonsocket	39	29	10	34.5%	114,500	146,000	-21.6%
Rhode Island	**2124**	**1807**	**317**	**17.54%**	**$192,000**	**$205,000**	**-6.34%**

SOURCE: RI Association of Realtors and State-wide Multiple Listing Service, Inc.

Economy: Housing

Statewide, single-family home sales in Rhode Island increased by 17.5 percent between the first quarter of 2011 and the second quarter of 2012. However, during this same time period, the median sale price for single-family homes decreased by 6.3 percent. While the median sale price increased in 14 of the state's 39 communities, median prices declined in 25 Rhode Island communities, with the largest declines in Middletown, Little Compton, Charlestown and Woonsocket.

From 2001 to 2011, single-family home sales decreased by 26.5 percent, from 9,113 units in 1999 to 6,701 units in 2011. Single-family home sales decreased by 11.5 percent from 2009 to 2010 and by 2.1 percent between 2010 and 2011. The largest decline in sales was between 2005 and 2006, when the number of units sold decreased by 14.4 percent. Although the median sale price for single-family homes increased by 25.0 percent since 2001, the median sales price has fallen 31.1 percent since the peak in 2005.

The number of multi-family homes sold in Rhode Island decreased by 37.8 percent between 2001 and 2011. Multi-family sales decreased by 31.5 percent between 2009 and 2010 and by 18.0 percent between 2010 and 2011. Unlike single-family homes, which saw an increase in median sale price since 2001, the median sale price of multi-family homes declined over the past decade by 4.0 percent. Since the peak in 2005, the median sale price of multi-family home has fallen by 58.6 percent.

Existing Single-Family Home Sales and Median Sales Price, Year-End Comparison for Rhode Island

Year	Sales	Unit Change	% Change	Median Price	Percent Change
2001	9,113	5	0.1%	156,000	14.7%
2002	9,069	-44	-0.5%	188,150	20.6%
2003	9,189	120	1.3%	230,000	22.2%
2004	9,982	793	8.6%	264,700	15.1%
2005	9,711	-271	-2.7%	282,900	6.9%
2006	8,313	-1,398	-14.4%	282,500	-0.1%
2007	7,600	-713	-8.6%	275,000	-2.7%
2008	6,662	-938	-12.3%	234,900	-14.6%
2009	7,732	1,070	16.1%	199,900	-14.9%
2010	6,843	-889	-11.5%	210,000	5.1%
2011	6,701	-142	-2.1%	195,000	-7.1%

SOURCE: RI Assn. of Realtors and State-wide Multiple Listing Service, Inc.

Existing Multi-Family Home Sales and Median Sales Price, Year-End Comparison for Rhode Island

Year	Sales	Unit Change	% Change	Median Price	Percent Change
2001	2,063	181	9.6%	125,000	15.7%
2002	2,284	221	10.7%	153,000	22.4%
2003	2,366	82	3.6%	209,000	36.6%
2004	2,478	112	4.7%	260,000	24.4%
2005	2,307	-171	-6.9%	290,000	11.5%
2006	1,725	-582	-25.2%	285,000	-1.7%
2007	1,254	-471	-27.3%	255,000	-10.5%
2008	1,670	416	33.2%	135,000	-47.1%
2009	2,284	614	36.8%	90,000	-33.3%
2010	1,565	-719	-31.5%	121,700	35.2%
2011	1,284	-281	-18.0%	119,950	-1.4%

SOURCE: RI Assn. of Realtors and State-wide Multiple Listing Service, Inc.

Economy: Energy

Energy Costs and Expenditures, 2010

	Total Energy Cost ($/million Btu)	Total Energy Cost Rank	Consumption Per Capita, Million Btu	Consumption Per Capita, Rank	Expenditures Per Capita, Dollars	Expenditures Per Capita, Rank
Connecticut	$25.63	2	221	47	$3,977.0	25
Maine	18.78	21	213	46	3,739.0	34
Massachusetts	23.32	5	307	29	4,746.0	7
New Hampshire	23.87	4	224	44	3,971.0	26
Rhode Island	**23.12**	**6**	**187**	**51**	**3,506.0**	**39**
Vermont	24.20	3	236	42	4,344.0	15

SOURCE: US Department of Energy State Energy Profiles

The US Energy Information Administration maintains a State Energy Data System with profiles on each state's energy use and costs. Rhode Island's 2010 overall energy costs (23.12 per million British thermal units, BTU) was the sixth highest in the nation, and was higher than the national average of $18.73 per million BTU. New England states including Connecticut, Massachusetts, New Hampshire and Vermont had higher total energy costs than Rhode Island. Every New England state had higher energy costs than the national average, though Maine's costs ($18.72/million Btu) was the closest to the national average.

Although the state's total energy costs are among the highest in the nation, Rhode Island's energy expenditures per capita were some of the lowest in the country, ranking 39th highest in 2010. Similarly, Rhode Island's energy consumption per capita was at the bottom of the country, ranking the state 51st in 2010 (below Washington, DC).

Rhode Island's total energy costs were highest in the commercial energy sector, at $25.8 million BTU and were lowest in the industrial energy sector ($16.1/million BTU). Rhode Island's residential energy costs were highest in the retail electricity sector ($6.7/million BTU and lowest in the natural gas sector ($16.1/million BTU). Throughout every energy sector, Rhode Island's 2010 costs were higher than the national costs.

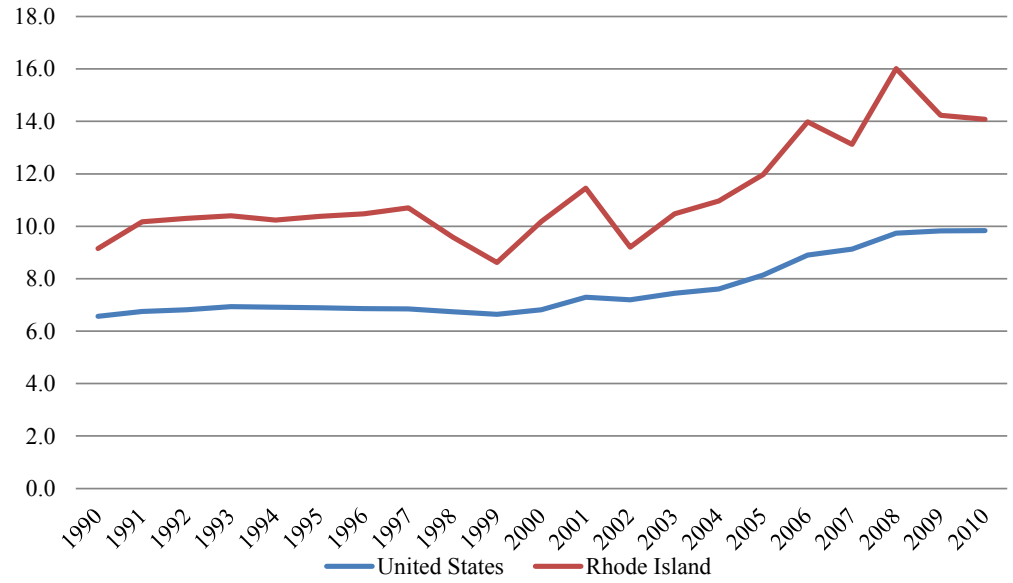
Residential, Commercial and Industrial Energy Costs, 2010 ($/million BTU)

	Residential Energy Costs				Commercial Energy Costs				Industrial Energy Costs			
	Natural Gas	Fuel Oil	Retail Electricity	Total Energy	Natural Gas	Fuel Oil	Retail Electricity	Total Energy	Natural Gas	Fuel Oil	Retail Electricity	Total Energy
United States	$11.1	$21.4	$33.8	$22.4	$9.2	$18.3	$29.9	$20.9	$6.5	$14.7	$20.0	$11.0
Connecticut	$14.6	$21.7	$56.4	$29.5	$9.3	$18.4	$48.2	$28.0	$9.4	$18.3	$42.5	$21.3
Maine	$13.6	$20.0	$46.1	$27.3	$11.3	$18.6	$36.7	$22.8	$10.8	$18.6	$26.9	$9.2
Massachusetts	$14.1	$21.8	$42.8	$23.8	$11.8	$19.6	$42.6	$24.4	$11.2	$18.2	$40.2	$26.5
New Hampshire	$14.0	$19.3	$47.8	$28.1	$12.3	$18.3	$41.8	$26.8	$11.2	$17.9	$37.4	$19.2
Rhode Island	**$16.1**	**$22.6**	**$46.7**	**$25.8**	**$14.1**	**$19.6**	**$38.4**	**$25.8**	**$11.9**	**$19.7**	**$34.6**	**$16.1**
Vermont	$16.0	$21.4	$45.6	$27.5	$11.7	$19.1	$39.4	$26.5	$6.5	$19.1	$27.9	$19.2

SOURCE: US Department of Energy State Energy Profiles

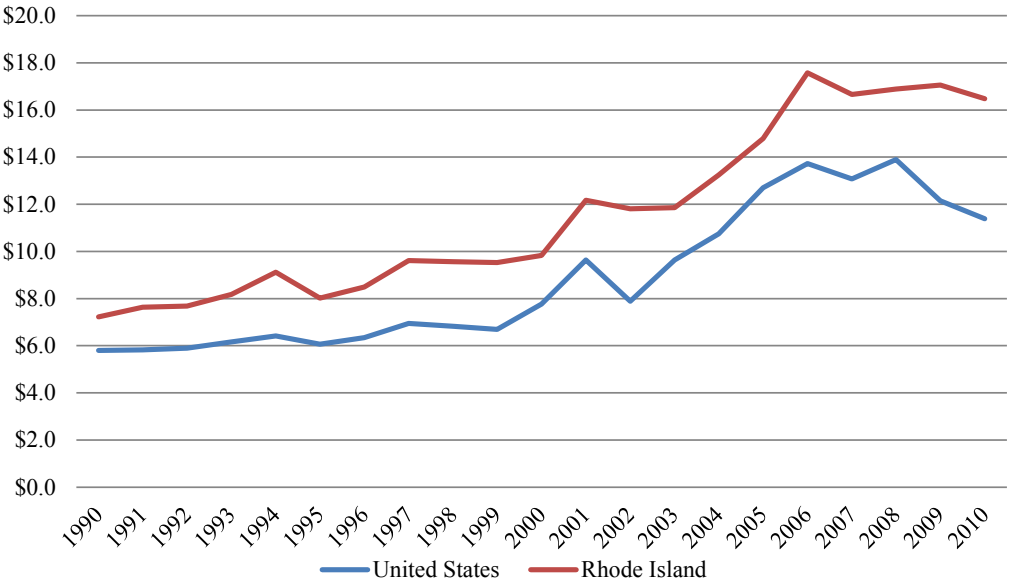
Economy: Energy

Total Electricity Price (cents/kwh)



