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Labor Market News Letter, September 1958

Maine Employment Security Commission

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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



SEPTEMBER - 1958

ISSUED BI-MONTHLY



Labor Market Highlights — Employment requirements in a number of Maine industries moved upward during the latter part of the summer causing further minor contractions in the extended ranks of the unemployed. The employment upturn was primarily seasonal in nature, although slight gains were made in some nonseasonal activities. Such nonseasonal advances, while exerting a steadying effect upon labor market trends, were not great enough to warrant the assumption that a general upswing in the State's economy is as yet taking place. Unemployment still is excessive. There are fewer persons unemployed at present than at the same period in the 1949 business recession, but there are nearly two and a half times as many jobless workers in the labor market now as a year ago when the current recession was beginning to gain force.

Employment Trends — The employment level in Maine rose to a peak for the year in the latter part of the summer as needs for workers increased seasonally in such activities as agriculture, contract construction, food processing, and retail trade. Encouraging nonseasonal expansions took place also in the paper and allied products, textile-mill products, and metal products industries. In mid-August, the total number of wage and salaried jobs in nonagricultural industries was 275,000, according to preliminary estimates compiled by the MESC in cooperation with the United States Bureau of Labor Statistics. This represented an increase of 22,400 over the year's nonfarm employment low of 252,600 in April, but was 14,000 short of the comparable August 1957 total figure. Agricultural employment, at about 77,000 in mid-summer, was following usual trend patterns this year with requirements being controlled by the demand for harvest hands as various principal crops reached maturity.

Jobs in Manufacturing Industries — Workers on the payrolls of Maine manufacturing establishments totalled 103,600 in August as compared with 92,500 in April — the lowest point reached in the twelve-year period in which current monthly employment data have been developed jointly by the Maine Employment Security Commission and the U.S. Bureau of Labor Statistics. The four-month gain of 11,100 manufacturing jobs was attributable largely to seasonal factors, there having been — as previously noted — a few nonseasonal improvements. Despite the size of the advance since

spring, the manufacturing division of the State's economy remains seriously weakened, as is attested by the fact that there were 9,600 fewer factory jobs in the State in August 1958 than in August 1957.

Long-Range Manufacturing Changes — It is apparent from a comparison of current employment with August peaks of the past ten years for major industry groups that, with but few exceptions, manufacturing industries in Maine have suffered rather sizable employment reductions in recent years. Some of the cutbacks have been permanent while others appear to be more or less temporary. Hardest hit have been textiles. Ten years ago, there were 29,000 employed textile workers in Maine as compared with 14,700 now. The lumber and wood products industries provided jobs for 23,000 in August 1951 and only 16,200 in August this year. Aggregate employment in the metal products and machinery industries was at an August peak of 9,600 in 1948, whereas last month the total number of jobs in the industries was 5,400. In August 1950, the food and kindred products group utilized 17,700 workers. In the same month this year, 13,800 were engaged in food processing and related activities. Over the two-year period, from August 1956, employment in paper and allied products establishments dropped from 18,800 to 17,300, and firms classified in the leather and leather products group experienced an employment decline of 900 — to 21,800 — from last year when jobs in the industry were at an all-time August high.

Total Unemployment — Unemployment in Maine has been following a downward trend since early in the spring as a result of the absorption of a substantial number of workers in seasonal jobs. In April, unemployment — estimated at 45,800 — was at its highest point during the current business recession. By mid-August, the estimated number of persons in an unemployed status was 26,400. Although the four-month decrease of 19,400 — or 42.4 percent — was of significant proportion, not to be overlooked is the fact that the volume of unemployment invariably drops off very sharply in this State between April and August. Last year, while the level of unemployment was considerably lower than this year, there was a relative decline of 50.8 percent in the amount of unemployment between the two periods, April and August. In August of 1957, the number of unattached job-seekers in the Maine labor market was estimated at 10,600. Therefore, unemployment in Maine is estimated to have risen over-the-year by 149 percent.

Insured Unemployment — Maine has continued to have one of the highest insured unemployment rates in the Country during the summer months. During the first week of September, 14,102 workers from private industries and Federal government activities were in an insured unemployed status in this State. This represented 7.1 percent of average monthly covered employment, which was the fifth highest insured unemployment rate of all the States.

The nation-wide ratio for the same week was 4.8 percent, and those for the other New England States were as follows: Connecticut — 5.3 percent; Massachusetts — 4.1 percent; New Hampshire — 5.1 percent; Rhode Island — 5.1 percent; and Vermont — 3.7 percent. Last year at the first of September the Maine rate was 4.0 percent, and the nation-wide rate was 2.7 percent. At that time the Maine rate also was the fifth highest in the Country.

Claims Load Trends — During April and May, claims filed for State UI benefits reached record-breaking heights, but in June the claims load fell slightly under the load for June of 1949. In July the claims volume once again rose to an all-time record peak for the month, but in August the number of UI claims filed dropped sharply and, although at the second highest August level since the unemployment insurance program has been in existence, the number of continued weeks of unemployment claimed was approximately twenty-six percent lower than the number for August 1949. It has been particularly noteworthy that, in the past several weeks, new unemployment reflected by newly initiated claims series has not been as extensive as in comparable periods in some of the years since 1949. For instance, during August initial UI claims received totalled 5,180 as compared with August initial claims loads of 6,161 in 1951; 5,377 in 1953; 6,128 in 1954; and 5,316 in 1957.

MAINE EMPLOYMENT SECURITY COMMISSION
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