Labor Market Conditions in Rhode Island

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In March, the Rhode Island Department of Labor and Training's Labor Market Information Division in conjunction with the US Bureau of Labor Statistics (BLS) completed the annual benchmark revision of labor force statistics and job count estimates. This year labor force statistics for both the seasonally adjusted data and the not seasonally adjusted data were revised back to January 2021. This process incorporates revised job estimates, claims data and population controls.

Also in March, unadjusted job counts for the October 2024 through September 2025 period were benchmarked using UI Tax data submitted by all employers in the state. The unadjusted job counts for October, November and December 2025 were re-estimated based on the September 2025 benchmarked level. Seasonally adjusted job counts were then revised back to January 2021.

Benchmark revisions to the state's 2025 unemployment rate indicate that the state ended the year with a 4.4 percent unemployment rate, up one-tenth of a percentage point from the rate initially reported for December 2025. Unemployment rates were revised downward nine months of the year, from January through September, and were revised upward in November and December. Due to the Federal Government shutdown, there were no estimates produced for October 2025. The largest downward revision occurred in July 2025, where the rate was revised down by six-tenths of a percentage point. April, May and June saw a downward revision of half a percentage point. Both November and December posted an upward revision of one-tenth of a percentage point.

Over the year, the December rate was down one-tenth (-0.1) of a percentage point from the December 2024 rate of 4.5 percent; pre-benchmarked data indicated a 0.2 percentage point decrease in the unemployment rate from December 2024 to December 2025.

The record high unemployment rate remains at 17.9 percent from April 2020, occurring during the pandemic-related shutdown, while the lowest rate on record is 2.7 percent occurring between March 2023 and July 2023.

The benchmark process also revealed that the number of unemployed RI residents was overestimated for the first three quarters of the year and underestimated for the last two months of 2025. The largest downward revisions occurred in June (-2,900) and July (-2,900) while the largest upward revision occurred in November (+1,000). The year ended with 26,300 unemployed RI residents, 700 more than the previous December 2025 estimate indicated. Over the year, the number of unemployed RI residents decreased 300 from the revised December 2024 estimate; pre-benchmarked data showed a decrease of 1,200.

The seasonally adjusted employment level was understated for ten of eleven months of the year. The largest upward revisions occurred in June (+9,900) and May (+9,600). The year ended with 565,500 employed RI residents, 700 more than the previously reported December 2025 estimate indicated.

Over the year, the number of employed RI residents was down 2,400 from the revised December 2024 level of 567,900. Pre-benchmarked estimates indicated a gain of 100.

Labor force estimates were revised upward every month of 2025, with the largest upward revisions occurring in June (+7,000) and May (+6,800). Over the year (December 2024 to December 2025) the RI labor force decreased by 2,700; pre-benchmarked data indicated a decrease of 1,000.

In 2025, the RI-based seasonally adjusted total nonfarm job count was revised up by an average of 1,000 jobs (+0.2%). The published average annual job count of 514,400 now stands at 515,400. Total nonfarm employment was revised up in ten months of 2025 and revised down in two months. Seven industry sectors reported an upward annual revision, nine industry sectors reported downward annual revisions, while one industry sector remained unchanged. June reported the largest upward job revision in 2025, revised up 2,900 jobs from the published nonfarm job count of 513,200 to 516,100. On the downward side, September reported a negative revision of 900 jobs from the published job count of 514,700 to the benchmarked job count of 513,800.

The May 2025 seasonally adjusted total nonfarm job count of 517,800 represents an all-time high.

The Transportation & Warehousing sector was revised up by an average of 3,000 jobs in 2025, the largest average upward revision among all industry sectors. The Arts, Entertainment & Recreation (+1,000) and Health Care & Social Assistance (+900) sectors also reported sizable annual revisions. An upward revision of 400 jobs was noted in the Educational Services sector, followed by positive revisions in the Accommodation & Food Services (+300), Information (+200) and Financial Activities (+200) sectors.

The Administrative & Waste Services sector was revised down by an average of 1,500 jobs in 2025, the largest annual downward revision. A sizable downward revision was also reported in the Manufacturing (-1,100) and Professional and Technical Services (-700) sectors. Negative revisions in 2025 were also noted in the Government (-500), Other Services (-500), Management of Companies (-500), Wholesale Trade (-300), Retail Trade (-100) and Construction (-100) sectors. Job counts in the Mining & Logging sector remained unchanged in 2025.

The Rhode Island job count reached an all-time high in May 2025 at 517,800. Since then, the job count has declined by 4,100 (-0.8%) and now stands at 513,700 for February 2026.

Jobs are down -1,800 since last February as employment losses in ten sectors overshadowed gains in six sectors. The largest over-the-year loss occurred in Government. Jobs in this sector were down 1,100 over the year. Within the Government sector, Federal Government jobs declined by 1,100 during this period, while Local Government was down 300 and State Government jobs were up 300. The Retail Trade sector was down 800 since last February, while Management of Companies was down 600 and private Educational Services was down 500.