SOURCE: US Department of Energy State Energy Profiles

Total Residential Natural Gas Price ($/thousand cubic feet)



SOURCE: US Department of Energy State Energy Profiles

Recent Residential Natural Gas Prices ($/thousand cubic feet)

	March-2012	April-2012	May-2012	June-2012	July-2012	August-2012
RI	$14.3	$16.2	$18.2	NA	$19.0	$19.5
US	10.5	11.0	12.5	14.2	15.3	15.9

SOURCE: US Department of Energy State Energy Profiles

Rhode Island's electricity price – as measure by cents per kilowatt hour (cents/kwh) – was consistently higher than national prices between 1990 and 2010. On average, Rhode Island's electricity cost was 3.61 cents/kwh higher than the national average. Moreover, the gap between Rhode Island and the national average has increased over the 20-year time period. Since 1990, the US price increased by 49.6 percent, while Rhode Island's prices increased by 53.9 percent.

Similarly, Rhode Island's residential natural gas prices were higher than the national average over the same 20-year time period. As with electricity, natural gas prices in Rhode Island have increased at a faster rate than US residential natural gas prices. From 1990 to 2010, Rhode Island saw a 128.3 percent increase in residential natural gas prices, while the US saw a 96.4 percent increase. The gap between US and Rhode Island national gas prices has increased in recent years as US prices began to decline starting in 2008. Rhode Island's prices did not start began declining until 2009, and then at a lower rate than the national average.

Recent data on residential natural gas prices shows that prices are increasing in Rhode Island and across the US. However, the rate of price change from March 2012 through August 2012 has been slower in Rhode Island than in the US (37 percent growth versus 53 percent growth, respectively).

Economy: Business Climate

The Small Business and Entrepreneurship (SBE) Council "Small Business Survival Index" methodology considers major government-imposed or government-related costs affecting investment, entrepreneurship, and business and uses 44 government-imposed or government-related costs that impact businesses and entrepreneurs in the 2011 edition. Rhode Island ranked 47th in the 2011 Small Business Survival Index. In reviewing SBE Council reports back to 2003, the state's ranking has been consistently in the bottom ten (45th in 2010 and 2009, 47th in 2008, 48th between 2007 and 2004, and 47th in 2003).

Small Business & Entrepreneurship Council
Small Business Survival Index Rankings, 2011

Top 10			Bottom 10		
Rank	State	Score	Rank	State	Score
1	South Dakota	32.292	41	Iowa	72.525
2	Nevada	38.531	42	Massachusetts	73.976
3	Texas	39.076	43	Minnesota	75.308
4	Wyoming	46.049	44	Connecticut	75.587
5	South Carolina	47.047	45	Maine	75.876
6	Alabama	48.765	46	California	76.357
7	Ohio	49.538	**47**	**Rhode Island**	**77.250**
8	Florida	50.081	48	Vermont	78.291
9	Colorado	51.317	49	NewJersey	82.625
10	Virginia	51.697	50	New York	82.787

SOURCE: Small Business & Entrepreneurship Council "Small Business Survival Index, 2011

The 2011 Small Business Survival Index considers New England to be among the least friendly regions for entrepreneurship – with all states finishing in the bottom half of the Index, and five of six states ranked in the bottom quintile (Connecticut 44th, Maine 45th, Massachusetts 42nd, Rhode Island 47th, and Vermont 48th) as shown in table 3. New Hampshire was the only New England state to rank in the top quintile – at 33rd in the nation.

Since 2001, the Beacon Hill Institute's "State Competitiveness Ranking" has focused on measuring the long-term competitiveness of each state through the economic relation of output depends on the amount of capital, labor, and technology within each state economy. The competitiveness report produced by BHI ranks each state through a series of metrics that examine government and fiscal policy, crime rates, the quality of infrastructure, the availability of technology, the quality of the workforce, environmental regulations, and business viability at the state level. In the 2011BHI analysis, Rhode Island ranked 19th overall and all New England states except for Connecticut (26th) and Maine (Maine 28nd) ranked in the top half of the country. Massachusetts (1st), New Hampshire (11th), and Vermont (14th) ranked higher than the Ocean State in this particular study. Rhode Island's rank of 29th was a notable improvement over the 2009 rankings when the state ranked 29th overall, the worst showing of all New England states.

New England Rankings
Beacon Hill Institute Annual State Competitiveness Report, 2009-2011

Category	Connecticut			Maine			Massachusetts			New Hampshire			Rhode Island			Vermont		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Govt. & Fiscal Policy	48	48	39	45	41	42	30	34	27	17	16	9	37	42	31	43	29	40
Security	15	6	4	16	20	25	22	15	22	25	22	15	20	2	6	44	21	12
Infrastructure	41	42	43	38	38	45	40	40	29	43	44	48	42	34	34	33	50	50
Human Resources	8	10	15	13	13	11	1	1	1	6	6	4	22	18	23	3	3	3
Technology	9	9	8	24	47	46	1	1	1	11	11	10	7	8	4	3	4	3
Business Incubation	35	44	50	15	25	20	4	11	12	12	6	24	32	32	34	38	40	40
Openness	11	8	8	44	43	43	8	9	9	38	38	31	25	21	21	16	16	13
Environmental Policy	38	39	33	3	4	1	37	40	28	12	12	16	32	35	30	5	5	5
Overall Ranking	**26**	**28**	**26**	**23**	**32**	**28**	**1**	**3**	**1**	**15**	**10**	**11**	**29**	**20**	**19**	**18**	**19**	**14**

SOURCE: Beacon Hill Institute, Eleventh Annual State Competitiveness Report

Economy: R&D

Federal Contracts and Awards to Rhode Island (FY 2000-FY 2011, $ millions)

Fiscal Year	Contracts $	Contracts % change	Grants	Loans and Guarantees	Direct Payments	Insurance	Others	Total Dollars
2000	$533.1		$1,500.0	$0.0	$3,400.0	$1,200.0	$0.4	$6,700.0
2001	342.7	-35.7%	1,600.0	0.0	3,600.0	1,300.0	0.7	6,900.0
2002	472.6	37.9%	2,000.0	0.0	3,400.0	1,500.0	0.0	7,400.0
2003	603.4	27.7%	2,500.0	0.0	3,900.0	1,500.0	0.0	8,500.0
2004	533.8	-11.5%	2,300.0	0.0	3,900.0	1,600.0	0.6	8,300.0
2005	482.4	-9.6%	2,100.0	0.0	4,000.0	1,700.0	0.3	8,300.0
2006	537.8	11.5%	2,300.0	0.0	4,400.0	2,000.0	0.3	9,200.0
2007	685.3	27.4%	908.8	0.2	2,500.0	3.3	12.2	4,100.0
2008	843.0	23.0%	1,100.0	2.7	4,500.0	6.2	1.7	6,500.0
2009	800.1	-5.1%	3,100.0	1.0	5,200.0	1,500.0	0.1	10,600.0
2010	931.5	16.4%	2,900.0	4.5	4,200.0	958.9	6.2	9,000.0
2011	903.4	-3.0%	2,200.0	1.9	3,400.0	3,900.0	19.1	10,300.0

SOURCE: http://www.usaspending.gov; as of 11/19/2012

There are various types of federal contracts available to Rhode Island. Grants are a form of direct payment from the government and are typically accompanied by a distribution formula or restrictions on use. Loans and loan guarantees are types of risk transfers in which the federal government either loans money to a state or acts as a guarantor if the money is loaned through a private lender. Direct payments are when the federal government provides money directly to individuals, firms, or the state to subsidize an activity. They can be restricted or unrestricted. Insurance assures that an entity will be reimbursed if losses are incurred. Insurance and direct payments from the federal government have provided the most federal money to Rhode Island between FY 2000 and FY 2011.

In 2011, Rhode Island received $1,134,892,568 in federal contracts. The top contract agency, in terms of dollars obligated was the Department of the Navy, with 27.3 percent of RI 2011 contracts. Other top agencies were the Defense Logistics Agency, Department of the Army, and the Department of Veterans Affairs. The top federal entities in the "other" category are the Missile Defense Agency, National Oceanic and Atmospheric Administration, Food and Drug Administration, Farm Service Agency, and the Bureau of Ocean Energy Management.

