



Rhode Island
Economic Development Corporation

Building the 21st Century Innovation Economy

Rhode Island High Wage Sector Analysis

2007

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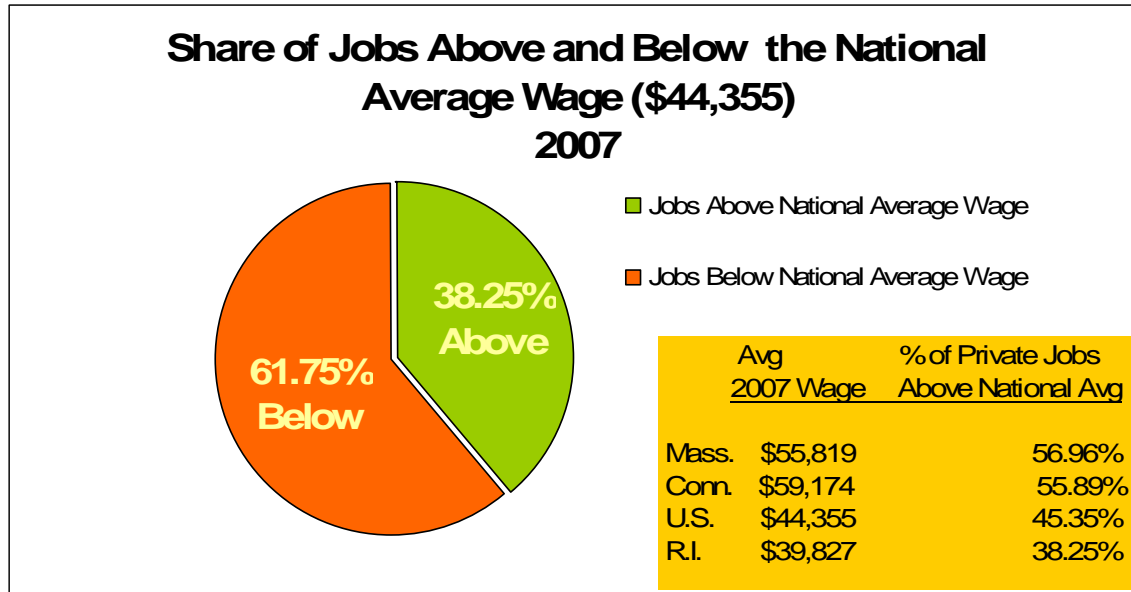
Part 1:
High Wage Comparison

(Based on the national average wage of \$44,355 for comparison purposes with other New England states)

High-Wage Comparison - 2007

During 2007, the national average private wage was \$44,355, while Rhode Island average private wage was \$39,827.

The majority of Rhode Island jobs (61.8%) paid below the national average, while 38.25% of Rhode Island jobs paid above the national wage (slight decrease from 2006 –see table below).



A higher percentage of jobs in neighboring states pay above the national average. Some 56.96% of jobs in Massachusetts pay above the national average (slight drop from last year), while in Connecticut, the 2007 figure is 55.89% (a slight increase from the last year's percentage). For the nation as a whole, 45.35% of jobs paid above average wages in 2006 (a slight increase from 2006).

	Average Wage	2006	2007	Change
Massachusetts	\$55,819	57.9%	57.0%	-0.9%
Connecticut	\$59,174	55.1%	55.9%	0.8%
US	\$44,355	45.1%	45.3%	0.2%
Rhode Island	\$39,827	38.9%	38.3%	-0.6%

