



State Economic Outlook

April 2007

Rhode Island

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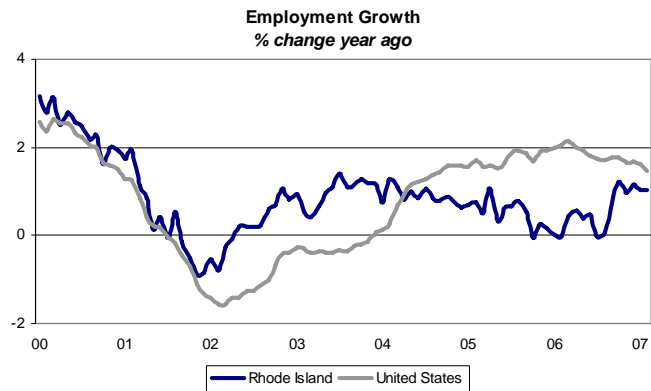
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Rhode Island payrolls are increasing by 1% on a year-to-year basis, but much of the gain is at the expense of average real wages. Thus far, the “new economy” of innovation and high-skill, high-wage jobs, which Governor Carcieri champions, is more of a trickle than a sustainable economic force. Oppressive energy costs, state tax rates that are among the highest in the country, a two-year budget deficit that may reach \$350 million, a need to downwardly revise forecasts for state revenues from gambling enterprises, and spiraling healthcare costs all combine to preclude the realization of a vital, business-friendly state economy. Furthermore, the unemployment rate has dropped from over 5% to 4.4%, which is consistent with the U.S. rate and indicates the labor market may be tightening. Finally, a contracting housing market, rapidly deteriorating credit quality and the long-term drag from manufacturing will cause further weakening in the Rhode Island economy in the near term. Therefore, while the state is just beginning to see the returns from investing in several growth industries, recurring budget shortfalls and exceedingly high business costs do not bode well for improvement in the state’s competitive environment over the next several years. Expect the state to be a below average performer over the near term, but to upgrade to above average over the longer-term forecast horizon.

RECENT PERFORMANCE [\(back to top\)](#)

- The Rhode Island economy is picking up, but mostly from lower wage expansion in financial services and healthcare, as well as solid levels of investment in the tourism industry. Although construction employment is well above year-ago levels,



Source: Bureau of Labor Statistics

there is the expectation that house prices will start to decline. Therefore, the state's economic vitality still lags the region and is set to slow further as the effects of weakening credit quality deepen.

- A composite index designed to measure the strength of current economic activity confirms the growth in Rhode Island's economy. The Current Conditions Index is at 57—50 is the neutral point between an expanding and contracting economy. While the most recent measurement still reveals growth, it is only marginally above the mark where the economy is contracting.
- Rhode Island continues to be hamstrung by the secular decline of its manufacturing sector. While U.S. manufacturing has basically stabilized, Rhode Island manufacturing continues to shed jobs at a 4% pace. Additionally, manufacturing real wages are declining and losing ground to the U.S. average.

- The financial services industry is emerging as a strong new driver in the state. Estimates show the industry has added 2,000 jobs in the past year. The gains are confined to and equally split between the banking and securities/commodities sectors, which is surprising as securities/commodities payrolls are only one-fourth the size of banking. In fact, the industry's share of total employment is above the U.S. average, with only real estate representing a smaller proportion. Fidelity now has about 2,000 employees in the state and plans to bring an additional 1,000 employees to a new building on its Smithfield campus by 2008. In addition, Sovereign Bank is hiring several hundred employees for its East Providence call center. Other financial heavyweights in the state that have recently expanded are Bank of America and Citizens Financial Group.

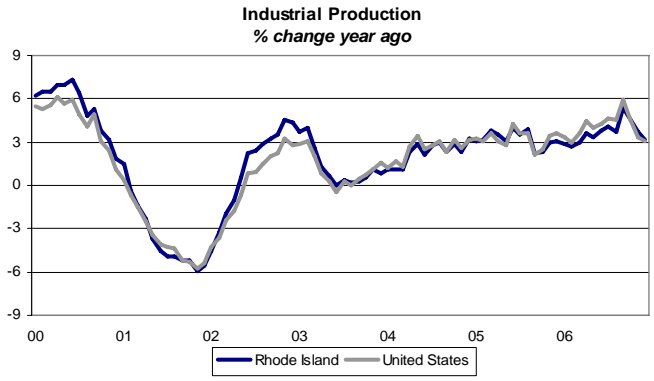
- The increased awareness from state manufacturers of the services offered by the Rhode Island Economic Development Corporation helped boost exports to new heights in 2006, up over 5% during the fourth quarter alone and 21% higher than year-ago levels. While exports to Canada, which account for about one-third of the state's trade output, were down slightly in the fourth quarter, exports to Great Britain increased. Manufacturing accounts for 60% of total exports and increased during the fourth quarter.