Federal Agency Contracts in Rhode Island by Size of Contract

Contracting Agency	2011 Agency Subtotals Dollars Obligated	Share of RI Fed Contracts
Department of the Navy	$309,331,597	27.3%
Defense Logistics Agency	80,442,408	7.1%
Department of the Army	48,633,265	4.3%
Department of Veterans Affairs	42,000,986	3.7%
United States Mint	12,952,804	1.1%
U.S. Coast Guard	12,911,990	1.1%
Federal Acquisition Service	12,398,186	1.1%
Centers for Medicare and Medicaid Services	8,797,360	0.8%
Department of the Air Force	8,021,758	0.7%
Environmental Protection Agency	6,764,381	0.6%
Other	542,254,735	47.8%
Total	$1,134,892,568	100.0%

SOURCE: http://www.usaspending.gov; as of 11/19/2012

Economy: R&D

United States Government Federal Research Grant Spending in Rhode Island (FY 2000-FY 2012)

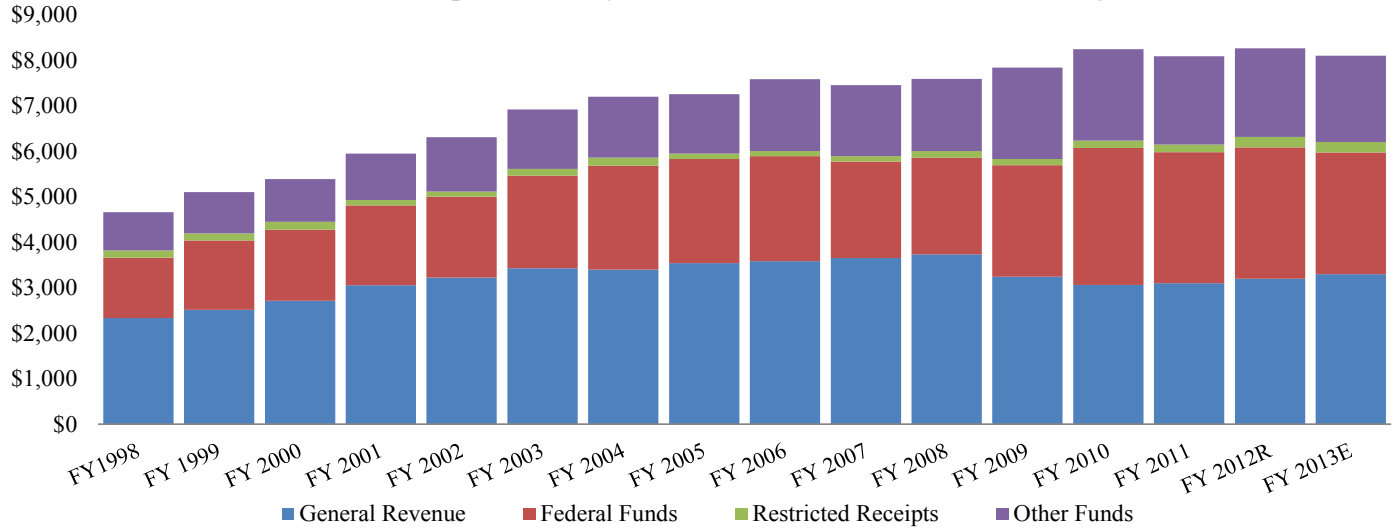
Top Five Prime Award Major Agencies		Top Five Companies by Contract Awards	
Department of Defense	$745,309,775	Raytheon Company	$524,820,918
Department of Health and Human Services	48,145,712	Marine Accoustics Inc	43,154,108
Department of Homeland Security	28,981,162	Brown University	41,094,463
National Aeronautics and Space Administration	8,091,572	Saic Inc.	33,901,561
Department of Interior	6,526,231	Applied Radar, Inc.	26,717,834

Source: USAspending.gov, RIPEC calculations

Federal agencies provide research grants to states or entities within states such as companies or universities to pursue research and development (R&D). From 2000-2012, Rhode Island received millions of dollars in federal grant money. Rhode Island's top federal grant donors are the Department of Defense, which provides over 15 times more research dollars than the second highest grant donor, the Department of Health and Human Services. Raytheon has been the top recipient of these dollars in Rhode Island over the past twelve years, receiving over $520 million in research grants.

Government: Expenditures

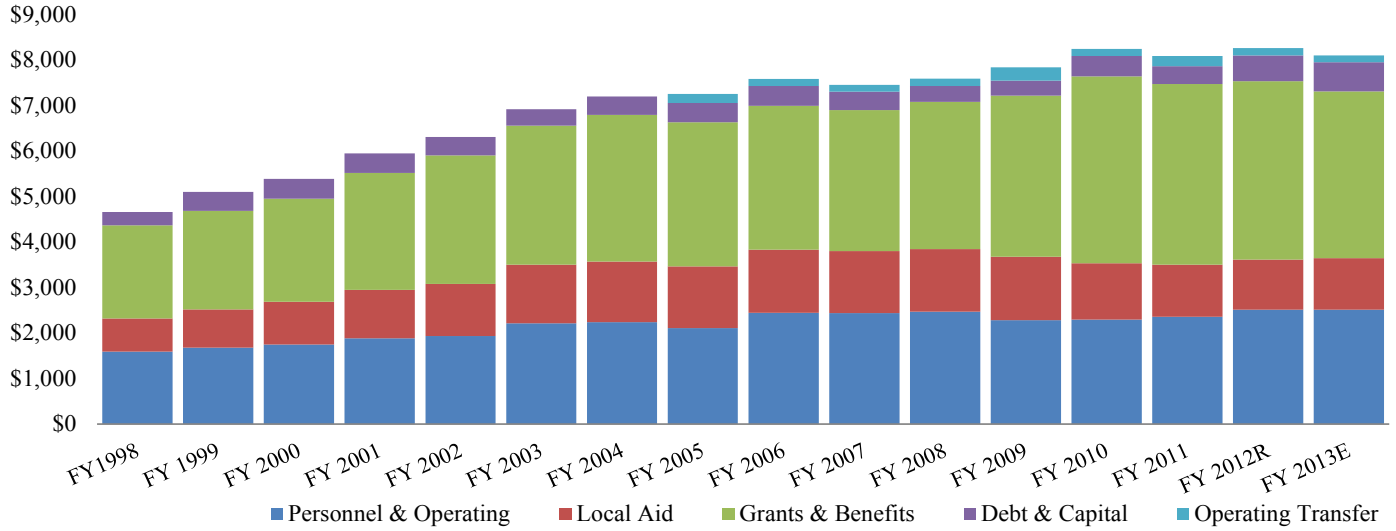
Total All Funds Expenditures by Source, FY 1998-FY 2013 Enacted (adjusted)



SOURCE: State Budget Office documents; RIPEC calculations

On an adjusted basis, total, all funds expenditures grew $3,439.9 million (73.8 percent) between FY 1998 and FY 2003. The majority of the growth was in expenditures from federal funds, which grew by $1,346.3 million and accounted for 39.1 percent of new expenditure growth. Over the past decade, total adjusted expenditures increased $1,181.5 million, or 17.1 percent. During this time, expenditures from general revenues decreased by 3.8 percent, compared to a 31.2 percent increase in federal funds-supported spending, a 55.7 percent increase in restricted receipt expenditures and a 45.3 percent increase in expenditures from other funds.

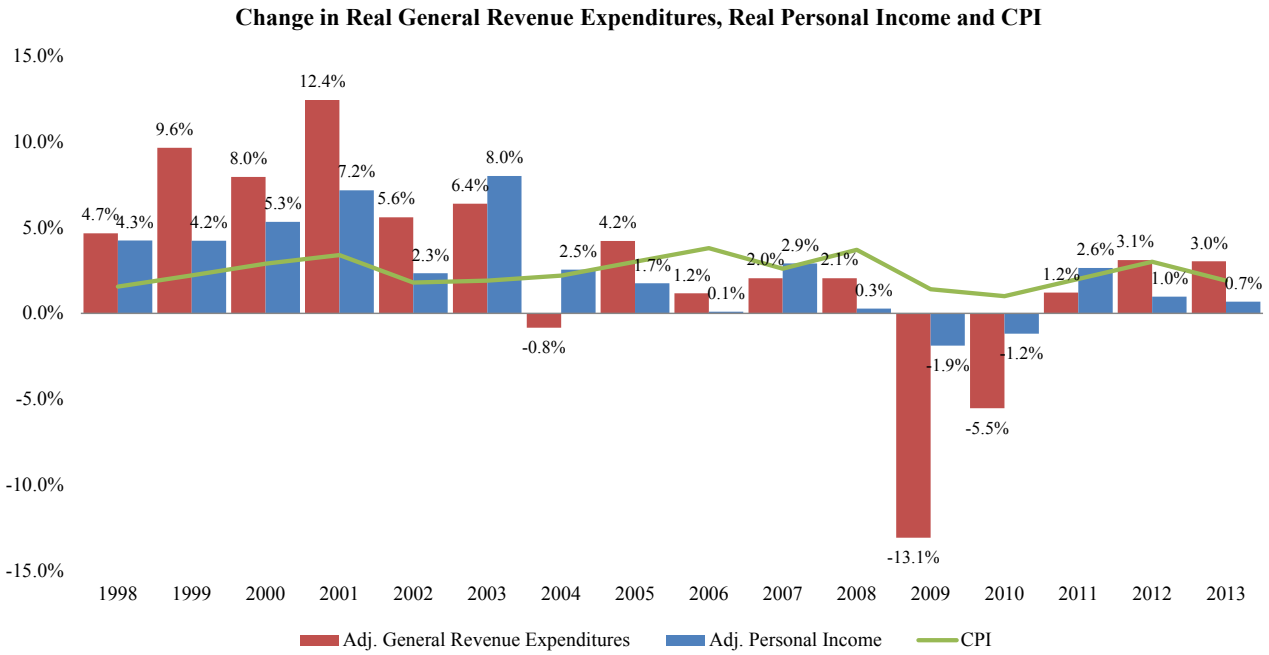
Total All Funds Expenditures by Category, FY 1998-FY 2013 Enacted (adjusted)



SOURCE: State Budget Office documents; RIPEC calculations

Although debt and capital is the fastest-growing category of spending since FY 1998, the largest share of expenditure growth was for grants and benefits, which accounted for $1,620.4 million of the total increase in state spending. Put another way, grants and benefits have accounted for $0.47 of every new dollar spent over the past 15 years. Since FY 2003, grants and benefits have accounted for $0.52 of every new dollar of spending. Although aid to local governments grew by approximately 55 percent since FY 1998, spending in this category has decreased by 12.0 percent over the past decade. Expenditure growth for personnel and other state operations has slowed in recent years; however spending in this category accounts grew by 57.9 percent since FY 1998 (13.5 percent since FY 2003), and has accounted for $0.27 of every new dollar of state spending ($0.25 since FY 2003).

