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Labor Market News Letter, November 1958

Maine Employment Security Commission

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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



NOVEMBER - 1958

ISSUED BI-MONTHLY



Labor Market Highlights — Unemployment in Maine remained at a nearly stable but relatively high level during the early fall. Employment cutbacks in a number of activities which normally experience end-of-summer curtailments were partially offset by the withdrawal from the labor force of workers — particularly youths and housewives — who had been available only for summer jobs. However, the cumulative effects of continuing seasonal employment reductions, together with permanent layoffs from the machinery industry, caused a decided upswing in the trend of unemployment in the latter part of October and in November. During the middle week of October, an estimated 25,900 workers were unemployed in Maine as compared with 25,600 a month earlier and 16,000 last year in October.

Claims Load Trends — Claims for unemployment insurance benefits, because of a comparatively large number of benefit rights exhaustions, dropped to a low point for the year in October. During the month, 57,084 claims were filed under the State UI program. This represented a 15.7 percent decrease from September. However, claimants exhausting their UI benefit rights in October — the first month in the current benefit year in which exhaustions could occur in volume under the formula set forth in the MES Law — totalled 3,871. In 1957, October UI exhaustions totalled 1,503. Although coverage and benefits-duration provisions under the Employment Security Law have changed since the beginning of the program — a factor which detracts from the economic trend measurement value of claims load statistics — it is noteworthy from a program administration viewpoint that the October 1958 load was the highest for the month in twenty years.

Insured Unemployment — Despite the removal of unemployed persons from an insured status following the exhaustion of their benefit rights, newly unemployed workers from private and Federal government activities who filed claims in the last two weeks of October and in November were great enough in number to cause a sharp increase in the volume of insured unemployment. During the second week of October, Maine had an insured unemployment rate — as computed from the relationship of continued claims to average monthly covered employment — of 5.2 percent, which was the seventh highest rate in the Country. At the first of November, this State's rate of 6.2 percent was the third highest. Insured unemployment rates for the other New England States on November 1 were: Connecticut — 4.3; Massachusetts — 3.7; New Hampshire — 3.6; Rhode Island — 4.2; and Vermont — 3.6. The nationwide rate at the first of the month was 4.0 percent.

Benefit Payments — The Maine Employment Security Commission issued a larger number of benefit payments for a greater aggregate amount during the first ten months of this year than in any previous twelve-month calendar year period since the unemployment insurance program has been in effect. Between January 1 and October 31, a total of 769,386 payments amounting to \$16,664,271 were issued under the State UI program. The largest number paid out in any preceding calendar year was 737,036, for \$11,450,020, in 1949. The higher volume of benefits this year has been due partly to past liberalizations in the payment program and partly to the intensity of the general business recession which has been in evidence for over a year. Funds available for UI benefits have dropped from about \$47.4 million to approximately \$36.8 million over the last twelve months. In 1949, the October balance available was slightly above \$39.9 million.

Registered Job-Seekers — Work registrations on file in the local employment offices of the Maine Employment Security Commission, while more than 48 percent lower than in the spring, are at a comparatively high level for the fall period. On November 1, a total of 19,559 persons were actively seeking work through the facilities of the local offices, as compared with 16,265 a year ago. Of the current applicants, 44.5 percent are women. The workers who have made known their availability, represent a wide range of occupations, being distributed on a broad occupational group basis as follows: professional and managerial — 470; clerical and sales — 2,424; service — 1,490; skilled — 2,969; semiskilled — 5,052; and unskilled — 7,154. Over-the-year increases occurred in each of the broad occupational categories, but the greatest percentage gains were made in the clerical and sales (45.2 percent) and service (33.2 percent) groups.

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Job Opportunities — Demand for labor has been moderate during the past several months, with job opportunities having been somewhat restricted both as to number and occupational choice. Job orders received by local employment offices — excluding those orders for openings in which bonded Canadian woodsmen might be used if qualified domestic workers were not available — totalled 2,415 in October, 2,254 in September, and 2,426 in August. On November 1, the offices had only 577 unfilled openings on hand. The job vacancies were distributed according to broad occupational categories as follows: professional and managerial — 9; clerical and sales — 102; service — 118; skilled — 115; semiskilled — 137; and unskilled — 96. Of the unfilled openings on hand, 69 were listed as difficult to fill from labor supply sources in the localities in which they existed.

Nonagricultural Employment — The number of wage and salaried workers employed in Maine nonagricultural industries reached a 1958 peak of 275,000 in August, following which monthly declines occurred to levels of 271,900 in September and 270,100 in October. The downtrend, while reflecting some nonseasonal curtailments, was attributable primarily to end-of-summer seasonal reductions in such industry groups as food and kindred products, shoe manufacturing, contract construction, transportation and public utilities, wholesale and retail trade, and miscellaneous

services. Total nonfarm employment trends are usually downward at this time of year, but it is noted that the 1.8 percent, August-October decrease was relatively less severe than in 1957 when the level dropped by 3.7 percent during the two-month period, from 289,000 to 278,400.

Over-the-Year Changes — Although sizable employment reductions in a number of important industries were responsible for the 3.0 percent, twelve-month decrease in total nonfarm employment to the October 1958 level of 270,100, encouraging over-the-year gains were made in several activities. The most appreciable job losses were as follows: lumber and wood products — 3,800; wholesale and retail trade — 2,100; metals and machinery — 1,700; transportation and public utilities — 1,400; textiles — 1,300; paper and allied products — 500; and miscellaneous services — 500. Noteworthy expansions during the period were: food and kindred products — 1,300; government — 1,300; transportation equipment — 500; and contract construction — 200. Aggregate employment in manufacturing industries fell from 108,000 to 102,200 between October 1957 and October 1958. Manufacturing employment this year was at its lowest October level for the twelve-year period that monthly employment statistics have been compiled jointly by the Maine Employment Security Commission and the United States Bureau of Labor Statistics.

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