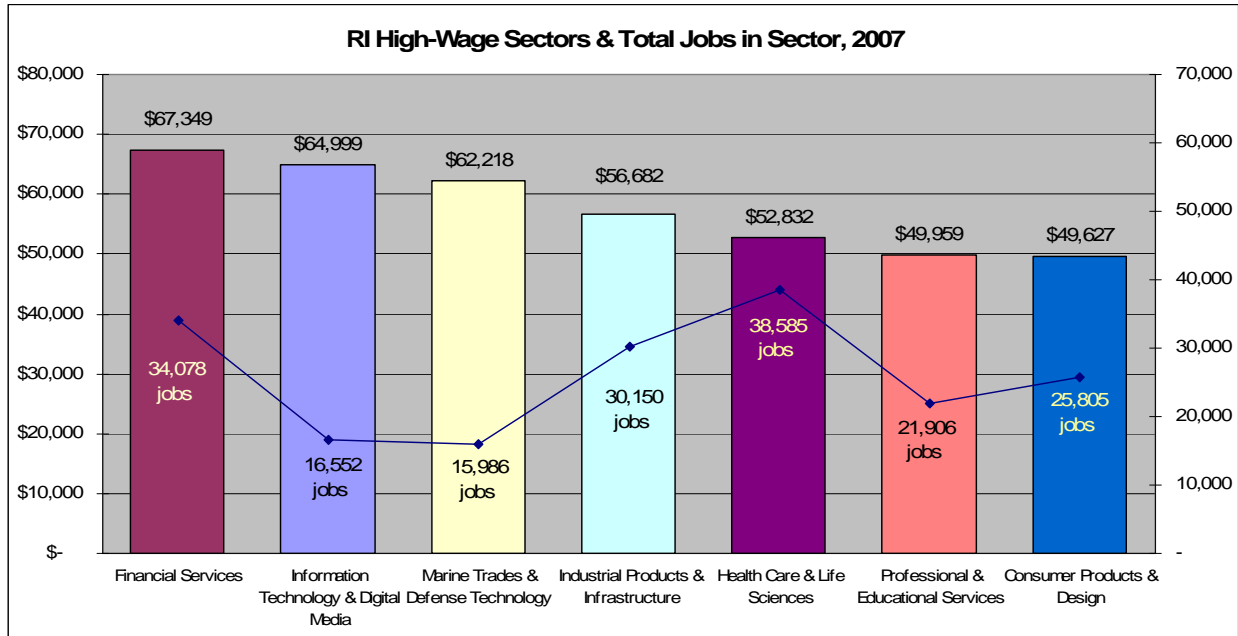
Some of the reasons for a drop in Rhode Island's share of high wage jobs may be linked to the energy cost increases and overall growing unemployment that depressed wages. As production/shipping/delivery costs increased due to energy cost increases, and family expenditures simultaneously dropped due to higher prices, local industries slowed their hiring. So we see both the lower wages and the smaller job growth across the nation.

Part 2.
Rhode Island Sector Analysis

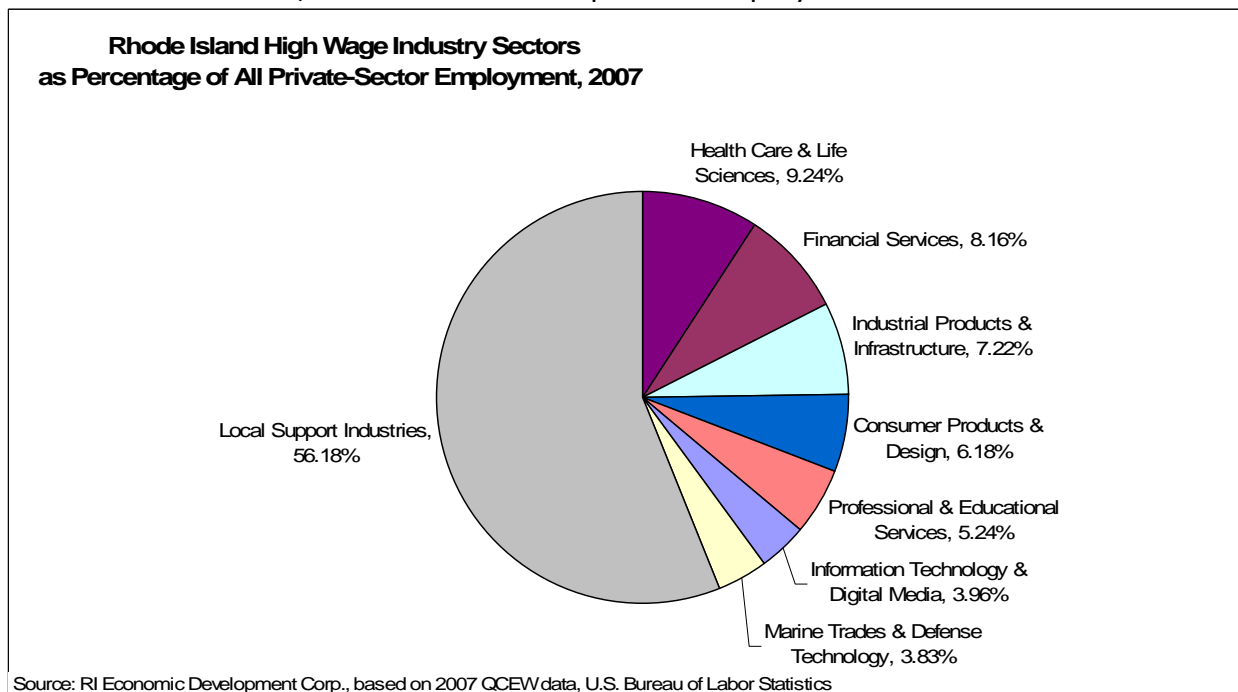
(Based on Rhode Island average wage of \$39,827 and the state's unique mix of industries)