Government: Expenditures

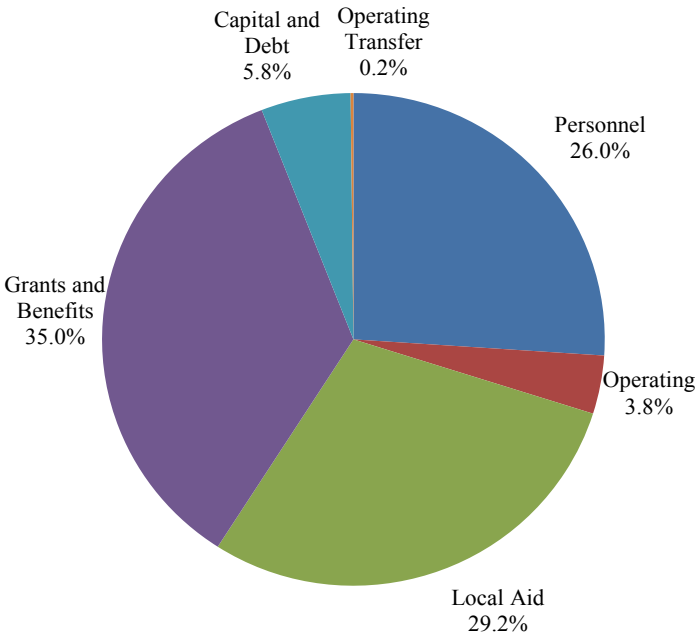


SOURCE: State Budget Office Documents; November 2012 Economic Consensus Forecast; RIPEC calculations

Over the past fifteen years, the state's general revenue budget increased by 43.7 percent on an adjusted basis, from $2,293.2 million (adjusted) in FY 1998 to $3,295.8 million in the FY 2013 budget as enacted. This rate of increase was just slightly higher than growth in personal income (43.6 percent, adjusted) and inflation (44.3 percent).

Grants and benefits expenditures of $1,142.8 million account for the largest share – 35.0 percent – of general revenue spending in the FY 2013 budget as enacted, followed by expenditures on local aid of $962.4 million (29.2 percent). Expenditures for personnel costs in FY 2013 are the third largest share of state general revenue expenditures, totaling 26.0 percent ($853.4 million); however, when total state operations – personnel and other operations – are considered, spending FY 2013 in this category of $984.6 million accounts for the third largest share of state spending (29.9 percent) in the state's FY 2013 general revenue budget. Capital - and debt-related spending of $190.0 million represent 5.8 percent of FY 2013 expenditures, while the $5.9 million operating transfer accounts for the balance.

FY 2013 Expenditures by Category as a % of Total General Revenue Expenditures



SOURCE: House Fiscal Advisory Staff "Budget as Enacted, FY 2013"; RIPEC calculations

Government: Expenditures

Budget Statement ($ million)

Summary	FY 2011	FY 2012	FY 2013
Opening Surplus	**$ 17.9**	**$ 64.2**	**$ 115.5**
Audit Adjustments	0.6	-	-
Reappropriated Surplus	3.4	4.5	7.7
Total Revenues	**$3,083.7**	**$3,270.3**	**$ 3,320.9**
Cash Stabilization	(80.7)	(93.4)	(103.1)
Total Available Revenues	**$3,024.9**	**$3,245.6**	**$ 3,341.0**
Enacted Expenditures	**$2,956.2**	**$3,139.3**	**$ 3,295.8**
Adjustments	-	(29.4)	-
Total Expenditures	**$2,956.2**	**$3,109.9**	**$ 3,295.8**
Free Surplus	64.2	128.0	37.5
Transfer to Other Funds	-	(12.5)	(16.4)
Reappropriations	(4.5)	(7.7)	(7.7)
Total Ending Balance	**$ 68.7**	**$ 115.5**	**$ 21.1**

SOURCE: State Budget and House Fiscal Staff documents; Source; State Controller Preliminary Audit; RIPEC calculations

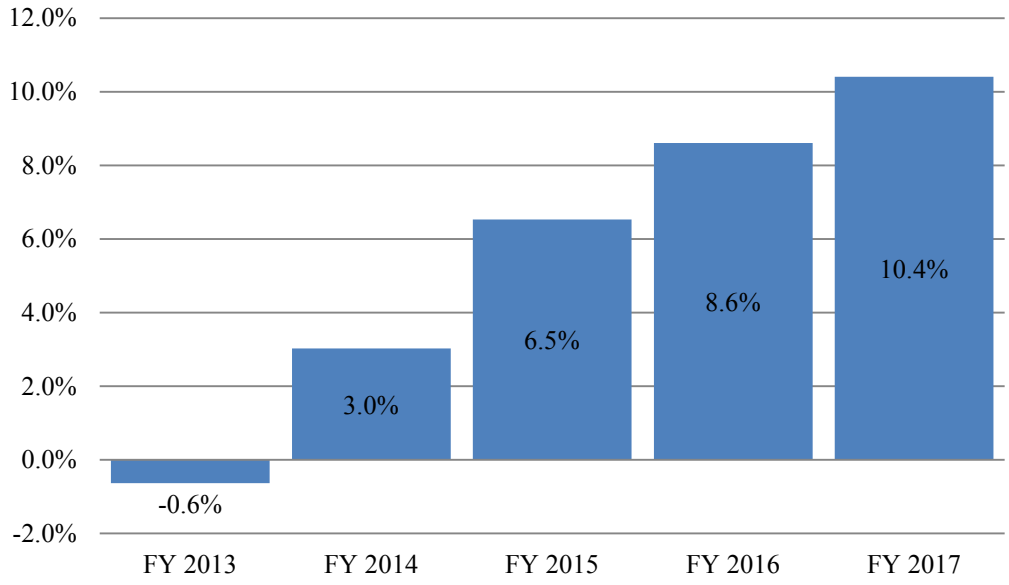
* *The revised ending balance for FY 2012 and opening surprlus for FY 2013 reflects the State Controller's Preliminary Audit. Though the November REC and CEC made additional revenue adjustments, this table does not reflect those changes.

Total FY 2012 final enacted revenues of $3,270.3 million include a net opening balance of $68.7 million from the FY 2011 closing. After a transfer of $93.4 million to the state's "rainy day fund" total FY 2012 available revenues were $3,245.6 million. Revised expenditures of $3,109.9 million were $29.4 million lower than enacted. Together, these changes result in a revised FY 2012 closing balance of $115.5 million.

Enacted FY 2013 general revenues of $3,320.9 million, plus the additional revenue as a result of the FY 2012 closing result in a transfer to the budget reserve and cash stabilization fund of $103.1 million. Enacted expenditures of $3,295.8 million, coupled with the $16.4 transfer to the state's IT and fleet funds, result in a closing balance of $21.1million for the fiscal year. It should be noted, however, that these figures do not include revisions to revenues or expenditures based on changes in caseload from the November Revenue and Caseload Estimating Conferences, nor do they incorporate FY 2013 year-to-date expenditure data.

General revenue deficits in the out-years are projected to grow to $373.9 million, or 10.4 percent of available revenue in FY 2017. During this time, expenditures are projected to grow by 19.7 percent, more than double the estimated revenue growth of 7.5 percent. A significant contributing factor to the out-year deficits is the use of one-time revenues to fund recurring expenses; however, out-year projections also include the negative revenue impact of casino gaming in Massachusetts.

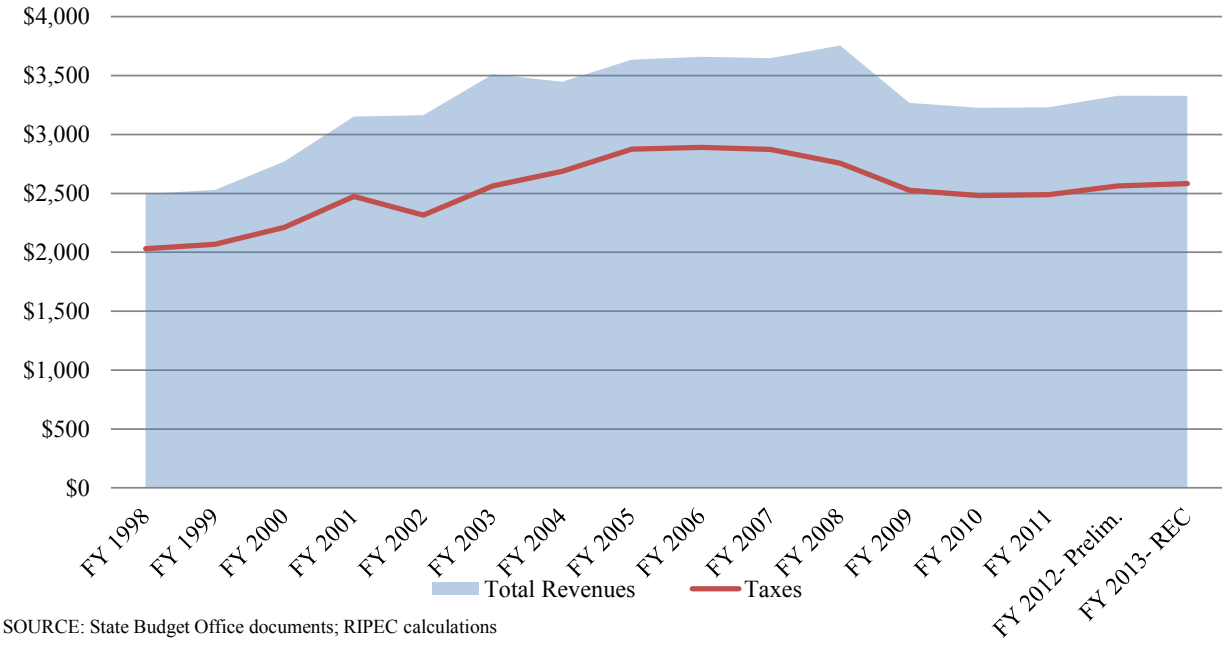
Projected General Revenue Deficits as a Share of Available Revenues, FY 2013-FY 2017



SOURCE: House Fiscal Advisory Staff "Budget as Enacted, FY 2013"; RIPEC

Government: Revenues

Total Taxes and General Revenues (adjusted), FY 1998-FY 2013 REC



SOURCE: State Budget Office documents; RIPEC calculations

Between FY 1998 and FY 2013, total revenues increased by $832.7 million, or 33.4 percent on an adjusted basis ($1,334.0 million, 66.9 percent, unadjusted). Of this, almost three quarters, or $961.1 million, was attributable to an increase in tax collections, while the balance was a combination of departmental and other revenues. On an adjusted basis, total FY 2013 revenues are $182.7 million, or 5.2 percent, lower than FY 2003 revenues, while tax collections are $20.8 million (0.8 percent) higher.

