



Climate Change and the Rhode Island Economy: An Overview

by Erika Bradbury

Despite being the smallest state in the nation, Rhode Island has a long history of sustaining a vibrant economy based in shipbuilding, fishing services and manufacturing. However, this economy has been challenged first by relocation, and in recent years by the global economic crisis. Like many states, Rhode Island needs to find ways to both protect the existing economic sectors and expand into new sectors.

The threat of climate change adds a new urgency and opportunities to Rhode Island's search for alternative areas of economic development. Many of Rhode Island's industries are dependent on the state's 400 miles of coastline, which is also the most climate change vulnerable area of the state.

The effects of these changes—like more extreme weather events and sea level rise—will almost certainly have a significant negative impact on Rhode Island's economy, and to ignore them is to act irresponsibly to securing the state's future.

The solution to both the issue of bringing new economic development to the state and addressing the impacts of climate change is to develop an economy that is forward-looking on the issue of climate change. If Rhode Island can respond to the challenges it faces before damage is irreparably done, it can complement and even spur economic growth.

Challenges of Integrating Climate Change into the Rhode Island Economy

Rhode Island's current economic conditions make incorporating climate change adaptation and mitigation strategies tougher than ever. High unemployment rates, a state economy based on small businesses, and a perceived lack of policies and tax benefits that encourage growth are all barriers that need to be addressed before climate change becomes a priority.

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As of September 2010, the state unemployment rate was 11.5 percent, the fifth highest unemployment rate in the nation. While this high unemployment rate is partially related to the overall global economic decline, Rhode Island is also in the process of transitioning from a traditional manufacturing base to more advanced manufacturing.

Sources at the R.I. Economic Development Corporation (RIEDC) note that because less than half of Rhode Island residents hold higher education degrees, this manufacturing shift has exacerbated the economic crisis by creating jobs in sectors that the majority of state residents do not have training in.

This worker skills gap is a significant barrier in expanding the Rhode Island economy. The RIEDC publication "[A Roadmap for Advancing the Green Economy in Rhode Island](#)" states that developing "up-to-date, innovative workforce training and education programs" is essential to securing green industry in Rhode Island.

The RIEDC has begun to consider solutions to this disparity in economic demands and worker skills, such as improving the outreach, budget and programs of the Community College of Rhode Island (CCRI). In April 2010, the CCRI 21st Century Workforce Commission released the report "[Community College of Rhode Island: Building a 21st Century Workforce](#)" that outlines steps to strengthening the Rhode Island workforce through CCRI programs.

The second challenge to integrating climate change into the state economy is that 94 percent of Rhode Island's economy is comprised of small businesses. While this benefits the state with a community of locally based businesses, small businesses usually suffer the most in difficult economic times. There is a need to diversify Rhode Island's economy by promoting the growth of industrial sectors that provide a large number of jobs with high wages and can have a significant impact on the economy.

The third challenge is posed by the state's current tax structures and economic policies. "A Roadmap for Advancing the Green Economy in Rhode Island" notes that, "Overall, capital access in RI is fragmented, and significant gaps exist along the capital spectrum. Further, no logical continuum of funding exists to move a venture from business idea into production and then business sustainability." The challenges in securing funding, along with a lack of tax incentives that yet to prove they can encourage economic growth, create barriers that may discourage or delay businesses from establishing in Rhode Island.

These three issues do not make adaptation to and mitigation of climate change in Rhode Island's economy impossible. Rather, these are issues that need to either be addressed before climate change takes precedent in economic development, or that need to be simultaneously addressed through climate change strategies. As the RIEDC notes, the current economic status of Rhode Island has created "more imminent concerns" that take priority over climate change.

Erika Bradbury is a member of the team of graduate students from Brown University's Center for Environmental Studies who have contributed valuable research and content to the Global Climate Change Collaborative website and ongoing initiative.



Rhode Island is looking for ways to enhance its economy through innovative means, including alternative energy sources.