Rhode Island High-Wage Sector Analysis - 2007

Rhode Island's highest average private wage in 2007 was in the Financial Services sector (\$67,349). Second highest average private wage was in Information Technology & Digital Media sector (\$64,999). The largest number of jobs was in the Health Care & Life Sciences cluster (38,585), followed again by the Financial Services Sector (34,078 jobs).



The largest high-wage sector in the Rhode Island economy is Health Care & Life Sciences, which accounts for 9% of RI private-sector jobs. The next largest sector is Financial Services, with 8% of the RI private employment.



High-Wage Sector/ Sub-Sector	2007 Employment	2007 Wages	2007 Avg Wage
Health Care & Life Science Technology	38,585	\$ 2,038,513,752	\$ 52,832
Medical, Surgical & Other Hospitals	22,636	\$ 1,043,503,840	\$ 46,099
Physician & Dental Services	11,307	\$ 664,353,319	\$ 58,756
Pharmaceuticals & Medicines	1,927	\$ 176,778,406	\$ 91,738
Medical Equipment & Supplies	1,410	\$ 65,959,632	\$ 46,780
Medical & Diagnostic Laboratories	1,098	\$ 73,535,245	\$ 66,972
Physical, Engineering & Life Science R&D	207	\$ 14,383,310	\$ 69,653
Financial Services	34,078	\$ 2,295,107,800	\$ 67,349
Finance & Insurance	34,078	\$ 2,295,107,800	\$ 67,349
Industrial Products & Infrastructure Services	30,150	\$ 1,708,964,043	\$ 56,682
Industrial Product Wholesalers	6,699	\$ 394,935,931	\$ 58,954
Metal & Wire Products	5,912	\$ 281,341,281	\$ 47,588
Commercial & Heavy Construction	4,080	\$ 266,606,617	\$ 65,345
Architectural & Engineering Services	3,677	\$ 221,246,440	\$ 60,170
Plastic, Rubber & Cement Products	3,382	\$ 150,035,369	\$ 44,363
Industrial Machinery & Lighting	3,494	\$ 214,887,677	\$ 61,502
Chemical, Paint & Adhesive Products	1,794	\$ 98,802,279	\$ 55,074
Utilities	1,112	\$ 81,108,448	\$ 72,939
Consumer Products & Design	25,805	\$ 1,280,617,934	\$ 49,627
Jewelry Products	7,969	\$ 304,957,697	\$ 38,268
Consumer Product Wholesalers	6,452	\$ 332,934,049	\$ 51,602
Household & Institutional Products	5,900	\$ 418,500,240	\$ 70,932
Leather, Wood & Paper Products	3,993	\$ 159,026,198	\$ 39,826
Textiles	1,053	\$ 43,655,701	\$ 41,458
Specialized Design Services	438	\$ 21,544,049	\$ 49,187
Professional & Educational Services	21,906	\$ 1,094,385,090	\$ 49,959
Post-Secondary Educational Services	12,134	\$ 579,242,943	\$ 47,737
Professional & Technical Services	9,772	\$ 515,142,147	\$ 52,719
Information Technology & Digital Media	16,552	\$ 1,075,858,719	\$ 64,999
Book, Newspaper & Software Publishing	2,816	\$ 165,357,774	\$ 58,721
Computer Systems Design & Related Services	3,596	\$ 312,715,215	\$ 86,962
Internet Service Providers, Hosting and Publishing	3,056	\$ 203,057,329	\$ 66,445
Telecommunications	4,397	\$ 257,287,648	\$ 58,514
Computer & Communications Hardware	926	\$ 42,900,718	\$ 66,437
Advertising & Related Services	969	\$ 52,988,410	\$ 54,684
Radio, Television and Cable Programming	792	\$ 41,551,625	\$ 52,464
Marine Trades & Defense Technology	15,986	\$ 994,616,948	\$ 62,218
Electronic Instruments & Components	4,578	\$ 330,327,060	\$ 72,155
Ship, Boat & Transportation Equipment	8,325	\$ 423,309,796	\$ 50,848
Computer Systems Design, Physical Engineering R & D	3,083	\$ 240,980,092	\$ 78,164
All Private Industries, 2007	417,728	\$ 16,636,774,694	\$ 39,827
High-Wage Sectors	183,061	10,488,064,286	\$ 57,293
Local Support Industries	234,667	\$ 6,148,710,408	\$ 26,202