- As the state's largest sector, education/health services remain key economic drivers for the state. The sector accounts for approximately 20% of the state's total employment, well above the 13% average for the nation. In 2005, the sector contributed 73% of the state's net jobs gains. Once again, employment increased by over 2%, but only in education did the inflation-adjusted average wages increase. Health-care payrolls are growing, but mostly in lower-paying jobs.

- Small businesses are an important component of the state's future growth, as the U.S. Small Business Association 2006 loans should generate nearly 3,000 jobs, according to historical patterns. However, the 2006 Small Business & Entrepreneurship Council ranks Rhode Island 48th for small business survival, ahead of only California, New Jersey and the District of Columbia. Reasons given for the state's poor performance are the high taxes, high benefits packages for workers and exorbitant energy costs.

Rhode Island Employment, Recent Performance February 2007					
	Annualized growth rate				
	3-mo	6-mo	12-mo	5 yr	10 yr
Total	-0.1	1.0	1.0	0.7	1.1
Construction	3.5	3.5	3.5	3.1	5.0
Manufacturing	-4.6	-4.5	-4.5	-4.3	-3.9
Wholesale Trade	0.0	-0.2	-0.6	0.3	1.2
Retail Trade	0.8	2.3	1.0	0.0	0.9
Transportation and Utilities	-3.6	-1.8	0.9	0.4	0.8
Information	9.7	4.6	1.8	-0.2	0.6
Financial Activities	2.2	5.7	5.8	2.3	3.8
Professional and Business Services	1.4	5.0	4.0	3.2	2.4
Education and Health Services	2.9	1.9	2.4	2.6	2.1
Leisure and Hospitality	-4.7	-0.4	0.8	1.2	2.0
Government	-3.1	-2.1	-1.4	-0.6	0.3
	Percent				
Unemployment rate	4.7	4.9	5.1	5.2	4.8

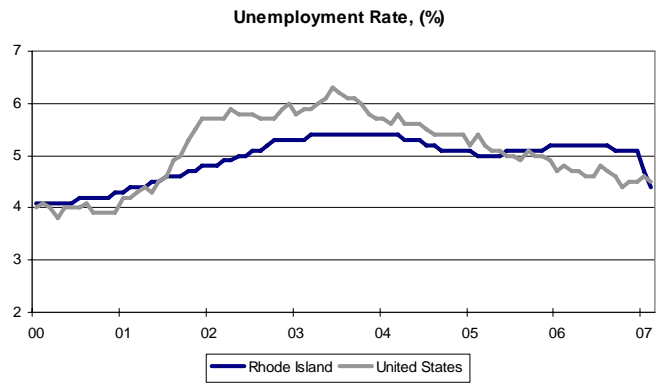
- The state's return to tracking the nation in industrial production is evidenced in the solid growth of the average real wage in manufacturing. Of course, this is for the workers who still have their jobs and is somewhat



Source: Moody's Economy.com, Inc.

expected with an aging workforce. Therefore, it is not clear that the productivity gains are a sign that the state's manufacturers are more competitive, since the state's energy costs and taxes are among the highest in the nation.

- The state's unemployment rate dropped sharply in the last two months. In addition to the decline in population last year, the buildup for tourism and increased presence of the financial services industry have pulled the rate down from over 5% to below 4.5%.