General Revenues by Source ($ unadjusted)

General Revenues	FY 1998	FY 2003	FY 2008	FY 2013-REC
Taxes				
Personal Income Tax	$722.8	$813.3	$1,073.6	$1,078.6
General Business Taxes	206.8	229.9	374.8	384.4
General Sales & Use Tax	530.6	777.4	844.2	879.4
Other Sales Taxes*	53.9	58.3	60.7	61.7
Cigarette Tax	64.2	94.4	114.7	137.7
Other Taxes	43.9	39.1	48.4	41.5
Taxes	*$1,622.2*	*$2,012.4*	*$2,516.4*	*$2,583.3*
Department Receipts	$190.3	$290.3	$356.5	$347.5
Other Sources	181.9	454.7	556.0	397.6
Total Revenues	**$1,994.4**	**$2,757.3**	**$3,429.0**	**$3,328.4**

* Motor vehicle, motor fuel and alcohol sales taxes

SOURCE State Budget Office documents; RIPEC calculations

Personal income taxes account for the largest share of revenue – 32.4 percent of all revenues and 41.8 percent of total taxes in FY 2013 – followed by general sales and use taxes (26.4 percent of revenues and 34.0 percent of taxes). Total general business taxes are the third largest source of taxes for the state, accounting for 14.9 percent of total FY 2013 taxes and 11.5 percent of all revenues; however, projected lottery revenues of $386.7 million are the third largest source of revenue for Rhode Island, representing 11.6 percent of all FY 2013 revenues.

Since FY 1998, personal income tax collections have accounted for the largest share of the increase in total taxes (37.0 percent), followed by increases in general sales tax collections (36.3 percent) and general business taxes (18.5 percent). However, between FY 2003 and FY 2013 REC, general sales tax collections decreased by approximately 11.2 percent, while personal income tax collections increased by just 4.1 percent. During this ten-year period, general business tax collections increased by 31.3 percent.

Government: Revenues

November 2013 Revenue Estimating Conference

Revenues	FY 2012 Prelim	FY 2013 May-12	FY 2013 Enacted	FY 2013 Nov-12	Enact-Nov Change	FY 2014 Nov-12	FY 13-14 Change
Personal Income	$1,060.9	$1,076.5	$1,080.9	$1,078.6	($2.3)	$1,129.0	$50.4
General Business							
Business Corporation	$123.2	$132.9	$133.3	$135.9	$2.6	$140.4	$4.5
Public Utilities Gross Earnings	100.6	100.1	100.1	104.0	3.9	102.4	(1.6)
Insurance Companies	89.5	89.8	89.8	91.9	2.1	97.0	5.1
Other*	48.4	46.0	46.0	52.6	6.6	48.8	(3.8)
Subtotal	*$361.7*	*368.8*	*$369.2*	*$384.4*	*$15.2*	*$388.6*	*$4.2*
Sales and Use Taxes							
General Sales and Use	$850.4	873.4	$886.7	$879.4	($7.3)	$904.1	$24.7
Motor Vehicle	48.4	47.7	47.8	48.7	0.9	48.7	0.0
Gasoline	0.7	1.1	1.1	1.0	(0.1)	1.0	0.0
Cigarettes	131.1	131.1	138.1	137.7	(0.4)	137.4	(0.3)
Alcohol	11.9	12.2	12.2	12.0	(0.2)	12.2	0.2
Subtotal	*$1,042.5*	*1,065.5*	*$1,085.8*	*$1,078.8*	*($7.0)*	*$1,103.4*	$24.6
Other Taxes	$51.2	42.0	$42.2	$41.5	($0.7)	$43.2	$1.7
Total Taxes	**$2,516.3**	**$2,552.8**	**$2,578.1**	**$2,583.3**	**$5.2**	**$2,664.2**	**$80.9**
Departmental Revenue**	$339.5	195.0	$342.9	$347.5	$4.6	$206.8	($140.7)
Total Taxes & Departmentals	**$2,855.8**	**$2,747.8**	**$2,921.0**	**$2,930.8**	**$9.8**	**$2,871.0**	**($59.8)**
Other Sources							
Gas Tax Transfers	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other Miscellaneous	20.1	2.6	4.4	4.6	0.2	2.4	(2.2)
Lottery	377.7	388.5	387.6	386.7	(0.9)	405.1	18.4
Unclaimed Property	14.5	$7.9	7.9	6.3	(1.6)	9.6	3.3
Subtotal	*$412.3*	*$399.0*	*$399.9*	*$397.6*	*($2.3)*	*$417.1*	*$19.5*
Total General Revenues	**$3,268.1**	**$3,146.8**	**$3,320.9**	**$3,328.4**	**$7.5**	**$3,288.1**	**($40.3)**

Source: FY 2013 Budget as Enacted, May and Nov 2012 Revenue Estimating Conferences

*"Other" General Business Taxes include Financial Institutions, Bank Deposits and Health Care Provider taxes

**FY 2013 Departmental Revenue does not include the Hospital Licensing Fee of app. $140 million.

This table contains revenue information from the State Controller's 2012 Preliminary Audit, the May 2012 Revenue Estimating Conference (CEC) the FY 2013 Budget as Enacted, and the November 2012 Revenue Estimating Conference (REC). As this table indicates, Rhode Island receives revenue from three main sources: taxes, departmental revenues, and "other sources" (gas tax transfer, lottery, unclaimed property are some examples in this category). From the FY 2013 enacted budget to the November 2012 REC, decreases in Rhode Island's personal income tax revenue and sales and use taxes were offset by gains in general business taxes . Overall, total taxes revenues were up by $5.2 million. Departmental revenues increased by $4.6 million over this time period. In terms of FY2014 revenues, this table indicates a $40. 3 million revenue decrease. It is important to note that if the hospital licensing fee of approximately $140 million were included in the departmental revenue category, FY2014 would not be experiencing this revenue decrease.

Government: Taxes

Individual Income Tax Rates as of July 1, 2012

	Single				Married			
	Rate & Bracket	Standard Deduction	Personal Exemptions Per Filer	Personal Exemptions Per Dependent	Rate & Bracket	Standard Deduction	Personal Exemptions Per Filer	Personal Exemptions Per Dependent
Connecticut*	3.00% > $0 5.00% > $10,000 5.50% > $50,000 6.00% > $100,000 6.50% > $200,000 6.70% > $250,000	n.a	$13,000	$0	3.00% > $0 5.00% > $20,000 5.50% > $100,000 6.00% > $200,000 6.50% > $400,000 6.70% > $500,000	n.a	$13,000	$0
Maine	2.00% > $0 4.50% > $5,100 7.00% > $10,150 8.50% > $20,350	$5,950	$2,850	$2,850	2.00% > $0 4.50% > $10,200 7.00% > $20,350 8.50% > $40,700	$11,900	$2,850	$2,850
Massachusetts	5.3% > $0	n.a.	$4,400	$1,000	5.3% > $0	n.a.	$4,400	$1,000
New Hampshire**	5% > $0	n.a.	$2,400	n.a.	5% > $0	n.a.	$4,800	n.a.
Rhode Island***	3.75% > $0 4.75% > $57,150 5.99% > $129,900	$7,800	$3,650	$3,650	3.75% > $0 4.75% > $57,150 5.99% > $129,900	$15,600	$3,650	$3,650
Vermont	3.55% > $0 6.8% > $35,350 7.80% > $85,650 8.8% > $178,650 8.95% > $388,350	$5,950	$3,800	$3,800	3.55% > $0 6.8% > $59,050 7.80% > $142,700 8.8% > $217,450 8.95% > $388,350	$11,900	$3,800	$3,800

* There is also an additional income-based personal tax credit, which is completely phased out above $56,500; additional phase-out rules apply

** Applied to dividend and interest income only

*** The personal exemption phases out between $181,900 and $202,700

SOURCE: The Tax Foundation: http://taxfoundation.org:81/article/state-individual-income-tax-rates-2000-2012

Rhode Island's top marginal individual income tax rate of 5.99 is lower than top marginal rates in Connecticut (6.7 percent), Maine (8.5 percent), and Vermont (8.95 percent), all of which have a progressive income tax structure that range from a maximum of six brackets in Connecticut to three brackets in Rhode Island. Massachusetts has a flat tax rate of 5.3 percent on ordinary income, while New Hampshire has a 5.0 percent rate on dividend and interest income

State Corporate Income Taxes
As of January 1, 2012

In 2012, there were seven states with a corporate income tax rate that was equal to, or higher than Rhode Island's rate of 9.0 percent (flat rates: Connecticut, Illinois, Minnesota, New Jersey, Pennsylvania; top marginal rates: Alaska, Iowa). In New England, rates ranged from a low of 8.0 (flat) in Massachusetts to a high of 9.0 in both Connecticut and Rhode Island. Maine and Vermont were the only two New England states with a progressive corporate tax structure. The majority of states in the region allow for a double-weighted sales apportionment factor for multi-state companies. Connecticut and Massachusetts all allow for the use of a single sales factor in some cases and Maine uses a single sales factor only. In Rhode Island, three-factor apportionment formula is used, with some exceptions.

State	Rates & Brackets	Apportionment
Connecticut*	9% > $0	Double wtd sales/Sales
Maine	3.50% > $0 7.93% > $25,000 8.33% > $75,000 8.93% > $250,000	Sales
Massachusetts	8.00% > $0	Double wtd sales/Sales
New Hampshire	8.50% > $0	Double wtd sales
Rhode Island	9.00% > $0	3 factor**
Vermont	6.00% > $0 7.00% > $10,000 8.50% > $25,000	Double wtd sales

Note: This is not inclusive of all forms of corporate taxation. Many states impose other taxes on corporations including gross receipts or franchise taxes. Other states may also impose different rates for financial institutions.