Source: RIEDC analysis of QCEW data, RI Department of Labor & Training, 2007 annual average.

High-Wage Sector/ Sub-Sector	2006 Employment	2006 Wages	2006 Avg Wage
Financial Services	33,837	\$ 2,169,725,067	\$ 64,123
Finance & Insurance	33,837	\$ 2,169,725,067	\$ 64,123
Health Care & Life Science Technology	37,855	\$ 1,962,816,999	\$ 51,852
Medical, Surgical & Other Hospitals	22,130	\$ 1,014,176,426	\$ 45,828
Physician & Dental Services	11,293	\$ 650,110,814	\$ 57,568
Pharmaceuticals & Medicines	1,884	\$ 152,086,598	\$ 80,725
Medical Equipment & Supplies	1,297	\$ 61,238,230	\$ 47,215
Medical & Diagnostic Laboratories	1,044	\$ 70,821,621	\$ 67,837
Physical, Engineering & Life Science R&D	207	\$ 14,383,310	\$ 69,653
Industrial Products & Infrastructure Services	29,926	\$ 1,597,776,284	\$ 53,391
Industrial Product Wholesalers	6,749	\$ 372,831,296	\$ 55,242
Metal & Wire Products	6,169	\$ 282,528,806	\$ 45,798
Commercial & Heavy Construction	4,098	\$ 256,149,998	\$ 62,506
Architectural & Engineering Services	3,421	\$ 194,855,114	\$ 56,959
Plastic, Rubber & Cement Products	3,331	\$ 142,972,447	\$ 42,922
Industrial Machinery & Lighting	3,058	\$ 164,019,578	\$ 53,636
Chemical, Paint & Adhesive Products	1,956	\$ 103,220,472	\$ 52,771
Utilities	1,144	\$ 81,198,574	\$ 70,978
Consumer Products & Design	26,351	\$ 1,242,850,305	\$ 47,165
Jewelry Products	8,463	\$ 310,384,416	\$ 36,675
Consumer Product Wholesalers	6,434	\$ 318,580,620	\$ 49,515
Household & Institutional Products	5,883	\$ 394,889,256	\$ 67,124
Leather, Wood & Paper Products	3,856	\$ 147,681,639	\$ 38,299
Textiles	1,240	\$ 48,917,426	\$ 39,450
Specialized Design Services	475	\$ 22,396,948	\$ 47,151
Professional & Educational Services	21,464	\$ 1,036,211,930	\$ 48,276
Post-Secondary Educational Services	12,000	\$ 542,113,889	\$ 45,176
Professional & Technical Services	9,464	\$ 494,098,041	\$ 52,207
Information Technology & Digital Media	15,035	\$ 1,045,053,496	\$ 69,510
Book, Newspaper & Software Publishing	2,967	\$ 174,271,689	\$ 58,737
Computer Systems Design & Related Services	3,235	\$ 335,975,407	\$ 103,872
Internet Service Providers, Hosting and Publishing	2,895	\$ 197,266,503	\$ 68,140
Telecommunications	2,919	\$ 179,774,906	\$ 61,588
Computer & Communications Hardware	1,222	\$ 61,521,116	\$ 50,345
Advertising & Related Services	1,019	\$ 55,313,304	\$ 54,282
Radio, Television and Cable Programming	778	\$ 40,930,571	\$ 52,610
Marine Trades & Defense Technology	15,950	\$ 1,012,458,230	\$ 63,478
Electronic Instruments & Components	4,834	\$ 686,907,959	\$ 62,565
Ship, Boat & Transportation Equipment	8,149	\$ 196,503,214	\$ 41,970
Computer Systems Design, Physical Engineering R & D	2,967	\$ 293,432,237	\$ 98,907
All Private Industries, 2006	417,706	\$ 16,178,446,118	\$ 38,732
High-Wage Sectors	180,417	\$ 9,846,808,452	\$ 55,647
Local Support Industries	237,289	\$ 6,331,637,666	\$ 26,299