Smaller over-the year losses were noted in Wholesale Trade (-400), Information (-400) and Financial Activities (-400), while Construction, Manufacturing and Arts, Entertainment & Recreation each lost 100 jobs over the year. The largest over-the-year gain occurred in Health Care & Social Assistance (+1,100), the state's largest industry sector. Smaller gains were noted in Transportation, Warehousing & Utilities (+600), Accommodation & Food Services (+500), Administrative & Waste Services (+200), Professional & Technical Services (+200) and Natural Resources & Mining (+100).

The State's unemployment rate reached an all-time low of 2.7 percent for the five-month period of March 2023-July 2023.

The state's unemployment rate has slowly increased since. Now at 4.6 percent it is at its highest level since October 2021.

For February 2026, the number of unemployed is up 500 over the year while the number of employed is down 6,200. This results in the labor being down 5,800 from February 2025. The unemployment rate is up one-tenth of a percentage point over the year.

Since August 2025, the number of employed has declined at a pace that significantly exceeds the increase in unemployment, suggesting that many of those formerly employed have left the labor force.

Across the country, unemployment rates ranged from a high of 6.5 percent in the District of Columbia to a low of 2.3 percent in Hawaii and South Dakota. Rhode Island, along with Arizona, Florida, and New York had the sixteenth highest unemployment rate in the country in February.

Around New England, unemployment rates ranged from a high of 4.8 percent in Massachusetts to a low of 2.6 percent in Vermont. New Hampshire and Maine, both at 3.2 percent, were the only other New England states to have an unemployment rate below the US rate of 4.4 percent. Connecticut at 4.7 had the second highest rate in New England followed by Rhode Island at 4.6 percent.

In February, there were 27,200 unemployed RI residents. The number of unemployed residents has been rising since August 2025 and is at its highest level since September 2021. There were 561,700 employed RI residents in February. Resident employment has been declining since August 2025 and is down 6,200 over the year. Resident employment is at its lowest level since March 2023. The state's Labor Force (588,900) is down 5,800 from February 2025 (which, along with June 2024, was the labor force's all-time high level of 594,700).

The labor force participation rate was 63.4 percent for RI residents, down nine-tenths of a percentage point over the year. The RI labor force participation rate is at its lowest level since January 2023. The US labor force participation rate was 62.0 percent in February, down half of a percentage point over the year.

The unemployment rate averaged 4.6 percent for the eleven-month period ending March 2026, down one-tenth of a percentage point from the 4.7 percent average for the twelve-month period ending March 2025. During this period unemployment rates have decreased for men (-0.4) while increasing for women (+0.3). The unemployment rate for men decreased from 5.4 percent to 5.0 percent, while the unemployment rate for women increased from 4.0 percent to 4.3 percent.

Unemployment rates have also increased for both the Black and Hispanic populations during the period. The unemployment rate for the Black population increased from 2.1 percent to 8.1 percent and the unemployment rate for the Hispanic population increased from 5.9 percent to 7.5 percent. The White population experienced a drop in unemployment during this period, falling from 4.5 percent to 3.9 percent.

Over the year, labor force participation rate averages fell from 63.8 percent for the twelve-month period ending March 2025 to 63.4 percent for the eleven-month period ending March 2026. Decreases occurred among the 16-19 (falling from 39.1% to 37.9%), the 20 to 24 (falling from 74.6% to 70.2%)

and 55+ (falling from 41.7% to 40.9%) age groups, while participation increased for the 25 to 54 (84.6% to 85.6%) age group.

During the eleven-month period ending March 2026, women in all age groups were less likely to participate in the labor force than their male counterparts. Approximately 36 percent of women 16 to 19 participated in the labor force compared to 39.6 percent of men in the same age bracket. Of women 20 to 24 years of age, 67 percent participated in the labor force compared to 74 percent of men in the same age bracket.

Approximately 89.5 percent of men between the ages of 25 and 54 participated in the labor force compared to 81.6 percent of women. For men 55 and older, 46.0 percent participated in the labor force compared to 36.5 percent of women of the same age.

Claims filings have increased since 2022 but appear to have leveled off recently, as the number of initial claims, continued claims, and final payments through the 16th week of 2026 are at levels similar to those observed during the same period in 2025.

Total Wages continued to climb in 2025 as RI employers paid nearly $35.5 billion in wages, an increase of $1.7 billion or 5.0 percent from the 2025 wages.

Wages averaged $71,132 in 2025, an increase of $2,848 (4.2%) from the 2024 average of $68,284.

At present, labor market conditions in Rhode Island have remained somewhat stable over the past few years. Recently released benchmark data indicate that the number of jobs in 2025 was higher than previously reported, with the state reaching an all-time high job count in May 2025.

The benchmarked unemployment rate was revised downward for nine of the eleven months in 2025. Although the rate has gradually increased since reaching its historic low of 2.7 percent between March and July 2023, it has remained below 5 percent and stood at 4.6 percent as of February 2026.