* Includes a 20% surtax, effectively increasing the rate from 7.5% to 9%

** With some exceptions

SOURCE: The Tax Foundation; Federation of Tax Administrators

Government: Taxes

Tax Credits and Tax Against Which Credit May be Applied, TY 2009

Credit	Business Corporation	Banks	Bank Deposits	Franchise	Insurance	Personal	Public Service Corporation	All Other	TY 2009 Cost
Accommodations Under Americans with Disabilities Act	*						*		$0
Adoption (Federal)						*			*80,484*
Adult and Child Daycare	*	*			*	*	*		31,585
Adult Education	*	*	*		*	*	*		1,055
Apprenticeship	*								0
Artwork Exhibition						*			*436*
Biotechnology Investment	*					*			0
Child and Dependent Care (Federal)						*			2,291,845
Contribution to Scholarship Organizations	*	*	*		*	*	*		680,605
Earned Income (Federal)						*			11,081,800
Education Assistance and Development	*	*					*		0
Elderly or Disabled (Federal)						*			*66,026*
Employment – Welfare Bonus Program	*	*			*	*			0
Enterprise Zone Wage	*	*			*	*	*		867,819
Farm to School Income						*			*54*
General Business (Federal)						*			*1,494,027*
Historic Homeownership Assistance						*			*269,729*
Historic Structures	*	*		*	*	*	*		26,481,746
Hydroelectric Power	*					*			314
Incentives for Innovation and Growth	*			*		*			59,204
Interest for Loans to Mill Building Owners	*	*			*	*	*		0
Investment	*	*			*	*			12,646,823
Jobs Training	*	*			*	*	*		822,087
Juvenile Restitution	*					*			0
Lead Paint Abatement						*			192,455
Mortgage Interest (Federal)						*			*41,490*
Motion Picture Production Company	*	*			*	*			3,074,958
Motor Carrier Fuel Use Taxes Paid to Rhode Island								*	2,955,425
Nonresident Trust Beneficiary for Accumulating Distribution						*			*0*
Prior Year Minimum Tax (Federal)						*			*708,286*
Property Tax Relief						*			15,716,239
Qualified Electric Vehicle (Federal)						*			*0*
Qualifying Widow(er)						*			*0*
Real or Personal Property Taxed in Another State								*	0
Research and Development Expense	*				*	*			7,162,869
Research and Development Property	*				*	*			633,144
Resident Trust Beneficiary for Accumulating Distribution						*			*0*
Residential Renewable Energy System	*					*			132,722
Specialized Investment in Mill Building	*	*			*	*			0
Taxes Paid to Other States						*			119,974,132
Wages Paid by Employers in Mill Buildings	*					*			0
Total	**22**	**12**	**2**	**2**	**14**	**36**	**10**	**2**	**$207,467,359**

Credits in italics are no longer allowed under RI General Law

SOURCE: RI Department of Revenue "2012 Tax Expenditures Report"

Government: Taxes

General Sales Taxes (as of Jan 1, 2012)

	State	Rank	+ Local Average	Rank
U.S Average	5.63%	-	6.97%	
Connecticut	6.35%	11	6.35%	31
Maine	5.00%	31	5.00%	43
Massachusetts	6.25%	13	6.25%	33
New Hampshire	-	46	-	47
Rhode Island	**7.00%**	**2**	**7.00%**	**20**
Vermont	6.00%	13	6.14%	34

SOURCE: The Tax Foundation, RIPEC calculations

General sales taxes across the country range from 2.9 percent in Colorado to a high of 7.0 percent in Indiana, Mississippi, New Jersey, Rhode Island and Tennessee. However, 15 states have a combined state and local rate of 7.0 or greater, and when local taxes are considered, sales taxes range from a low of 1.45 percent in Alaska, which has no statewide sales tax, to 9.45 percent in Tennessee. Five states, Alaska, Delaware, Montana, New Hampshire and Oregon, have no state sales tax.

When comparing rates, one must also look at the impact of exemptions to the sales tax code. Rhode Island exempts a number of categories from the sales tax, including food (excluding food intended for immediate consumption), prescription drugs, non-prescription drugs, most services, clothing, and footwear. In total, Rhode Island law includes over 50 categories of exemptions

Sales Tax Exemptions

	Food	Prescription Drugs	Non-Prescription Drugs	Clothing	Shipping	Services
Connecticut	*	*		**		
Maine	*	*			*	
Massachusetts	*	*		**		
New Hampshire						
Rhode Island	*	*	*	**		
Vermont	*	*			*	*

** Clothing under a certain dollar amount is exempted

SOURCE: Sales Tax Clearinghouse

Government: How Rhode Island Compares

State and Local Revenues Per $1,000 of Personal Income and Per Capita
How Rhode Island Compares to the United States Average - FY 2010

	Per $1,000 of Personal Income				Per Capita			
	US	RI	Rank	% of US	US	RI	Rank	% of US
Tax Revenues								
Property	$36.83	$50.76	5	137.8%	$1,439	$2,082	7	144.8%
Individual Income	21.71	21.05	29	97.0%	848	864	20	101.9%
General Sales	23.76	18.48	37	77.8%	928	758	33	81.7%
Other Taxes	23.58	21.05	34	89.3%	921	864	28	93.8%
Total State and Local Taxes	$105.87	$111.34	13	105.2%	$4,136	$4,568	13	110.5%
Charges and Misc Revenues	$50.76	$47.32	36	93.2%	$1,983	$1,941	27	97.9%
Intergovernmental Revenues	52.01	70.46	9	135.5%	2,032	2,891	8	142.3%
Total General Revenues	$208.64	$229.11	15	109.8%	$8,150	$9,400	9	115.3%
Non General Revenues*	$56	$48	26	85.3%	$2,180	$1,953	17	89.6%
Total Revenues	$264.45	$276.72	19	98.9%	$10,330	$11,353	9	101.1%

* Insurance trust, utility and liquor store revenue

Source: US Census Bureau, Government Finance, FY 2010 data, Bureau of Economic Analysis for personal income data, RIPEC calculations

In FY 2010, Rhode Island's total general revenue collections totaled $229.11 per $1,000 of personal income (15th highest in the country), and were 9.8 percent higher than the national average of $208.64. When measured on a per capita basis, Rhode Island's general revenue collections of $9,400 were 15.3 percent higher than the national average of $8,150 and were 9th highest in the country.

General revenues are broken into three major categories: taxes, charges and miscellaneous revenues, and intergovernmental transfers. Of the three, taxes represent the largest share of general revenues. As a share of personal income, total Rhode Island tax collections in FY 2010 were $111.34 per $1,000 of personal income, compared to $105.87 per $1,000 of personal income nationally. On a per capita basis, total tax collections in Rhode Island of $4,568 were 10.5 percent higher than the national average of $4,136. The Ocean State ranked 13th highest in the country when tax collections were measured per $1,000 of personal income and 13th highest when measured per capita.

In general, property taxes represent the largest share of tax collections, accounting for 34.8 percent of all FY 2010 taxes across the country. In Rhode Island, the property tax accounted for 45.6 percent of total collections in FY 2010, a 10.8 percent greater share of taxes than the national average. General sales, income tax, and other tax collections (excise, corporate income, etc.) account for a smaller share of Rhode Island tax revenues compared to the national average (16.6 percent v. 22.4 percent, 18.9 percent v. 20.5 percent, and 18.9 percent v. 22.3 percent, respectively).

Government: How Rhode Island Compares

Rhode Island and US Tax Revenue by Source - FY 2008, FY 2009 & 2010

Source: US Census Bureau, Government Finance, FY 2008, FY 2009 and FY 2010 data, RIPEC calculations

This chart shows taxes as a share of revenue for both the US and Rhode Island. As shown on the chart, property taxes accounted for a larger share of state and local tax revenue in FY 2010 when compared to FY 2008 and FY 2009 as a result of declining collections in other taxes, coupled with increases in property tax collections. As the data on chart 2 indicate, between 2008 and 2010, property taxes in Rhode Island as a share of total tax revenue increased from 42.3 percent to 45.6 percent. The US share of property taxes as a share of total tax revenue also increased from 30.8 percent to 34.8 percent. In both cases, the majority of the shift was related to declining income tax collections as a share of total taxes. In FY 2008, individual income tax collections accounted for 22.4 percent of total tax revenues in Rhode Island, compared to 20.2 in FY 2009 and 18.9 percent in FY 2010. Nationally, individual income taxes were 20.5 percent of all tax collections in FY 2010, a slight decline from FY 2009 when collections represented 21.3 percent of tax revenues.

Government: How Rhode Island Compares

State and Local Revenues Per Capita
United States and Rhode Island, FY 2006-2010

	US Per Capita					RI Per Capita				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Tax Revenues										
Property	$1,123	$1,282	$1,356	$1,393	$1,439	$1,704	$1,850	$1,951	$2,020	$2,082
Individual Income	806	968	1,011	889	848	935	1,023	1,032	912	864
General Sales	880	1,002	1,016	956	928	791	825	801	773	758
Other Taxes	1,155	1,017	1,030	939	921	781	812	827	819	864
Total State and Local Taxes	$3,698	$4,270	$4,413	$4,177	$4,136	$4,191	$4,509	$4,610	$4,524	$4,568
Charges and Misc Revenues	$1,640	$1,959	$2,036	$1,989	$1,983	$1,436	$1,793	$1,917	$1,751	$1,797
Intergovernmental Revenues	1,466	1,558	1,585	1,763	2,032	1,973	1,972	1,961	2,337	2,891
Total General Revenues	$6,763	$7,787	$8,033	$7,929	$8,150	$7,631	$8,275	$8,489	$8,766	$9,400
Non General Revenues*	$1,680	$2,466	$766	-$1,139	$2,180	$1,482	$2,308	$439	-$1,681	$1,933
Total Revenues	$9,169	$10,253	$8,800	$6,790	$10,330	$9,113	$10,583	$8,927	$7,085	$11,353

* Insurance trust, utility, and liquor store revenue calculations

This table outlines changes in revenue collections between FY 2006 and FY 2010 for both the US and Rhode Island, as measured on a per capita basis to outline the impact of the recession on national and state revenue. Revenues for FY 2010 were higher in both the US and Rhode Island compared to the four previous fiscal years. Property taxes and intergovernmental revenues, driven by the national stimulus package, were the only categories to increase every year between FY 2006 and FY 2010 for both Rhode Island and the US. However, total state and local taxes remain lower than FY 2008 tax collections, driven by the slow recovery in individual income, general sales, and other taxes.