Source: Bureau of Labor Statistics

NEAR-TERM OUTLOOK [\(back to top\)](#)

- This winter and spring find Rhode Island still bustling with tourism-related investment, even after last year's record national growth in hospitality construction put in place. Indications are that officials are anticipating not only a banner year in tourism, but also acceleration in this industry's importance to gross state product over the next few years. Promising news from the state's high-tech, high-risk sector indicates that several areas of research could lead to rapid growth in highly profitable industries in the relatively near future. However, the state is facing a budget shortfall estimated at nearly \$350 million and the housing market is balancing on a precipice. While the governor has proposed somewhat draconian measures to deal with the budget deficit, the temporary stabilization in the conforming, repeat-sales house price index during the last quarter of 2006 may give way to a significant decline over the remainder of the year. Not only is inventory already climbing from a lack of demand, but rising foreclosure rates threaten to further weaken this critical component of the state's economy. The Rhode Island job market is improving, but more because of growth in low-wage professions than because of the "new economy."
- Governor Carcieri's proposal to cut 168 government jobs and outsource some other functions is not likely to meet with much opposition, particularly when facing a \$350 million project deficit over two years. However, the proposed cutting of social services is unlikely to pass, especially since disadvantaged children will bear the brunt of the funding reductions. Furthermore, another aspect of the proposed budget will eliminate benefits to an estimated 6,000 residents, who otherwise qualify for the program, by enforcing a sufficiently stringent qualification process so as to discourage up to 20% of those currently participating. Therefore, expect budget deficit issues to undermine economic progress.
- Rhode Island's economic competitiveness will be enhanced by several pro-business initiatives approved by the state legislature. First, the adoption of an optional flat-tax rate that will step down to 5.5% by 2011 from the state's current top marginal income tax rate of 9.9% is expected to stem the recent drain of high income earners from the state. In fact, reduced taxes for high income workers were

an important determinant in Fidelity's decision to locate jobs in the state. Similarly, the state is incrementally reducing its annual cap on property tax increases from 5.5% to 4% by 2013. Finally, small businesses will be given the ability to provide new low cost health plans to its workers.

LONG-TERM OUTLOOK: POSITIVE FACTORS [\(back to top\)](#)

- The plan for an economy defined by innovation and high-tech, high-paying jobs got a boost when Brown University announced a \$100 million donation to build a new medical school, fund scholarships, etc. Concurrently, a Brown University professor's start-up biotech company, Epifax, is expected to start clinical trials soon. The company uses a proprietary algorithm for determining which parts of gene sequences activate important cells in the immune system. Also at Brown, the Department of Neuroscience is changing preconceived views and may lead to breakthroughs in Alzheimer's and epilepsy. Additionally, MultiCell Technologies is now in pre-clinical development status for a drug that removed tumors and prevented recurrence of colorectal cancer, the nation's number three cancer-related cause of death.
- Fidelity's increasing presence in Rhode Island is one reason behind the state's emergence into a financial services hub. Since early 2005, the industry has added 2,500 jobs, accounting for 75% of net new jobs during that period. As a result, financial activities have increased as a share of total employment in the state from 7.0% to 7.4%; the fourth highest concentration of financial activities among the 50 states.
- The biotechnology and life sciences industry provides a significant opportunity for Rhode Island. Presently, the industry employs 4,700 workers in the state and according to a local trade group report, another 2,000 jobs could be added if the state could increase the percentage of life sciences jobs to a similar scale as in Connecticut and Massachusetts. The desire to keep biotech companies growing in the state and attracting new ones led to the recently legislated Biotechnology Jobs Growth Act, which extends the duration of the state's investment tax credit from seven to 15 years for biotechnology companies, subject to their meeting specific wage and employment targets. Of course, the issue of water availability is now in the General Assembly, as last year Amgen's billion dollar investment almost vaporized.

- Total exports were up over 21% for the year. While part of the gain is from increased awareness of the state's Economic Development Corporation, another trend bears close watching. Penetration into Brazil's manufacturing market by Rhode Island suppliers is a result of the unacceptably low quality of finished Brazilian goods that used cheap inputs from China. Expect this backlash against cheaper labor, which has already reduced the levels of outsourcing of software programming, to grow over time and provide a long-run growth opportunity for Rhode Island manufacturing.
- Rhode Island's cost of doing business suffers from the relatively high tax burden and outrageously high energy costs, but benefits from a relatively low labor cost. While firms that rely on particularly well-educated labor may be willing to pay a premium for the extremely large pool of high-tech labor in Massachusetts, Rhode Island may provide a more attractive overall package, particularly due to its proximity to the nation's second largest pool of venture capital (Boston) and being ranked fifth in the 2006 State New Economy Index for the proportion of scientists and engineers in the workforce.

