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# Labor Market News Letter, January 1959

Maine Employment Security Commission

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# LABOR MARKET



# NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



## JANUARY - 1959

ISSUED BI-MONTHLY



**Labor Market Highlights** — Employment and unemployment trends in Maine have been slow to reflect recovery symptoms revealed in a number of national business activity indicators. At the end of 1958 there was a very substantial volume of unemployment in the State, in fact more than at the end of 1957. Also, it is noted that total nonfarm employment in December was off by 3.7 percent from a year earlier. Encouraging, however, was the fact that, in contrast to the situation at the start of the year when the economic outlook was far from auspicious, emerging signs of greater stability were becoming increasingly evident during the latter part of 1958.

**Total Unemployment** — The total number of unemployed persons in Maine in December was estimated at 36,500. This was 22.1 percent greater than the unemployment figure (29,900) for December 1957, but it was 20.3 percent under the peak of 45,800 for the year which was reached in April. The low point for 1958 was in September when 25,600 job-seekers were in the labor market. The 42.6 percent, September-December increase was attributable primarily to seasonal employment reductions, although permanent job losses were experienced, especially in the nonelectrical machinery industry. It is noted, however, that the end-of-the-year rise in unemployment was much steeper in 1957 than in 1958. In the former year there was an increase of 17,300 — or 137.3 percent — between the September and December unemployment levels.

**UI Claims** — State unemployment insurance program claims received in 1958 totalled 1,124,900. This was the highest annual claims load on record and was 70.6 percent above the number (659,480) of UI claims filed in 1957. During the first nine months of 1958 the number of claims received was considerably above 1957, but for the last three months of the two years there was little difference in the claims loads. However, an unusually large number of benefits rights exhaustions in the latter part of 1958 served to reduce the number of unemployed persons who could continue to receive benefits. By the end of the year 6,415 claimants

had exhausted their UI benefit rights as compared with 2,826 at the end of 1957.

**Insured Unemployment Rate** — In the last weeks of December and early in January 1959 the rate of insured unemployment among private industry and Federal civilian employees was higher in Maine than in any other State in the Country. For the week ending January 3, when the nationwide rate was 6.2 percent, Maine's rate was 10.4 percent. Corresponding insured unemployment rates for the other New England States were: Connecticut — 7.0; Massachusetts — 7.6; New Hampshire — 7.0; Rhode Island — 9.3; and Vermont — 7.3. A year earlier, Maine's rate was 10.6 percent, and the Country as a whole had a rate of 6.8 percent.

**New Unemployment** — Despite the comparatively high volume of continuing unemployment in Maine, claims series initiated by newly separated workers have been less numerous during the last few months than in the same months a year ago. During the 1958 October-December calendar quarter, claims series initiated under the UI program totalled 28,732, whereas in the last quarter of 1957 the corresponding figure was 32,133. The indicated 10.6 percent decrease in initial claims filed could be regarded with some degree of hopefulness, but even more propitious was the fact that new unemployment reflected by initial UI claims filed was lower by 31.4 percent in the first three weeks of January 1959 than in the corresponding weeks of 1958.

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**Factory Workweek** — Another point of encouragement is seen in 1958 trends in the average number of hours worked per week by production workers with jobs in Maine manufacturing industries. In December the average workweek was 41.3 hours, which was 1.4 hours above the December 1957 average. The low month for the year, as regards average hours worked, was May. In that month the workweek average was 37.8 hours — 1.9 hours less than in May 1957. Improvements were noted, on a 1957-1958 comparative basis, in the months following, but it was not until November and December that the average workweek moved ahead of 1957.

**Average Earnings** — Although jobs in manufacturing industries have been seriously reduced in number, the average earnings of employed factory workers have continued to improve throughout much of the business recession. In December average hourly earnings of production workers

amounted to \$1.67 as compared with \$1.65 twelve months earlier. Average weekly earnings, partly because of the expanded average workweek, showed an over-the-year increase of \$3.08, from \$65.99 to \$69.07. The average weekly earnings figure for December 1958 was the highest on record for this State.

**Nonagricultural Employment** — Seasonal declines in such activities as food processing, contract construction, transportation, and services which are dependent upon the patronage of summer vacationists, played a dominant role in causing a sharp drop in nonfarm employment during the last four months of 1958. Permanent job losses, particularly in the nonelectrical machinery industry also contributed to the end-of-the-year employment decrease. Between August and December, nonagricultural wage and salary jobs fell off by 4.4 percent, from 275,000 to 262,900. During the same period in 1957 there was a 5.5 percent decline, from 289,000 to 273,000.

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