One-Year Net Job Change in RI High-Wage Sectors, 2006-2007

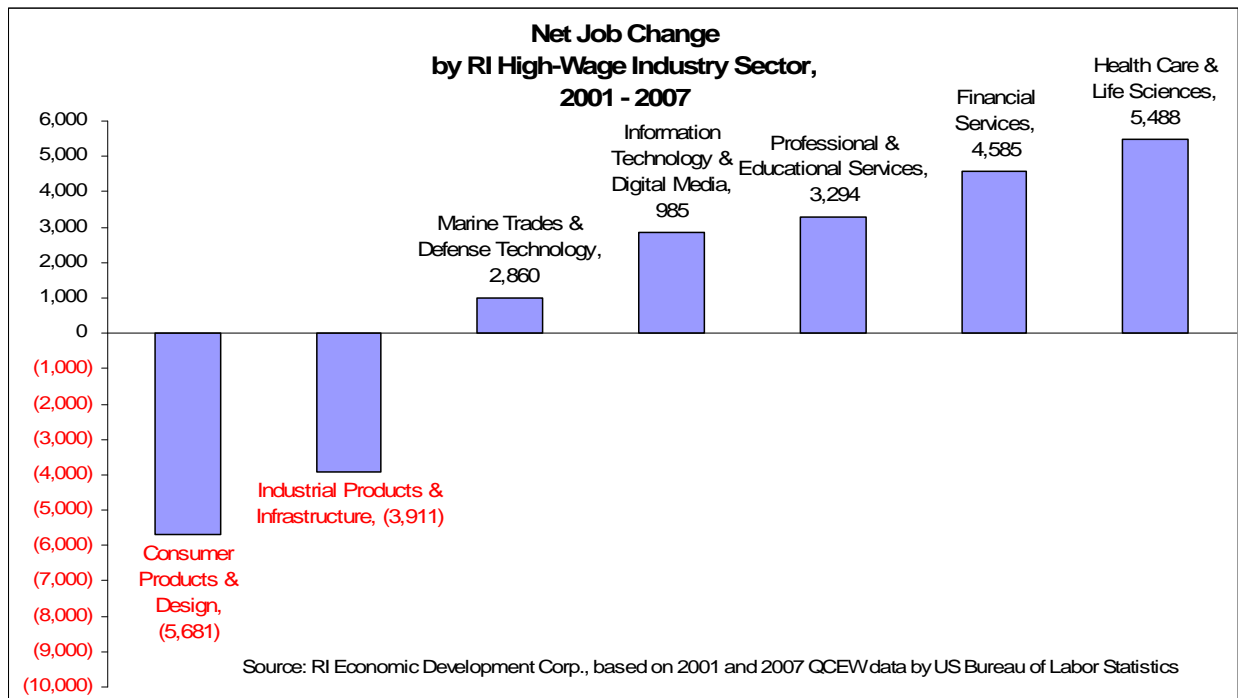
Between 2006 and 2007, the largest job gains were in the Information Technology and Digital Media (+ 1,518), while Health Care & Life Sciences gained 730 jobs. Overall, the state gained a net total of 2,644 new high-wage jobs in all sectors.