Index of Relative Business Costs								
	Labor Cost		Tax Burden		Energy Cost		Overall Index	
	Index	Rank	Index	Rank	Index	Rank		Rank
Rhode Island	92	35	107	11	150	4	102	13
Connecticut	103	9	99	21	145	6	109	7
Massachusetts	111	2	97	25	151	3	115	2
New York	101	13	130	1	149	5	111	5
Maine	101	12	118	4	109	14	107	9
New Hampshire	100	16	83	47	162	2	107	10
Vermont	98	24	108	9	135	10	108	8
Delaware	84	49	86	45	92	24	89	44

Notes:

- 1) Rank is for all states plus District of Columbia.
- 2) U.S. average = 100.
- 3) Labor Costs are measured by total earnings per employee at the 3-digit NAICS level.
- 4) Tax Burdens are measured by all taxes excluding severance, education, and hospital taxes relative to personal income.
- 5) Energy costs are measured by cents per kwh for industrial and commercial users.
- 6) In the overall Index, Labor Costs have 75% weight, Energy Costs have 15% weight, and Taxes have 10% weight.

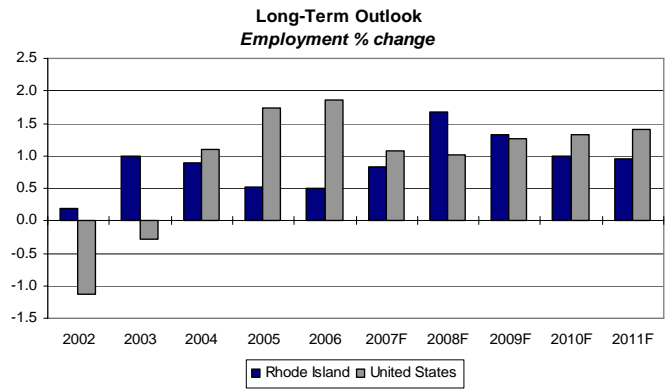
- Low employment volatility is often a desirable economic condition, but Rhode Island's employment stability results from a subpart economy and not from strong growth. This is noted by the beta (slope) of only 0.42, which means it does not respond well to U.S. trends. If its growth was above the national average or the non-systematic volatility was lower than the more dynamic regions, then such stability could represent a stable, well-based economy. In this case, a large capital investment in Rhode Island pays a premium for more undiversifiable risk, rather than being paid a premium.

Employment Diversity and Volatility					
	Diversity¹ 2006	Volatility 2006			Beta⁴
		Total²	Systematic³	Nonsystematic³	
Rhode Island	0.67	63	66	34	0.42
Vermont	0.70	84	81	19	0.68
Maine	0.65	99	74	26	0.73
New Hampshire	0.69	118	92	8	1.08
Massachusetts	0.78	138	92	8	1.27
Connecticut	0.61	91	93	7	0.85
New York	0.78	107	93	7	1.00
United States	1.00	100	100	0	1.00
Median	0.73	103	89	11	0.93

Notes:

- 1) Diversity is defined as the extent to which an state's industrial structure approximates that of the nation. The more closely the state's economy resembles the national economy, the higher the value. The diversity measure is bounded between 0 and 1. 1 means the state has the same industrial structure as the U.S., 0 means it has a totally different industrial structure than the U.S. Diversity is estimated using data for 2006.
- 2) Total volatility is the standard deviation of an state's employment growth. This relative deviation has been indexed to the United States = 100. Volatility is estimated using data between 2006.
- 3) Systematic fluctuation is that portion of an area's economy that is associated with national economic fluctuations. Nonsystematic volatility is that portion of an area's volatility not associated with national economic fluctuations.
- 4) Beta measures the magnitude of an area's sensitivity to national economic conditions. The U.S. average, by definition, is 1. A one percentage point increase in national employment will cause that portion of a metro area's employment base to rise by the percentage value of beta.

- Over the very long term, payroll employment gains in Rhode Island will lag the U.S. average. However, this constraint will result more from population density than from declining per capita income, as future residents of the Ocean

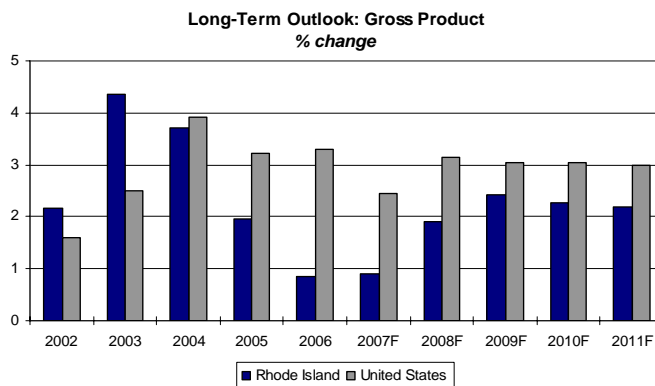


Source: BLS, Moody's Economy.com, Inc.

