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Labor Market News Letter, March 1959

Maine Employment Security Commission

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Maine Employment Security Commission 331 Water Street Augusta, Maine



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Labor Market Highlights — The labor market in Maine was sluggish during the first two months of the current year. Employment requirements generally were down and the number of unemployed workers in the State was considerably larger than in the preceding fall period. However, trends in both employment and unemployment were consistent with normal seasonal patterns for the winter months and, therefore, served to obscure an apparent halt in the two-year downward slide in basic economic conditions. Labor surpluses are almost certain to continue to exist in several Maine areas during the coming months, but, aside from the effects of prospective seasonal fluctuations, the over-all job outlook in the State is more promising now than it has been since the start of the 1957-1958 business recession.

Nonagricultural Employment — Despite continuing seasonal declines since December in total nonfarm wage and salary employment, the job picture in Maine this past winter was not without a few bright spots. According to preliminary estimates developed jointly by the Maine Employment Security Commission and the United States Bureau of Labor Statistics, nonfarm jobs in the State decreased between December and January from 264,700 to 257,200 and slipped off further in February to 255,000. A downward trend pattern during the winter months is customary. Consequently, the 3.7 percent, December-February drop was not without precedent, although it was less pronounced than during the corresponding period a year earlier when the two-month rate of decline was 5.5 percent, from 269,500 to a February 1958 level of 254,600. That 1959 employment was slightly higher both in January and February than in the comparable months of 1958 is worthy of more than passing note since these were the first instances in approximately two years where employment for a current month was greater than for the same month of the preceding year.

Industry Changes — Higher employment in February as compared with a year ago was the result of mixed trends — some up, others down — in a number of the State's major industries. Employment in manufacturing industries as a whole continued to lose ground, dropping from 99,300 to 98,700 jobs, the February level this year being the lowest for the month during the thirteen year period, 1947-1959, in which current monthly data have been assembled by the MESC in cooperation with the U. S. Bureau of Labor Statistics. Overshadowed by the twelve-month decline in total manufacturing employment — caused primarily by

curtailments in the production of machinery, paper and allied products, and lumber and wood products — was a strong upturn in the leather and leather products industry which, with a work force of 23,400, was at an all-time peak in February. Employment expansions in several non-manufacturing activities, particularly in Federal government services, resulted in an over-the-year increase in aggregate nonfactory jobs from 155,300 to 156,300. Therefore, the twelve-month advance of 1,000 in nonmanufacturing more than offset the loss of 600 manufacturing jobs and accounted for the net increase of 400 in total nonfarm wage and salary employment.

Labor Force Trends — The improved mid-winter employment level this year, as compared with last, was not matched by a corresponding decrease in total unemployment. Rather, because job opportunities did not keep pace with increases in the size of the available labor force, the estimated total number of unemployed persons rose from 38,300 to 40,400 during the February 1958-February 1959 period. Important factors contributing to expansions in the labor force have been the entrance into the labor market of a relatively large number of youths, the return to Maine of recently laid off workers who had previously obtained jobs in other states, and increases in the number of female job-seekers who have found it necessary to assist in augmenting family incomes. Prior to the start of the business recession, the migration of Maine workers to other states played an important part in holding down the volume of unemployment. In recent months, however, there appears to have been a decided decrease in the amount of outmigration due, undoubtedly, to the scarcity of jobs in other parts of the Country.

Claims for UI Benefits — The unemployment insurance claims load in Maine has been lower during this past winter than in the same period last year. However, the decrease has been attributable largely to benefit rights exhaustions which have been considerably more numerous during the current benefit year. Claims received under the State UI program totalled 86,452 in January. This represented a 20.2 percent decrease from the claims load experienced in the first month of 1958. In February, 79,719 UI claims — or 16.2 percent fewer than were filed in the second month of 1958 — were received in Maine Employment Security Commission offices. Benefit rights exhaustions, on the other hand, have been running much higher than a year ago. Cumulative unemployment insurance exhaustions for the current benefit year totalled 6,415 at the end of December, 7,928 on January 31, and 9,896 on the last day of February. The February figure was 77.1 percent higher than the exhaustion count on February 28, 1958. By the end of the third week of March this year, the number of UI exhaustions had risen to 11,644.

Insured Unemployment Rates — Benefit rights exhaustions not only have caused the total claims load to fall off from last year but they also have been an influence in causing insured unemployment rates to drop off in the last two months. At the beginning of this year Maine's rate of insured unemployment among private industry and Federal civilian employees was, at 10.4 percent, the highest in the Country. In the first week of March, the rate had dropped to 8.9 percent which was then the fourth highest of all the states. The

nation-wide rate at the first of March was 5.4 percent as compared with 6.2 percent at the start of the year. Insured unemployment rates for the other New England States for the week ended March 7 were: Connecticut — 5.4 percent; Massachusetts — 5.6 percent; New Hampshire — 4.9 percent; Rhode Island — 7.0 percent; and Vermont — 6.3 percent. States with the highest unemployment-employment ratios in the corresponding week were: Montana — 11.8 percent; North Dakota — 9.9 percent; and West Virginia — 9.0 percent.

Classes of Workers Available — The precise occupational characteristics of many unemployed workers are not determinable since all job-seekers in the State are not actively registered for work with the local offices of the Maine Employment Security Commission. However, because a relatively large number currently are utilizing the facilities of the public employment offices in their attempts to find employment, it is possible to obtain a reasonably good indication of the various classes of workers who are in the labor market. At the first of March, a total of 28,698 persons — 19,198 males and 9,500 females — had active applications for work on file. These registrants were classified on the basis of their primary occupations in the following broad categories: professional and managerial — 659; clerical and sales — 2,772; service — 1,580; skilled — 5,388; semi-skilled — 6,924; and unskilled — 11,375. In view of the wide occupational distribution represented, it would appear that employers needing additional workers in the coming spring and summer should experience a minimum of difficulty in finding qualified workers to fill their job openings.

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