



Rhode Island  
Economic Development Corporation

*Building the 21st Century Innovation Economy*

Financial Services:  
A Critical Part of  
Rhode Island's  
Economy

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**Rhode Island Economic Development Corporation**

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### Overview of the Financial Services Sector

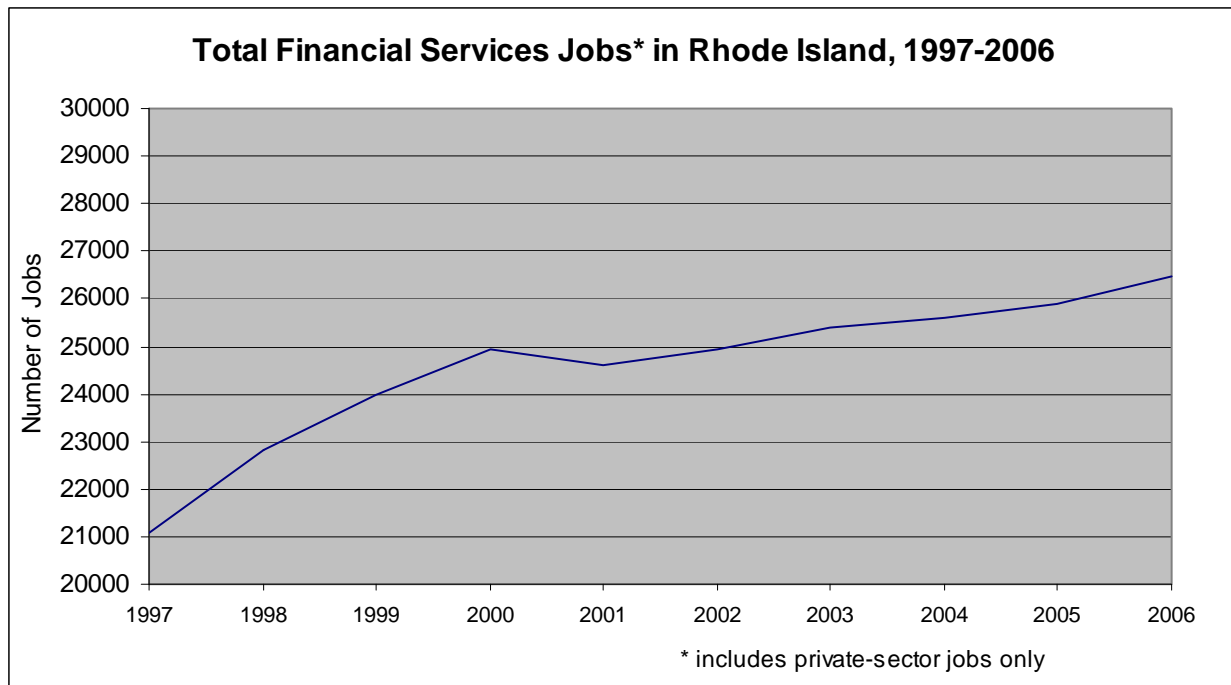
Every day, the Financial Services industry provides capital resources by taking deposits or issuing securities; by channeling those funds to borrowers; pooling risks through underwriting insurance and annuities; and by providing specialized services that support financial intermediation, insurance, and employee benefit programs. Very few of Rhode Island's goods or services could be produced without access to the financial transactions and systems that enable economic growth.

### Top 10 Financial Services Employers in Rhode Island

1. **Citizens Financial Group** (5,500 employees)
2. **Bank of America** (an estimated 3,000 employees)
3. **Metropolitan Insurance** (2,000+ employees)
4. **Fidelity Investments** (2,000+ employees)
5. **Amica Insurance** (more than 1,250 employees)
6. **Blue Cross/Blue Shield of RI** (over 1,000 employees)
7. **Sovereign Bank** (over 1,000 employees)
8. **FM Global** (750 employees)
9. **Textron Financial Corp.** (670 employees)
10. **The Washington Trust** (427 employees)

### Financial Services is a Growing Part of the Rhode Island Economy

The Financial Services sector now accounts for over 26,000 jobs in Rhode Island, and the state Department of Labor & Training (DLT) projects that Financial Services will create over 4,000 new jobs in the state through the year 2014.



Source: U.S. Department of Labor, *Quarterly Census of Employment & Wages*.