State can be expected to prosper from the focus on high-tech and innovation.

LONG-TERM OUTLOOK: NEGATIVE FACTORS [\(back to top\)](#)

- Beyond less dynamic growth drivers in the state, one of the main threats to the state's future growth prospects is its high tax burden. Rhode Island's state sales tax rate is among the highest in the country, and attempts to



Source: Moody's Economy.com, Inc.

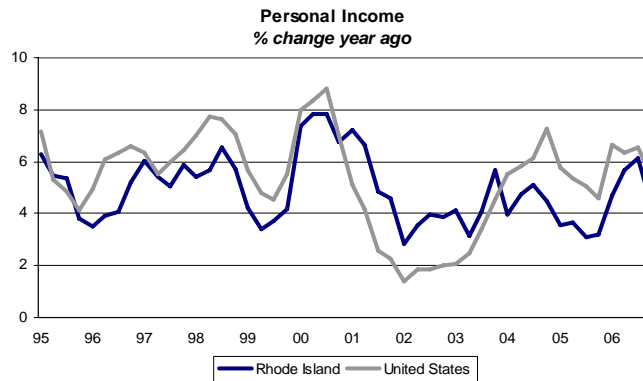
relieve other tax-related burdens will receive opposition during budget shortfalls. Therefore, until the state demonstrates the ability to consistently balance its budget, consider the tax burden as a hinder on prosperity.

- The lack of concentration in dynamic high-tech industries is a mixed blessing. During the recession, the composition of Rhode Island's economy was clearly beneficial, but in the long run it may hinder growth. The economy has a larger-than-average concentration of industries in low value added manufacturing. This concentration is likely to hurt the state's economic performance because many of these industries face strong competition from countries where labor costs are much lower than Rhode Island's.
- Indeed, the state's industrial composition is one reason why it has been somewhat slow to indigenously incubate new industries such as information technology or biotech. The absence of large industry leaders as well as small venture growth drivers limits the multiplier effects from an economic recovery.

- Rhode Island households are still exposed to income shocks from the Boston and eastern Connecticut economies, to which a number of Rhode Islanders commute. Moody's Economy.com estimates that almost 63,000 individuals commute out of state to Massachusetts or Connecticut for employment. Further, these ties increased during the last years of the information technology boom as a larger share of commuters, especially to Boston, made Rhode Island their home. In 2000, more than 55,000 Rhode Island residents commuted to Massachusetts, which was equal to 11% of Rhode Island's in-state labor force. This tax burden became even worse when the Rhode Island General Assembly recently doubled the state's corporate minimum/franchise tax to \$500. This is a potential problem for a state that likes to view itself as a "small business state." At best, this seemingly stealth tax hike only reinforces the state's already bad image as a high tax state.
- Rhode Island is constrained by insufficient housing production. The state's limited land mass, in combination with municipal constraints on growth and the preservation of large tracts of undeveloped land, contributed to an imbalance between supply and demand. In fact, a recent study conducted by the Wharton School at the University of Pennsylvania only ranks Hawaii as more restrictive in granting permission for residential development. The strict regulations, slow process from application to the awarding of a housing permit, and the resulting shortage of affordable housing will stunt economic development and continue to encourage households to leave the state.

INCOME [\(back to top\)](#)

- Rhode Island income is losing ground. While the state's per capita income is just above the U.S. average, it is well below the New England and Northeast regional averages. Moreover, income growth lagged the

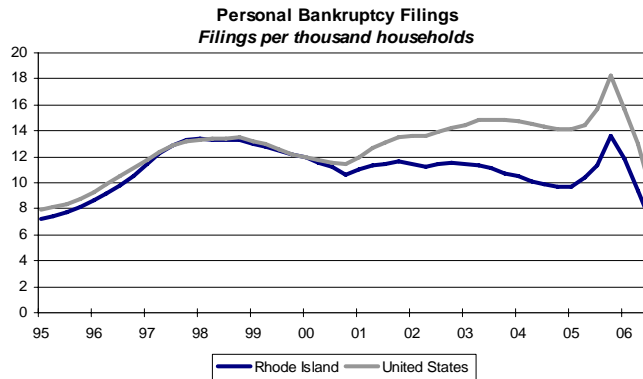


Source: BEA, Moody's Economy.com, Inc.

regional averages and was slightly behind the national average in each of the last three years. In comparison to the regions and the nation, RI receives a smaller share of income from wages and salaries and a larger share of transfer payments. Both RI wages and salaries and transfer payments have been increasing by less than the U.S. average, driving the slower overall income growth.

