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Labor Market News Letter, May 1960

Maine Employment Security Commission

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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission

331 Water Street

Augusta, Maine



MAY - 1960
ISSUED BI-MONTHLY



Labor Market Highlights — Expansion in the size of the Maine labor force during the early spring period was characterized by slight increases in both employment and unemployment. Workers, normally available only for seasonal employment, moved into the labor market as various activities — more or less dormant during the winter months — started to revive with the advent of warmer weather. The unemployment situation, while less serious in mid-April than at the same point in 1959, has been somewhat slower to reflect improvements than a year ago. Last year, however, the economy was in the process of rapid recovery from the 1957-1958 business recession. More recently, seasonal developments have been the primary determinant with respect to employment and unemployment trends.

Labor Force Changes — The estimated total labor force in Maine rose from 361,900 in March to 365,500 in April, largely as a result of the re-appearance of persons who had removed themselves from the labor market during the winter months. The re-entrance of these workers, together with temporary employment curtailments in the logging and shoe manufacturing industries, overbalanced labor requirement increases in seasonally expanding activities and could be cited as the cause underlying a further rise in the State's level of unemployment. In April, approximately 29,500 workers—or about eight percent of the total labor force—were unemployed. A month earlier, the estimated number unemployed was 28,900. The comparatively slight, March-April rise in unemployment was in contrast to a sharp decline, from 40,300 to 35,800, during the corresponding period last year.

Characteristics of the Unemployed — Insured unemployed workers under the State UI program comprise a large proportion—nearly two-thirds in April — of the total number unemployed. Consequently, information relative to the characteristics of this group provides a reliable indication as to the types of workers who constitute the entire unemployed labor force. In April, an analysis of persons filing continued claims for unemployment insurance benefits revealed, among other facts, that: 12.7 percent were under twenty-five years of age; 18.9 percent were between age twenty-five and thirty-four; 20.3 percent were thirty-five to forty-four years old; and 48.1 percent were over forty-five. Of the total number, nearly 58 percent were

males. Roughly 60 percent of those filing had last worked in manufacturing industries; 18 percent had separated from construction jobs; 11 percent were formerly employed in wholesale or retail trade establishments; and the remainder were from various other nonmanufacturing industries.

Insured Unemployment Rates — The start of a new benefit year on April 1, along with a rather pronounced seasonal slump in the shoe industry and a normal temporary decline in logging and lumbering operations, produced relatively high unemployment insurance rates in Maine during April and the first weeks of May. A peak rate of 11 percent was reached in the first week of April. By the end of the month the rate had dropped to 10.1 percent. Throughout the period, Maine's rate was the second highest in the United States, being exceeded only by Alaska's. In the latter part of April the nation-wide rate was 4.8 percent. Rates in the other New England States were: Connecticut — 4.6 percent; Massachusetts—5.5 percent; Rhode Island—5.6 percent; New Hampshire—5.0 percent; and Vermont—5.1 percent.

Underemployment in Maine — Insured unemployment rates for this State have been inflated to a marked degree by an excessive amount of underemployment during the past several weeks. Underemployed workers eligible for insured status are those who are working less than full time and whose earnings are less than the weekly benefits to which they might be entitled if totally unemployed. Claims filed by persons falling in this category represented approxi-

mately 13 percent of the total number filed during the first week of May. During the month of April, partially unemployed—or underemployed—workers accounted for a little over 8 percent of all claims received for unemployment insurance benefits. Comparable ratios for the Country as a whole are not available, but unemployment insurance program statistics covering the past several years would appear to point to a much more serious continuing underemployment problem in Maine than in most of the other states.

Average Hours Worked — One of the leading economic trend indicators maintained on a month-to-month basis by the Maine Employment Security Commission — the mid-month average factory workweek series — showed a rather appreciable rise between March and April in underemployment in this State. In March the over-all average workweek was 40.9 hours, whereas in April it was computed at 39.6 hours. Producers of durable goods experienced an average workweek decline of 1.1 hours, from 42.9 to 41.8, while the hours of work in non-durable goods manufacturing dropped 1.3 hours, from 40.1 to 38.8. Industries with weekly averages of less than 40 hours in April included ap-

parel and leather and leather products. Apparel industry employees averaged 34.2 hours of work and those with jobs in leather and leather products establishments averaged 32.5 hours during the middle week of the month.

Nonagricultural Wage and Salary Employment

—Despite employment declines of 1,500 in lumber and wood products, 900 in leather and leather products, and 100 in apparel, the total number of nonfarm wage and salary jobs in Maine increased from 259,700 to 262,100 between March and April. The net increase of 2,400 jobs resulted from gains in practically all of the other major industries—the most substantial advances having been 1,700 in wholesale and retail trade, 1,500 in contract construction, and 500 in miscellaneous service industries. Aggregate employment in manufacturing industries dropped seasonally from 98,600 to 96,900, but April factory employment was slightly higher than the year-ago level of 96,500. Improvements, both between March and April and from April last year, in nonmanufacturing activities were reflected by a thirty-day employment increase of 4,100 and an over-the-year gain of 2,400. Workers on the payrolls of nonmanufacturing employers in mid-April this year totalled 165,200.

MAINE EMPLOYMENT SECURITY COMMISSION
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