### The Financial Services Sector Pays Over \$1.5 Billion in Wages

Not only does Financial Services employ thousands of Rhode Islanders, it generates over \$1.5 billion in wages, thereby directly supporting the state's tax revenue. In fact, the 2006 average annual wage paid in the Financial Services sector was \$58,417, ranking it among the top 5 high-paying sectors of Rhode Island's economy.

	No. of Establishments	2006 Average Employment	2006 Total Wages	2006 Average Wage
Credit intermediation & related activities	807	13,833	\$690,465,151	\$49,914
Insurance carriers & related activities	683	8,791	\$500,575,685	\$56,942
Securities, commodity contracts, investments	218	3,804	\$352,829,494	\$92,752
Funds, trusts, & other financial vehicles	18	64	\$3,720,457	\$58,132
Finance & Insurance Total	1,725	26,492	\$1,547,590,787	\$58,417

Source: Rhode Island Department of Labor and Training, *Quarterly Census of Employment and Wages, 2005 Annual Average*.

- ▶ The Financial Services sector average annual wage of \$58,417 is 51% above the average wage for all industries in the state (\$38,732).

### Financial Services is the Largest Contributor to Gross State Product

In 2006, the Finance & Insurance sector contributed \$5.3 billion to Rhode Island's gross state product (GSP), making it the second largest contributor to the state's gross output of goods and services that year after Real Estate, Rental and Leasing.

- ▶ Financial Services contributes a greater percentage to GSP in Rhode Island (11.6%) than in nearby Massachusetts (9.9%).
- ▶ The Financial Services sector's 11.6% contribution to GSP in Rhode Island in 2006 was well above the industry's average 7.8% contribution in the nation as a whole.
- ▶ In fact, the Finance & Insurance industry contribution to GSP in Rhode Island was the 6<sup>th</sup> highest percentage of any state in the nation in 2006.

## Financial Services: A Critical Part of Rhode Island's Economy

GDP by State in Current Dollars, 2006 (Millions of dollars)			
State	Total GDP	Finance and Insurance GDP	Percent Contribution
1 Delaware	\$60,361	\$19,818	32.83%
2 South Dakota	\$32,330	\$5,544	17.15%
3 Connecticut	\$204,134	\$33,640	16.48%
4 New York	\$1,021,944	\$158,598	15.52%
5 Iowa	\$123,970	\$15,055	12.14%
<b>6 Rhode Island</b>	<b>\$45,660</b>	<b>\$5,319</b>	<b>11.65%</b>
United States	\$13,149,033	1,027,477	7.81%

Source: U.S. Bureau of Economic Analysis, *Gross Domestic Product by State, 2006*.

### Rhode Island Offers Unique Advantages for Financial Service Firms

Rhode Island's small size, regulatory framework and competitive tax structure are perfectly suited for Financial Services firms. More information is available from the RI Economic Development Corporation ([www.riedc.com](http://www.riedc.com)).

A particular benefit of a Rhode Island location to Financial Service firms is the quality of the local workforce. Our strong educational resources (from top-ranked colleges to high-quality technical schools and continuing education programs) create the diverse skills and quality workforce available in Rhode Island. According to the 2000 Census, over 25% of Rhode Islanders have completed a bachelor's degree or higher. Rhode Island has the highest concentration of college students per capita of any state in the nation.

In 2005-2006, approximately 2,500 Associate and Bachelor degrees were awarded to students graduating from Business, Management and related programs at Rhode Island technical schools, colleges or universities.

## Financial Services: A Critical Part of Rhode Island's Economy

2005-2006 Degrees in Business, Management, Marketing and Related Support Services				
Institution	City	State	Associate Degrees	Bachelor Degrees
Brown University	Providence	RI		84
Bryant University	Smithfield	RI		538
Community College of Rhode Island	Warwick	RI	124	
Gibbs College	Cranston	RI	7	
Johnson & Wales University	Providence	RI		679
New England Institute of Technology	Warwick	RI		19
Providence College	Providence	RI		241
Rhode Island College	Providence	RI		148
Roger Williams University	Bristol	RI		166
Salve Regina University	Newport	RI		88
Sawyer School	Pawtucket	RI	90	
University of Rhode Island	S. Kingstown	RI		282
<b>Total</b>			<b>221</b>	<b>2,245</b>

Source: National Center for Education Statistics.