BALANCE SHEETS [\(back to top\)](#)

- Mortgage credit quality is deteriorating in Rhode Island at a rapid rate and this poses a risk to its economy. This trend is accelerating in the last quarter, according to data from CreditForecast.com. Moreover, the Mortgage



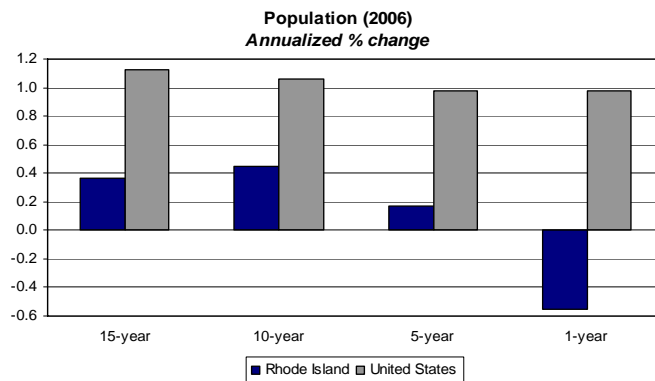
Source: Administrative Office of U.S. District Courts

Bankers Association data indicate that the increases are concentrated in adjustable rate mortgages (ARMs), particularly subprime. In recent years, an overpriced housing market pushed more than one-third of the state's homebuyers to use ARMs; many of the interest-only variety. As interest rates continue to adjust upward on these ARMs, homeowners may be hard pressed to keep current on their loans and thus forced to sell their homes at a time when housing demand is slowing. Thus, the risk of price declines is real, which would filter through the state economy as a negative wealth effect.

DEMOGRAPHIC TRENDS [\(back to top\)](#)

- The New England Council finds 55+ is Rhode Island's fastest growing cohort and by 2015 it is expected to have increased by 22.6% from now, while the under 54 cohort is expected to have declined by 0.3%. This is changing the way some companies are dealing with retirement, especially because of the skill sets of the older workforce. One example is Citizen's Bank, which allows retirees to work up to 120 hours per month and still draw retirement benefits, while those retirees older than 70.5 can work full-time and draw full retirement.

- Rhode Island lost population in 2006, after losing for the first time since 1980 in 2005. The two consecutive years of decline result largely from a substantial decrease in net domestic migration, as the net international migration



Source: BOC

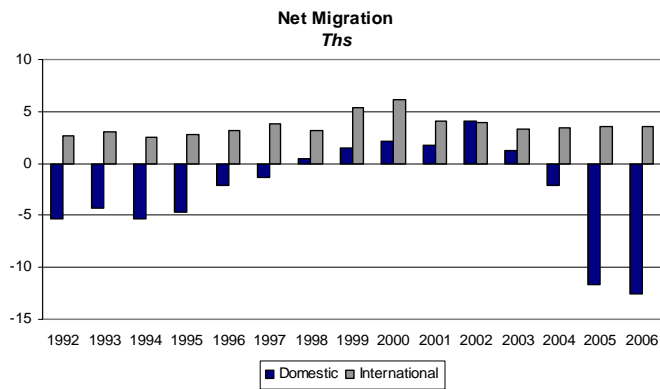
remains steady and is positive. A narrowing in the housing affordability gap between the two states may also be lessening in-migration from Massachusetts. While U.S. population growth is expected to average about 0.9% over the next several decades, it will likely average just one-third of that pace in Rhode Island.

- Rhode Island has the highest concentration of college students relative to population in the nation. However, the college-educated share of the state's population is only average and at 27% significantly lags all but one of its New England neighbors. However, Providence's downtown renaissance is reversing that trend. In 2003, about 12% of Brown graduates stayed in the state's capital city, up from just 5% in 1990. The continuation of this trend would bode well for the state's population and economic growth.

