

7-1-1960

## Labor Market News Letter, July 1960

Maine Employment Security Commission

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### Recommended Citation

Maine Employment Security Commission, "Labor Market News Letter, July 1960" (1960). *Center for Workforce Research and Information Documents*. Paper 175.  
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# LABOR MARKET



# NEWS LETTER

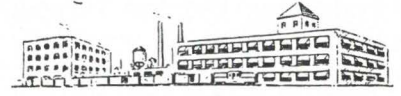
Maine Employment Security Commission

331 Water Street

Augusta, Maine



**JULY - 1960**  
ISSUED BI-MONTHLY



**Labor Market Highlights** — Improved labor market conditions were in evidence in Maine at the first of the summer, with recent employment trends having shown decided strength. Seasonal factors played an important part in stimulating expansions in the demand for labor, but other-than-seasonal influences also contributed to the upswing. Unemployment in the State dropped off sharply during the spring. However, the supply of labor—augmented by the entrance of high school and college youths into the work force—continues to be substantial. Although much lower than earlier this year, Maine's rate of insured unemployment still is among the highest in the Country.

**Work Force Trends**—With the closing of schools and colleges for the summer months, a large number of youths entered the State's labor force—some in quest of permanent jobs, others for the purpose of obtaining temporary jobs only. Also, additional adults—mainly housewives—became available early in June for summer employment. As a result, the work force continued to follow an upward trend which had begun at the end of the winter period, rising between May and June from 380,100 to 395,900. An expanding demand for labor more than kept pace with the increasing numbers of job-seekers, as was revealed by a decrease from 25,000 in May to 18,400 in June in the estimated volume of unemployment. However, unemployment this spring was slightly higher than a year ago. In 1959, unemployed persons in the State totalled an estimated 24,700 in May and 17,800 in June.

**Nonfarm Wage and Salary Employment**—Nonfarm wage and salary jobs in Maine rose to a peak level for the year thus far in payroll periods ending nearest June 15. Total employment in nonagricultural establishments increased by 23,000, from 263,000 in April to 286,000 in June. All of the major industries either held their own or experienced employment advances during the two-month period with the most appreciable gains having been 5,500 in lumber and wood products, 5,100 in contract construction, 3,900 in food and kindred products, 3,300 in services, 2,000 in wholesale and retail trade, and 1,300 in leather and leather products. Most of the spring increases were attributable primarily to seasonal factors. However, improvements of the past several months have not been entirely

seasonal in nature since, on a seasonally adjusted basis, employment in June this year was at its highest level in thirty-six months.

**Demand for Labor** — The usual spring upsurge in the labor needs of both agricultural and non-agricultural industries appeared to be stronger this year than last. From the first of May to the end of June, local employment offices of the Maine Employment Security Commission made 1,606 worker placements on farms and 5,820 in nonagricultural establishments. During the same two months of 1959 the offices effected 523 farm and 5,087 nonfarm placements. Many employers in the State fail to avail themselves of the services offered by the public employment offices. Nevertheless, demand for labor reflected by orders received for worker referrals was substantial throughout the spring and early summer. For the three-month period, April-June, nonfarm job openings received—excluding those in which Canadian woodsmen might be utilized provided qualified resident workers were not available—totalled 9,405. At the first of July, the local offices had 1,475 unfilled openings on hand.

**Insured Unemployment Rates** — Since the first of May, the rate of insured unemployment in this State has dropped very sharply. At the end of June the rate was 4.8 percent whereas three months earlier it was 10.1 percent. This improvement moved Maine from second to fifth highest among the states—the current rates for California, Kentucky, Pennsylvania, and West Virginia being higher than Maine's. A year ago, Maine's rate, at 4.9 percent, was third highest in



the Country. Insured unemployed ratios in the other New England States at the end of June this year were: Connecticut—4.1; Massachusetts—4.1; New Hampshire—3.7; Rhode Island—4.3; and Vermont — 2.9. In the same period the nation-wide rate was 4.0 percent.

**Production Worker Payrolls, 1960** — Estimated total earnings of production workers employed in Maine manufacturing industries were 6.9 percent higher for the first six months of the current year than for the corresponding months in 1959. Mid-month weekly payrolls averaged \$6.3 million in manufacturing activities between January and June this year. During the comparable period in 1959, the weekly average was \$5.9 million. The advance over last year could be attributed principally to improvements in the average employment level, although scattered wage rate gains were a contributing factor. The aggregate number of manhours worked by manufacturing production workers averaged 3,568,200 hours in the mid-month weekly pay periods of the first half of 1960, whereas the weekly totals for January-June last year aver-

aged 3,493,600 hours. More widespread employment in manufacturing industries as a whole accounted for the indicated 2.1 percent increase in total manhours worked.

**Average Workweek and Earnings** — Although both employment and total manhours worked have been higher, the average workweek per factory worker has been slightly lower in Maine thus far this year (40.6 hours) than during the 1959 January-June (40.9 hours) period. During the past three months, seasonal influences have caused a marked increase in the average workweek—it having moved upward from 39.6 hours to 40.0 hours between April and May, and to 40.5 hours in June. There has been comparatively little change since the first of the year in the average hourly earnings of production workers employed in manufacturing activities in this State but the earnings rate has shown a moderate gain over a year ago. During the middle week of June this year, average hourly earnings amounted to \$1.77 as compared with \$1.69 in June 1959. At the first of 1960, in mid-January, the average was \$1.75 per hour.

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