Government: How Rhode Island Compares

State and Local Expenditures Per $1,000 of Personal Income and Per Capita
How Rhode Island Compares to the United States Average - FY 2010

	Per $1,000 of Personal Income				Per Capita			
	US	RI	Rank	% of US	US	RI	Rank	% of US
Direct General Expenditures								
Education & Libraries	$72.71	$70.92	32	97.5%	$2,840	$2,910	20	102.4%
Social Services & Income Maintenance	57.29	58.84	26	102.7%	2,238	2,414	16	107.9%
Transportation	15.51	12.55	45	80.9%	606	515	37	85.0%
Public Safety	18.79	20.43	12	108.7%	734	838	9	114.2%
Environment & Housing	16.56	12.37	45	74.7%	647	508	34	78.5%
Gov't Admin. & Interest on Gen. Debt	19.39	24.39	6	125.8%	758	1,001	6	132.1%
Other	11.39	11.74	18	103.0%	445	482	15	108.2%
Total Direct General Expenditures	*$211.65*	*$211.25*	*28*	*99.8%*	*$8,267*	*$8,667*	*16*	*104.8%*
Other Direct Expenditures								
Utility & Liquor Store	$17.73	$8.15	43	45.9%	$692	$334	42	48.3%
Insurance Trust	30.00	43.11	3	143.7%	1,172	1,769	3	150.9%
Total Direct Expenditures	*$259.38*	*$262.50*	*22*	*101.2%*	*$10,132*	*$10,770*	*15*	*106.3%*
Intergovernmental Expenditures	$0.36	$0.51	6	142.3%	$14	$21	6	149.5%
Total Expenditures	***$259.74***	***$263.02***	***21***	***101.3%***	***$10,146***	***$10,791***	***15***	***106.4%***

Source: US Census Bureau, Government Finance, FY 2010 data, Bureau of Economic Analysis for personal income data, RIPEC calculations

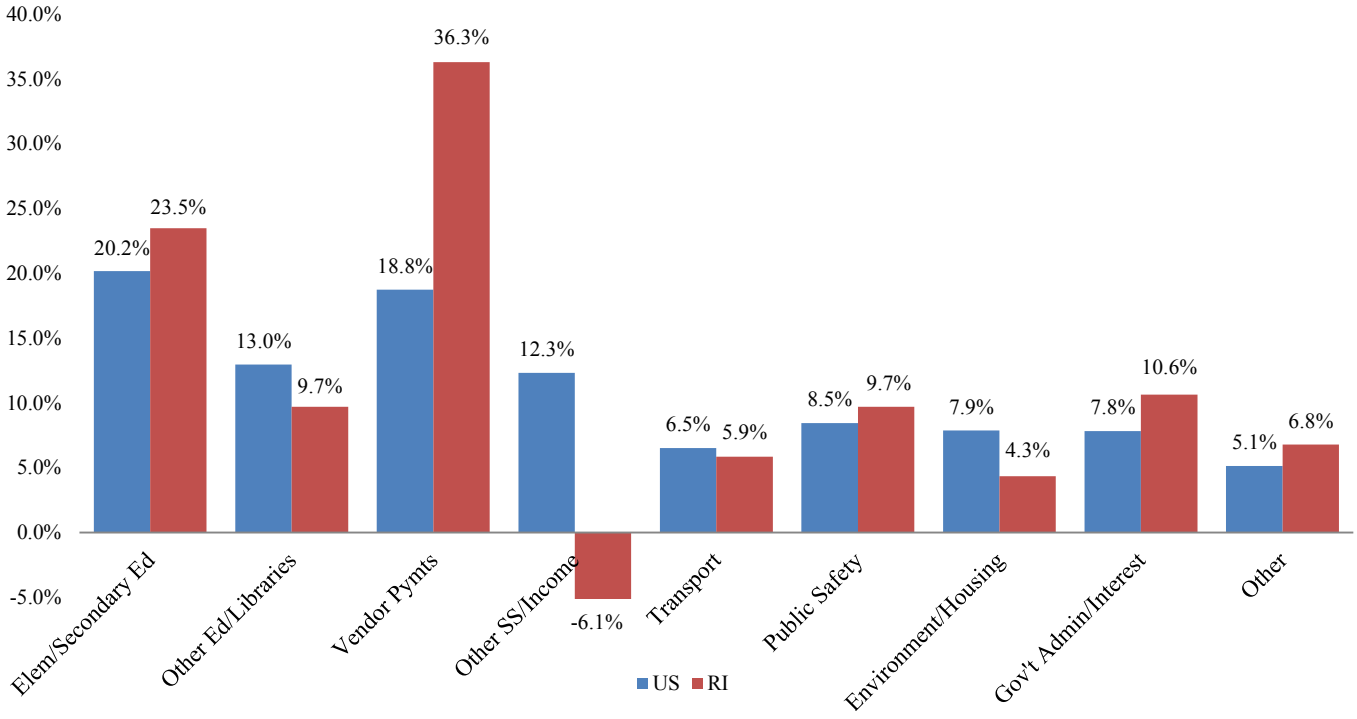
Total expenditures (direct expenditures and intergovernmental expenditures) for FY 2010 in Rhode Island of $263.02 per $1,000 of personal income were 1.3 percent higher than the national average and 21st highest in the country. When total expenditures were measured on a per capita basis, Rhode Island's state and local government expenditures totaled $10,791 – 15th highest in the country. Nationally, per capita spending totaled $10,146 in FY 2010.

Direct general expenditures (direct expenditures excluding utility, liquor store and insurance trust spending) account for the vast majority of government spending. In FY 2010, state and local direct general expenditures in Rhode Island were $211.25 per $1,000 of personal income, compared to $211.65 per $1,000 of personal income nationally. Per capita expenditures were $8,667 in Rhode Island, or 4.8 percent higher than the national average of $8,267 per capita.

Within direct general expenditures are seven broad categories: education and libraries, social services and income maintenance, transportation, public safety, environment and housing, government administration and interest on general debt, and other.

Government: How Rhode Island Compares

Share of Change in Direct General Expenditures, FY 2000 - FY 2010



This chart shows the share of change in direct general expenditure by category between FY 2000 and FY 2010, for both the US and Rhode Island. As shown on the chart, vendor payments accounted for over one-third of the total growth over the decade, roughly twice the US average of 18.8 percent. Elementary and secondary education also accounted for a larger share of growth in spending in Rhode Island compared to the rest of the country (23.5 percent v. 20.2 percent). Together, these two categories accounted for roughly 60 cents of every dollar increase in direct general expenditures in Rhode Island, compared to 39 cents of every additional dollar nationally.

In addition to the growth in spending for elementary and secondary education and vendor payments, Rhode Island expenditures on government administration/interest on general debt, public safety, and "other" expenditures also accounted for a higher share of expenditure growth in Rhode Island compared to the US average. Conversely, spending on other education and libraries accounted for 13.0 percent of total spending growth nationally, compared to 9.7 percent in Rhode Island. Similarly, spending on transportation and environment and housing accounted for a larger share of the overall growth in national state and local expenditures over the past decade when compared to Rhode Island. Notably, spending for other social security and income maintenance (excluding vendor payments) represented 12.3 percent of the increase over the past decade nationally while declining in Rhode Island.

Between FY 2009 and FY 2010, direct general state and local expenditures in Rhode Island increased by 2.4 percent, compared to a 2.5 percent increase nationally. All categories of direct general expenditures, with the exception of government administration/interest on general debt and "other" increased year-over-year in the Ocean State. Nationally, expenditures in every Census-defined category increased over the two year period. Utility and liquor store spending increased by 8.3 percent in Rhode Island (0.6 percent nationally), while insurance trust spending increased by 33.8 percent (30.6 percent nationally).

Government: How Rhode Island Compares

State and Local Expenditures US and RI, FY 2009 - FY 2010

	US ($ billions)			RI ($ millions)		
	2009	2010	Change	2009	2010	Change
Direct General Expenditures						
Education & Libraries	$862.1	$872.0	1.2%	$2,964.6	$3,064.5	3.4%
Social Services & Income Maintenance	655.0	687.0	4.9%	2,384.2	2,542.6	6.6%
Transportation	181.9	186.0	2.3%	509.8	542.5	6.4%
Public Safety	222.7	225.3	1.2%	798.1	882.6	10.6%
Environment & Housing	190.6	198.5	4.1%	513.0	534.7	4.2%
Gov't Admin. & Interest on Gen. Debt	230.9	232.6	0.7%	1,133.5	1,054.1	-7.0%
Other	131.9	136.7	3.6%	614.3	507.4	-17.4%
Total Direct General Expenditures	*$2,475.1*	*$2,538.1*	2.5%	*$8,917.5*	*$9,128.5*	2.4%
Other Direct Expenditures						
Utility & Liquor Store	$211.2	$212.6	0.6%	$325.1	$352.0	8.3%
Insurance Trust	275.5	359.8	30.6%	1,392.3	1,862.8	33.8%
Total Direct Expenditures	*$2,961.8*	*$3,110.5*	5.0%	*$10,634.9*	*$11,343.3*	6.7%
Intergovernmental Expenditures	$4.8	$4.3	-10.0%	$25.1	$22.2	-11.5%
Total Expenditures	***$2,966.6***	***$3,114.8***	***5.0%***	***$10,660.1***	***$11,365.5***	***6.6%***

Source: US Census Bureau, Government Finance, FY 2009 and FY 2010 data, Bureau of Economic Analysis for personal income data, RIPEC calculations

Intergovernmental spending (payments by state and local governments to the federal government – in Rhode Island, these expenditures are almost exclusively under the category "federal categorical assistance programs") decreased by 11.5 percent in Rhode Island and by 10.0 percent across the country. Total expenditures, including utility, liquor store, insurance trust and intergovernmental expenditures, increased by 6.6 percent in Rhode Island, and by 5.0 percent across the US as a whole.