Population Profile	% of total Population, 2005	
	Rhode Island	US
Age 5-19	19.5	20.8
Age 25-44	28.1	28.3
Age 45-64	25.4	24.6
Over age 65	13.9	12.4
Birth Rate, (# of Births per 1000)	11.3	14.0
Death Rate, (# of Deaths per 1000)	9.1	8.3
Median Age (2000 Census)	36.7	35.3

- Rhode Island's population is slightly older than the national average, with the cohort aged 65 and over accounting for about 14% of the total population, versus a national average of 12%. Consequently, it is important that the state continues to attract foreign-born workers or young households if it is to avoid slower growth longer term.

- Rhode Island experienced its highest levels of out-migration in over ten years in 2006. While international migration continues to hold steady, it is not enough to overcome domestic out-migration. The out-migration is likely



Source: BOC

attributable to an increasing number of college graduates leaving the state for employment, as the U.S. economy strengthened.

- Rhode Island's increase in domestic out-migration is reflected in the flows from neighboring Massachusetts, as recorded by IRS data. In 2005, migration into Rhode Island from Massachusetts declined by about 700, while migration into Massachusetts from Rhode Island increased by nearly 600, so that net migration between these states is now around zero. In addition, out-migration increased by about 850 to retiree havens in Florida. These in- and out-migration trends are likely to continue, as employment opportunities further improve in Massachusetts and the leading edge of the baby boomers is retiring.

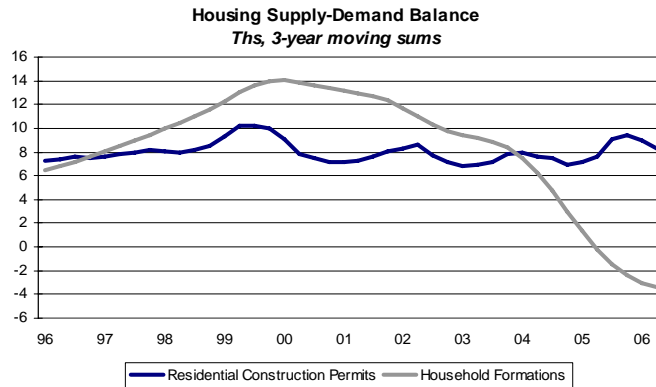
Migration Flows - RI - 2005					
Into Rhode Island	Number of Migrants	Median Income	From Rhode Island	Number of Migrants	Median Income
Massachusetts	7,286	30,945	Massachusetts	7,235	30,693
New York	1,964	19,197	Florida	5,509	25,265
Florida	1,571	21,067	Connecticut	2,807	33,813
Connecticut	1,534	28,447	New York	1,747	19,143
California	1,191	30,832	Virginia	1,370	37,646
Virginia	823	36,428	California	1,189	21,476
New Jersey	689	24,285	North Carolina	992	30,095
Pennsylvania	553	24,102	Texas	757	27,651
New Hampshire	498	24,731	Pennsylvania	699	21,110
Texas	496	25,191	Georgia	649	24,218
Inmigration	22,451	25,762	Outmigration	30,930	27,174
			Net Migration	-8,479	-1412

Note:
Net Migration: Number of Migrants is the net flow of migrants.
Income is the difference between the weighted average of the median income of immigrants and that of outmigrants.

Source: Moody's Economy.com calculation from 2005 IRS data

RESIDENTIAL REAL ESTATE [\(back to top\)](#)

- Rhode Island's housing market downturn is in full swing. The Rhode Island Association of Realtors records that single-family existing home sales fell from 9,711 to 8,313 in 2006. The median price dropped from \$290,000 to



Source: BOC, Moody's Economy.com, Inc.

\$282,500, the first time since the early 1990s. Also, the time on market increased from 67 days to 79 days. Also, multifamily and condo sales declined 25% and 16%, respectively. The Rhode Island Builders Association reports permits decreased from 1,765 to 1,606. The state's housing downturn is expected to last through the year.

- While softening in house prices is good news for housing affordability, which is now stabilizing, it may be at the expense of a marked increase in foreclosures. Housing affordability is slightly below the level where the median family income qualifies to purchase the median-priced existing single-family house. Rhode Island has long enjoyed a favorable housing cost advantage in comparison to its Massachusetts neighbors. However, the state's house-price appreciation has outpaced its counterparts over the past four years, reducing this relative affordability advantage. For example, Providence's median house price has risen from 53% to 71% of the Boston metro area median existing house price, while its median household income remains little changed at 75% of Boston households. Consequently, Providence house prices are considered more overvalued than those in each of Boston's metro divisions and at greater risk of a market correction.

