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# LABOR MARKET



# NEWS LETTER

Maine Employment Security Commission

331 Water Street

Augusta, Maine



## JANUARY - 1961

ISSUED BI-MONTHLY



**Labor Market Highlights** — Trend indicators maintained by the Maine Employment Security Commission still do not point to pervasive deterioration in the State's economy. An upward trend in unemployment which was particularly steep early in the fall months of 1960 continued at the first of the winter, but with at least a temporary softening in the rate of increase. The employment picture is not altogether favorable at the present time, both seasonal and other-than-seasonal cutbacks having been responsible for recent reductions in over-all labor requirements. Nevertheless, a larger number of wage and salary workers had jobs at the end of 1960 than at the same points in each of the preceding three years. Less assuring, however, was the fact that in mid-December, 1960, the average workweek for production workers in manufacturing activities, at 39.2 hours, was the lowest for any corresponding December period since the Commission started maintaining an average hourly workweek series in 1948.

**Work Force Changes** — Maine's work force in mid-December comprised approximately 371,800 persons — 344,100 employed and 27,700 unemployed. Continuing withdrawals from the labor market of many who had previously been employed in jobs of a seasonal nature caused the size of the work force to contract from October and November levels of 390,400 and 373,500, respectively. On the other hand, a large number who were laid off during the fall from both seasonal and nonseasonal activities remained in the labor market, as was evidenced by an October-December rise of 7,400 in the total number unemployed. End-of-the-year unemployment, while high in comparison with many prior years — in December 1959 the total was 24,300 — was not so great as the December levels of 1957 or 1958. The December jobless total in 1958 was 30,100 while a year earlier it was 29,100.

**Nonfarm Wage and Salary Employment**—Preliminary estimates prepared by the Maine Employment Security Commission in cooperation with the U. S. Bureau of Labor Statistics indicate that of the total number employed in the State in mid-December approximately 271,900 were nonfarm wage and salary workers. This figure was considerably lower than similar es-

timates applying to the preceding four months — downward trends during the fall period having been attributable both to the effects of a broadening nation-wide economic slump and to cutbacks in industries which invariably experience seasonal curtailments in their operations in the latter part of each year. Between August — when nonfarm wage and salary employment was at a 1960 peak of 290,000 — and December, the employment level dropped by 6.3 percent. Although sizable, this decrease was not radically out of line with usual seasonal expectations as illustrated by August-December declines in the past few years of: 6.0 percent in 1959; 5.0 percent in 1958; 6.4 percent in 1957; and 4.4 percent in 1956.

**Mixed Trends in 1960** — Despite the over-all dip in nonagricultural wage and salary employment during the late months of the year, the number of workers with nonfarm jobs in December 1960 was greater by 300 than the number employed at the end of 1959. This increase was due primarily to an over-the-year rise of 1,800 in government jobs, private employment having shown net decreases of 600 in manufacturing and 900 in nonmanufacturing. Among the nineteen major manufacturing industry groups represented

in the State's industrial complex, eleven experienced employment contractions involving a total of 2,400 jobs while eight realized gains adding to 1,800. The greatest manufacturing job losses during the twelve-month period were 1,200 in textiles and 400 in lumber and wood products. Predominant among the eight expanding manufacturing groups were transportation equipment, with an increase of 1,100 jobs, and electrical machinery which registered a gain of 600. In the non-manufacturing sector, the most significant employment changes for the year were declines of 500 in transportation-public utilities and 400 in contract construction.

**Insured Unemployment Rates** — Insured unemployment rates — relating weekly continued claims for unemployment insurance benefits to average monthly employment covered under the employment security program — are useful, although not free from limitations, in appraising the relative severity of total unemployment. During 1960, weekly rates in this State ranged from a low of 4.6 percent to a high of 11.0 percent. At the end of the year, Maine's rate, at 10.3 percent, was the ninth highest in the Country. The nation-wide rate for the week ended December 31, 1960 was 7.6 percent. This State's rate of insured unemployment usually runs somewhat above the national average. Consequently, an end-of-the-year spread between the two would not be considered out of the ordinary. The last-of-December difference was not so great, however, in 1960 as in the preceding three years. This might not be overly significant although it would tend to suggest that the current business recession has not thus far been so se-

vere in this State as in many other sections of the Country. End-of-the-year insured unemployment rates for the past four years in Maine were: 1960—10.3 percent; 1959—8.8 percent; 1958—10.4 percent; and 1957—10.6 percent. Nation-wide rates for these same periods were: 1960—7.6 percent; 1959—5.5 percent; 1958—5.4 percent; and 1957—5.7 percent.

**Characteristics of the Unemployed** — Rather significant changes occurred in the personal characteristics of insured unemployed workers during mid-month weekly periods of 1960. Most of the changes within the year were caused by seasonal labor requirements variations in such activities as food processing, shoe manufacturing, logging and lumbering, retail trade, contract construction, and miscellaneous services. However, some of the shifts in the composition of the unemployed labor force were due to other-than-seasonal factors. Between December 1959 and December 1960, marked unemployment increases materialized in all age groups except the sixty-five years and over group. In this age category, unemployment dropped by approximately 19 percent during the year. Over half — fifty-five percent — of the unemployed were males at the end of both 1959 and 1960. In September, 1960, prior to heavy layoffs from various outdoor activities, only forty percent of the jobless were males. There were more workers from virtually all major industries in the labor market at the end of this past year than twelve months earlier, and there appeared to be a larger number available in all broad occupational classes except the professional and managerial group.

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