Industry Sector	Employment		Job change
	2006	2007	
Consumer Products & Design	26,351	25,805	(546)
Marine Trades & Defense Technology	15,950	15,986	36
Industrial Products & Infrastructure	29,926	30,150	224
Financial Services	33,837	34,078	241
Professional & Educational Services	21,464	21,906	441
Health Care & Life Sciences	37,855	38,585	730
Information Technology & Digital Media	15,035	16,552	1,518
High Wage Industry Clusters	180,417	183,061	2,644
Local Support Industries	237,289	234,667	(2,622)
Total PRIVATE Non-Farm Employment	417,706	417,728	22

Six-Year Net Job Change in RI High-Wage Sectors, 2001-2007

Between 2001 and 2007, Health Care & Life Sciences had the largest job gain of any sector in Rhode Island (+ 5,488), while Financial Services gained 4,585 jobs.

Industry Sector	Employment		Job change
	2001	2007	
Consumer Products & Design	31,486	25,805	(5,681)
Industrial Products & Infrastructure	34,061	30,150	(3,911)
Information Technology & Digital Media	15,567	16,552	985
Marine Trades & Defense Technology	13,127	15,986	2,860
Professional & Educational Services	18,612	21,906	3,294
Financial Services	29,493	34,078	4,585
Health Care & Life Sciences	33,097	38,585	5,488
High Wage Industry Clusters	175,442	183,061	7,619
Local Support Industries	229,528	234,667	5,139
Total PRIVATE Non-Farm Employment	404,970	417,728	12,758



Change in Real Wages by Rhode Island High-Wage Sector, 2001- 2007

Between 2001 and 2007, the average wage in the higher-wage sectors rose by 7.2%, double the increase among all private industry (3.5%), and much faster than the average wage decrease of -3.1% in local support industries.

Industry Sector	Average Wage		Dollar \$ change	Percent % change
	2001*	2007		
Average Wage Increase, All Private Industries	\$ 38,474	\$ 39,827	\$1,353	3.5%
Average Wage Increase, High-Wage Sectors	\$ 53,446	\$ 57,293	\$3,847	7.2%
Average Wage Increase, Local Support Industries	\$ 27,030	\$ 26,202	(\$828)	-3.1%
Professional & Educational Services	\$ 50,499	\$ 49,959	(\$540)	-1.1%
Information Technology & Digital Media	\$ 64,850	\$ 64,999	\$149	0.2%
Industrial Products & Infrastructure	\$ 53,699	\$ 56,682	\$2,983	5.6%
Consumer Products & Design	\$ 46,067	\$ 49,627	\$3,560	7.7%
Health Care & Life Sciences	\$ 49,232	\$ 52,832	\$3,600	7.3%
Marine Trades & Defense Technology	\$ 55,946	\$ 62,218	\$6,272	11.2%
Financial Services	\$ 60,489	\$ 67,349	\$6,860	11.3%

* 2001 figures are inflation-adjusted to 2007 levels -> 1982=100

The largest increases in real average wage was in Financial Services (+ \$6,860) and the Marine Trades and Defense Technology sector (+ \$6,256). These were far

above the average wage increase of only \$1,353 among all private industry (please see following graph).