COMMERCIAL REAL ESTATE [\(back to top\)](#)

- Providence's downtown is being transformed, which is enhancing its perception as a strong secondary business center in the Northeast. Improving fundamentals are evident in recent investments by out-of-state institutional investors, including the construction underway of the first new office building in 16 years. Notably, the arrival of high-end restaurant chains such as Ruth's Chris Steakhouse and Shula's 347 reflects the increased business from meetings and conventions, as well as downtown residential development. The downtown office vacancy rate is estimated at around 11%, according to CB Richard Ellis.
- Rhode Island's suburban office markets are tightening, as indicated by the vacancy rate decreasing from 9.7% in 2005 to 7.8% in 2006. In particular, the northern submarket continues to show strength due to limited new supply and the proximity to the Massachusetts labor pool. The northern submarket's office vacancy rate is now below 5%, a sharp contrast to the 18% vacancy rate in suburban Providence.
- While Rhode Island tourism is so strong to encourage additional hotel development, the recent upswing of labor union activity to unionize workers may inhibit or even result in canceling development projects. The significant enrollment drive and substantial wage increases being sought add considerable uncertainty into this subsector of the commercial real estate market.

FORECAST RISKS [\(back to top\)](#)

- A major upside risk for the long-term forecast is further expansion of high-tech companies in Rhode Island, such as information technology or biotech. The recent success of Amgen illustrates this potential. While the state was unsuccessful in landing Bristol-Myers Squibb's new manufacturing plant, Connecticut-based Alexion Pharmaceuticals found an ideal home in the former Dow Chemical plant in Smithfield. Meanwhile, the state remains well-suited as an expansion corridor for the densely packed biotech community in eastern Massachusetts. The development of a biotech industry would allow Rhode Island to retain more of its college science majors, who usually search elsewhere for employment upon graduation.
- An upside risk to housing construction is the expectation of nearly \$400 million ancillary construction resulting from the passage of Proposition 9, a \$50 million bond referendum that passed in November. In addition to spurring the state's construction industry, an increase in the number of affordable housing units would boost the state's homeownership rate, a vital component to enhancing the economic well-being of the state's residents. Presently, the state's homeownership rate is the fifth lowest among the 50 states and D.C.
- Healthcare costs could seriously deter economic growth. While there are a number of efforts underway to both improve the quality of healthcare per dollar spent and shift the burden of costs onto the consumer with higher deductibles and other coverage options, little is being done to address the major problem of spiraling insurance fees. This fact was highlighted when United Healthcare of New England requested to award an extra \$38.6 million in dividends to its parent company, in addition to the \$17 million in dividends already paid. For a company that was on such shaky fiscal ground a few years ago that the Minnesota-based headquarters was required to offer security to protect the state, the steady and rapidly rising profitability of this company comes at the expense of Rhode Island citizens. The problem is widespread throughout the industry, but this company made headlines because it was required to get approval from the Rhode Island Health Insurance Commissioner.

DEMOGRAPHIC PROFILE [\(back to top\)](#)

Indicator	Units	Rhode Island	U.S.	Rank	Year
Households					
Households, % change (2001-2006)	Ann. % change	0.3	1.0	45	2006
Population w/ B.A. degree or higher	% of adult population	25.6	24.4	18	2000
Median household income	\$	51,721	48,577	15	2006
<i>% change year ago</i>		4.5	4.9	26	2006
Population					
Per capita income	\$	37,388	36,276	16	2006
<i>% change year ago</i>		5.8	5.2	8	2006
Population	thousands	1,068	299,398	43	2006
<i>% change year ago</i>		-0.6	1.0	50	2006
White	%	85.0	75.1	20	2000
Black or African American	%	4.5	12.3	31	2000
Hispanic	%	8.7	12.6	13	2000
Asian	%	2.3	3.8	18	2000
Net domestic migration, rate	Persons/th. pop.	-11.8	0.0	49	2006
International migration, rate	Persons/th. pop.	3.4	4.0	21	2006
Poverty rate	%	11.9	12.4	31	1999
Median age	years	36.7	35.3	42	2000
Household Cost Indexes					
Housing affordability index		96.1	124.0	39	2006
Median existing home price	\$ ths	273.1	224.7	12	2006
<i>% change year ago</i>		-1.73	4.37	49	2006

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