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## Labor Market News Letter, July 1958

Maine Employment Security Commission

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# LABOR MARKET



# NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



JULY - 1958

ISSUED BI-MONTHLY



**Labor Market Highlights** — The unemployment situation in many sections of Maine continued to grow less extensive as seasonal activities picked up during the summer period. Employment and related data do not yet point to an upturn in the basic economy of the State, but at least it would appear — especially from current trends in the number of claims filed for unemployment insurance benefits — that general conditions are not worsening at the present time. The claims load — at a record breaking peak in April and May — dropped off in June and, although still relatively high, the June level this year was under that for the same month in 1949 when the economy was in the throes of its first business recession following World War II.

**Total Unemployment** — Seasonal job opportunities which became available in the late spring not only absorbed many unemployed persons but also were great enough in number to offset the effects of the appearance in the labor market of high school and college youths who became job seekers following the closing of schools for the summer months. In June, the number of unemployed was estimated at 33,100. This represented a 27.7 percent decrease from the current recession's peak of 45,800 in April and a 15.3 percent decline from the 39,100 unemployed in May. The unemployment picture, although improving, continues to be considerably less favorable than a year ago — in June 1957 unemployed job seekers totalled 11,600, or 21,500 fewer than in the same month this year.

**Claims for UI Benefits** — Weeks of unemployment claimed under the State unemployment insurance program in April were at the highest monthly level since claims were first taken in 1938. The claims load dropped in May — from 134,727 to 113,319 — but it was still in excess of any prior month other than April. Between May and June, the load continued downward, dropping to 84,515. Although the volume for June was still high, it was not at a record-breaking peak. In fact, the June level was the second highest on record for the month, there having been a slightly greater number of weeks of unemployment claimed — 86,748 — in June of 1949. Adding to the significance of the June 1949 - June 1958 comparison is the fact that unemployed persons from establishments employing from four to seven persons were not covered under the UI law in 1949 as they have been since January 1956.

**Insured Unemployment Rate** — Workers in an insured unemployed status under the UI program in Maine decreased in number from a weekly average of 30,620 to 20,120 between April and June. This 34.3 percent reduction, while not so great relatively as the 40.3 percent drop for the corresponding sixty-day period last year, could, nevertheless, be taken as an encouraging sign. The rate of insured unemployment — perhaps of even more significance as an economic trend indicator since it relates unemployment to employment — fell from an April peak of 14.8 percent to 8.4 percent at the last of June. For the same period, the nation wide insured unemployment rate moved downward from 8.1 to 6.1 percent. In the first week of April, Maine's rate was the highest in the Country, whereas this State had the fifth highest rate at the end of June.

**Labor Demand** — The number of job openings listed with the local offices of the Maine Employment Security Commission rose seasonally in May and June. Demand for labor, as reflected by employers' requests for worker-referrals, was somewhat under last year, but it was by no means inconsequential. Nonfarm openings received, excluding those pertaining to woods jobs in which bonded Canadians might be used if qualified domestic workers were not available, totalled 1,749 in April; 2,641 in May; and 3,113 in June. Openings received in the same months last year were: April — 2,821; May — 4,025; and June — 3,510. In recent weeks, labor requirements have been heaviest in food processing, lumbering, shoe manufacturing, construction, trade, and service establishments.



**Registered Supply of Labor** — Although not as plentiful as earlier in the spring, the supply of workers in the labor market continues to be adequate generally to meet existing needs. On July 1, persons actively seeking employment through the facilities of the MESC local offices numbered 28,612 as compared with 38,089 on May 1. There have been some changes in the characteristics of the workers available — there are more younger workers now seeking jobs than two months ago and the proportion of the total supply represented in the clerical and sales and unskilled occupations is greater than at the first of May. However, the number of localized shortages in particular occupations — judging from the success of public employment offices in filling jobs from local labor supply sources — appears to be negligible.

**Employment Trends** — Seasonal influences have been the controlling force in determining employment trends in Maine during the past two months. Requirements for farm workers have expanded in accordance with usual expectations, although in some crop areas the upswing has not been as marked as a year ago. Nonfarm employment started to move upward in May and continued on that trend into June. Wage and salary workers on the payrolls of nonagricultural employers totalled 252,600 in April, 258,800 in May and 271,600 in June. The most appreciable job increases between May and June in major nonfarm industries were: food and kindred products — 4,073; lumber and wood products — 2,051; contract construction — 1,827; service — 1,617; and leather and leather products — 1,245.

**Jobs in Manufacturing Activities** — Employment in manufacturing activities in Maine, although up seasonally in June, continues to lag seriously behind past years. During pay periods ending nearest June 15, employed manufacturing workers numbered 102,100 — an 8.4 percent increase over the May level of 94,200 and a 10.4 percent gain over April's 92,500 total. These spring advances were consistent with the customary trend pattern for this time of year having failed to be great enough to push the level into a position comparing favorably with June employment in the years, 1947-1957. Last year in June, 113,400 persons had jobs in Maine manufacturing plants. Peak factory employment for the month was 120,500 in 1952, and the previous June low point was 106,400 in 1949.

**Average Workweek in Manufacturing** — The average workweek of production workers employed in Maine manufacturing industries — regarded as an important indicator of production requirement trends — moved upward between May and June from 37.8 to 39.6 hours. While this thirty-day increase was rather substantial, it was attributable to a large extent to seasonally expanded production schedules in such industries as lumber and wood products, leather and leather products, and food processing. There were encouraging, but in most cases small, gains in the average number of hours worked per week in a few industries which were not affected by seasonal factors, but, at the same time, minor declines were observed in some other nonseasonal activities. The over-all average workweek for June was off from a year ago when the average was 40.0 hours.

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