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Labor Market News Letter, May 1958

Maine Employment Security Commission

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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



MAY - 1958

ISSUED BI-MONTHLY



Labor Market Highlights — After reaching its highest level of the year thus far during the middle of April, unemployment in Maine appeared to drop off slightly in the latter part of the month and in May as seasonal activities which had been more or less dormant in the winter months began to pick up. Claims for unemployment insurance benefits and the amount of benefit payments issued were at an all-time monthly peak in April — having risen over the previous month partly because of the start of a new benefit year on April 1 and partly because of seasonal employment curtailments in shoe manufacturing and lumbering operations. Improvements now developing in the employment picture are moderate for this time of year, but the seasonal upswing should gain momentum in the next several weeks.

Unemployment in Maine — The volume of unemployment in Maine continues to be excessive even though weekly claims trends points to a definite drop since the middle of April when an estimated 45,800 workers were unemployed and in the labor market. Hirings in various industries — particularly in contract construction — have eased the situation, and the prospect of accelerated demand for labor in the coming weeks in the food processing, lumbering, shoe, service, and trade industries should lead to further amelioration in over-all employment conditions. However, in view of the probable entrance into the labor market of a large number of high school and college youths at the end of the current academic year, it appears unlikely that there will be any sharp decline in the total number of job-seekers in the State within the near future.

Claims-Load Level — During April the Maine Employment Security Commission received a total of 166,780 claims under the unemployment insurance programs which it operates. These claims — filed by unemployed persons initiating claims series as well as by those in a continued unemployment status during part of, or throughout the month — constituted the highest workload ever experienced for a single month, and were 171 percent greater than the number received in April last year. The average weekly number of persons in an insured unemployed status under the State UI program in April was 30,620. Although exact comparisons may not be made with prior years because of coverage extension of the MES Law, it is interesting to note that the highest weekly averages for months in the two preceding

post-war recessions were: 17,550 in May of 1954, and 22,466 in May of 1949.

Claims Filed in May — The downward movement since mid-April in the volume of insured unemployment has not been steep enough to warrant the presumption that there has been a dip in over-all unemployment which was more than seasonal in nature. Claims receipts fall off almost invariably during the spring and summer months, and while the number of persons in an insured unemployed status dropped by 10.6 percent between the peak week of April and the middle of May, the rate of decline — although more pronounced than in some prior years — was not so great as in the comparable spring periods of the post-war recession years of 1949 and 1954 when the percentage decreases were 17.2 percent and 26.3 percent, respectively.

Insured Unemployment Rate — The rate of insured unemployment, as computed by the U. S. Department of Labor, has declined since the first week of April when — at 14.8 percent — Maine's rate was the highest in the Country. Michigan has since supplanted Maine as the State with the greatest unemployment rate, as, by the first week of the current month, the rate for Maine had dropped to 14.3 percent. Unemployment rates in the other New England States at the beginning of May were: Massachusetts — 7.4 percent; Connecticut — 8.5 percent; New Hampshire — 9.6 percent; Rhode Island — 10.0 percent; and Vermont — 7.4 percent. The rate for the nation as a whole, as has been the case with Maine, has been dropping in the last few weeks — from a peak of 8.1 percent in April to 7.7 percent early in May.

Characteristics of the Unemployed — Although all unemployed workers in the State are not registered in the local employment offices of the Maine Employment Security Commission — on May 1 there were 38,089 persons actively seeking jobs through the facilities of the offices — past tests indicate that a large proportion of the total number unemployed at any given time are registrants. Therefore, on the basis of analysis of work applications on file it may be assumed that approximately sixty-three percent of the unemployed are males and thirty-seven percent are females. The job-seekers are distributed percentagewise, on a broad occupational group basis as follows: professional and managerial — 3.6; clerical and sales — 7.8; service — 7.1; skilled — 17.3; semiskilled — 28.3; and unskilled — 35.9.

Benefit Payments — Evidence that the unemployment insurance program is cushioning the adverse effects of the present economic recession is apparent from the relatively large amount of money being paid out to eligible unemployed workers. Between January 1 and April 30, State UI benefits issued amounted to \$8,003,577.00. The significance of the size of the aggregate payments made during this four-month period is emphasized when it is considered that during the twelve months of 1957 UI payments amounted to only slightly more than \$9.8 million. Benefits paid in April of this year — in spite of the fact that many newly unemployed claimants had to serve a noncompensable “waiting week” — were at an all-time monthly peak of \$2,276,108.00.

Nonfarm Employment — Total employment in nonagricultural industries in Maine — reflecting the effects of seasonal influences as well as the continuing, though softening impact of the current business recession — slid off further in April. During pay periods ending nearest the fifteenth of the month, approximately 252,600 workers were on the payrolls of nonfarm employers in the State. This represented a decline of 2,600 jobs between March and April and an over-the-year decrease of 13,100 jobs. Despite the unfavorable picture represented by over-all employment figures, there were a few encouraging employment developments in the early spring period, in that increased job requirements were observed in nonmanufacturing activities which provided employment for 160,100 persons in April as compared with 158,900 in March.

Manufacturing Employment — Although temporary, March-April seasonal curtailments in lumbering and shoe manufacturing were partly responsible, basic weaknesses in several other industries contributed toward causing total employment in Maine manufacturing industries to drop to the lowest level since 1947 when the Maine Employment Security Commission started developing current monthly employment statistics on a cooperative basis with the U. S. Bureau of Labor Statistics. In mid-April, 92,500 workers had jobs in manufacturing activities. Peak manufacturing employment for the month was 111,100 in 1951, whereas a year ago 101,200 workers were on the payrolls of manufacturing employers.

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