Government: Economic Forecast

Change in the Rhode Island Consensus Economic Forecast

	FY 2012		FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
Economic Indicator	**May-12**	**Nov-12**	**May-12**	**Nov-12**	**May-12**	**Nov-12**	**May-12**	**Nov-12**	**May-12**	**Nov-12**	**May-12**	**Nov-12**
Employment	-0.1%	-0.3%	0.9%	-0.4%	1.8%	1.2%	2.9%	3.0%	2.9%	3.2%	1.5%	1.9%
Unemployment Rate	11.1%	11.1%	10.3%	10.4%	9.4%	9.7%	7.5%	7.9%	6.2%	6.6%	5.4%	5.5%
Personal Income	4.0%	3.2%	3.9%	2.6%	4.9%	5.1%	6.1%	7.0%	5.6%	6.5%	4.6%	5.7%
Consumer Price Index	3.0%	2.9%	1.8%	1.9%	2.3%	2.5%	2.9%	2.6%	2.6%	2.4%	2.3%	2.3%

Source: May 2012 and November 2012 Economic Forecast

Representatives from the Rhode Island State Budget Office, Senate Fiscal Staff and House Fiscal Staff meet twice yearly at a publicly-held Revenue Estimating Conference (REC) and Caseload Estimating Conference (CEC) in November and May. The Governor's budget submission is based on revenue and caseload estimates from the November Revenue Estimating Conference (REC). These conferences also include testimony concerning US and RI economic forecasts by Moody's and the RI Department of Labor and Training.

Moody's noted that the three strongest headwinds for Rhode Island's economy are the pending federal "fiscal cliff," Europe's weakening economy, and a lack of small business optimism. However, Moody's maintained an optimistic outlook and "strong growth" for 2013-2014. Factors contributing to Moody's optimism include, but are not limited to, well-capitalized and profitable banks, "righting the wrongs" of the recession (e.g., deleveraging households, lower debt service levels), an improving commercial real estate and construction market, and consistent, bold Federal Reserve action.

Government: Caseload Estimating Conference

November 2012 Caseload Estimating Conference
Change in Caseloads

Caseloads	FY 2012 Actual	FY 2013 Enacted	FY 2013 Nov-12	Change	FY 2014 Nov-12	2013-14 Amount	2013-14 Percent
TANF/RIWP	16,000	16,100	16,195	95	16,300	105	0.6%
Child Care	6,777	6,860	6,985	125	7,055	70	1.0%
SSI	33,398	33,800	33,260	(540)	33,677	417	1.3%
GPA	622	650	575	(75)	585	10	1.7%

Source: RIPEC Calculations based on November 2012 Caseload Estimating Conference Data

Caseloads are estimated for four types of cash assistance programs estimated during the May and November Caseload Estimating Conference (CEC). The Rhode Island Works (RIWP) provides cash assistance, education, training and employment services to low-income working parents and those preparing for work. The cash assistance part of this program is entirely funded through the federal Temporary Aid to Needy Families (TANF) block grant. The Child Care Assistance Program (CCAP) and helps families with earnings up to 180 percent of the federal poverty level afford child care.

The state Supplemental Security Income (SSI) caseloads in this table reflect Rhode Island's state supplemental portion of monthly SSI benefits. This program provides benefits to individuals age 65 and older , and those who are blind or disabled who have low income and limited resources. The General Public Assistance Program (GPA), is a state-run program available for adults ages 19-64 who have a very limited income and resources and who have an illness or medical condition that keeps them from working. GPA "bridge" benefits are available to adults who apply for the SSI program but are waiting for an eligibility determination. The CEC also estimates the cost of indigent burials run through the GPA program.

Of the four cash assistance caseload programs, TANF/RIWP and child care programs are projected to see an increase in caseloads over the FY2013 enacted budget, while SSI and GPA are projected to see a decrease in caseloads. In FY 2014, caseloads are projected to increase for each of the four programs. In 2014, RIWP is caseloads are projected to increase by 105 caseloads (0.6 percent increase) over the FY 2013 consensus estimates, while child care caseloads are projected to increase by 70 slots (1.0 percent increase). The SSI caseloads are expected to increase by 417 persons, or 1.3 percent, while the enrollment in the GPA "brige" program is expected to grow by 10 in 2014 (1.7 percent increase).

Government: Caseload Estimating Conference

Cash Assistance Expenditures ($ million)

	TANF/RIWP		Child Care		SSI		GPA	
	Total	GR	Total	GR	Total	GR	Total	GR
FY 2004	$82.2	$21.9	$80.5	$53.0	$26.6	$26.6	$2.3	$2.3
FY 2005	73.2	14.8	79.6	56.1	27.3	27.3	2.2	2.2
FY 2006	67.1	16.2	77.8	39.1	27.0	27.0	2.4	2.4
FY 2007	60.0	16.1	71.5	31.8	27.6	27.6	3.0	3.0
FY 2008	55.6	15.7	57.9	12.7	28.0	28.0	2.7	2.7
FY 2009	52.5	3.6	50.9	7.1	25.1	25.1	2.5	2.1
FY 2010	43.8	0.0	46.8	7.1	22.2	22.2	2.8	1.9
FY 2011	39.0	0.0	48.8	9.0	20.9	20.9	3.0	2.0
FY 2012	40.1	0.0	48.3	9.7	18.0	18.0	3.2	2.3
FY 2013	40.8	0.0	49.4	9.7	18.6	18.6	2.7	2.1
FY 2014	41.3	0.0	49.9	9.7	18.8	18.8	2.8	2.2
FY 2004-14								
Change	-$40.9	-$21.9	-$30.6	-$43.3	-$7.8	-$7.8	$0.5	-$0.2
Percent	-49.8%	-100.0%	-38.0%	-81.7%	-29.4%	-29.4%	21.1%	-7.0%

Source: CEC, various years, and RIPEC calculations.

Between 2004-2014, total cash assistance expenditures for the TANF program are projected to decline by $40.9 million, or 49.8 percent. However, since FY 2011, TANF/RIWP has seen an increase in total expenditures of approximately 5.9 percent. Between FY 2004 and FY 2009, general revenues comprised between 7.0 and 28.0 percent of overall TANF/RIWP expenditures. Since FY 2010, there has been no general revenue allocation to TANF/RIWP.

Expenditures for child care in FY 2014 are projected be $30.6 million, or 38.0 percent, lower than FY 2004 spending, though there has been a 3.3 percent increase in total projected expenditures from FY 2012 through FY 2014. The general revenue contribution to this program is projected to decline by $43.3 million, or 81.7 percent during this time frame. For FY 2013 and FY 2014, general revenues are estimated to account for 19.8 and 19.4 percent of child care expenditures, respectively.

The SSI program's expenditures are estimated to decline by $7.8 million, or 29.4 percent between FY 2014 and FY 2004. Though this program has mostly seen declining expenditures since FY 2004, FY 2013 and FY 2014 expenditure are expected to increases (by $0.6 million and $0.2 million, respectively). This program is entirely funded by general revenue.

Until FY 2009, the GPA program was also entirely funded by general revenue. Recently, federal money has been made available through the Global Waiver for medical services (an estimated $0.6 million available in these funds in FY2013). In FY 2013 and FY 2014, general revenues are projected to comprise 73.7 and 76.8 percent of overall expenditures, respectively. Though the general revenue contribution to this program has declined by 7.0 percent since FY 2004, these declines have been offset by federal funds and the overall expenditures for this program have increased by 21.1 percent, or $0.5 million since FY 2004.

Government: Caseload Estimating Conference

November 2012 Caseload Estimating Conference
Change in Medicaid Expenditures ($ millions)

Medicaid Expenditures	FY 2012 Actual	FY 2013 Enacted	FY 2013 Nov-12	FY 2013 Change	FY 2014 Nov-12	FY 13-14 Change
Hospitals*	$219.0	$222.9	$220.3	($2.6)	$224.0	$3.7
Long-Term Care**	420.5	432.6	440.1	7.5	462.4	22.3
Managed Care	558.5	595.7	570.0	(25.7)	601.8	31.8
Rhody Health***	175.6	209.7	190.2	(19.5)	201.7	11.5
Pharmacy	(2.3)	3.9	2.8	(1.1)	3.0	0.2
Pharmacy Clawback	47.4	49.7	50.2	0.5	53.2	3.0
Other	115.8	117.8	114.5	(3.3)	119.0	4.5
Total	**$1,534.5**	**$1,632.3**	**$1,588.1**	**($44.2)**	**$1,665.1**	**$77.0**
General Revenue	*$741.5*	*$799.6*	*$775.3*	*($24.3)*	*$834.9*	*$59.6*

* Includes DSH Payments

** Includes Nursing & Hospice Care and Home & Community-based Services

*** The Conference is now required to estimate Rhody Health as a separate line item

Source: RIPEC Calculations based on November 2012 Caseload Estimating Conference Data

Total Medicaid expenditures administered by the Department of Human Services are projected to increase by 3.5 percent from $1,534.5 million in FY 2012 to an estimated $1,588.1 million in FY 2013. Compared to the enacted budget, FY 2013 medical assistance expenditure estimates were $44.2 million, or 2.7 percent, lower. Projected general revenue Medicaid expenditure estimates for FY 2013 are estimated to be $24.3 million, or 2.9 percent lower than the FY 2013 enacted estimates. The most significant component of the projected reduction in spending relates to Rhody Health and Managed Care, both of which saw significant decreases compared to FY 2013 enacted ($19.5 million, 9.3 percent, and $25.7 million, 4.3 percent, respectively).

In 2014, total projected expenditures of $1665.1 million are 4.8 percent, $77.0 million ,when compared to the revised FY 2013 projections, while general revenue expenditures are expected to increase by 7.7 percent ($60.0 million) to $834.9 million.. The largest component of the increase is for managed care programs ($31.8 million), followed by growth in long-term care programs ($22.3 million). Together, growth in these two programs are projected to account for roughly 70 percent of the growth in Medicaid expenditures between the two years.