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## Labor Market News Letter, May 1961

Maine Employment Security Commission

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## LABOR MARKET



## NEWS LETTER

Maine Employment Security Commission

331 Water Street

Augusta, Maine



MAY - 1961

ISSUED BI-MONTHLY



**Labor Market Highlights**—Although a number of Maine communities continued to be confronted with comparatively high levels of unemployment, moderate improvement was evident during the spring period in over-all employment conditions in the State. Employment gains registered were, for the most part, in activities which normally experience seasonal expansions at this time of year. However, the labor requirements upturn was strong enough to signify an easing of the impact on the State's economy of the nation-wide business recession which developed in the last half of 1960. Further improvements are expected in the job picture during the summer months as seasonal peaks are reached in industries such as agriculture, contract construction, shoe manufacturing, food processing, logging and lumbering, transportation, and in trade and service establishments which rely upon the patronage of summer vacationists.

**Unemployment Trends**—After reaching a thirty-three month peak of 35,500 in February this year, the unemployment level in Maine started to drop. In mid-March the estimated number of jobless workers was down to 34,700 and by the middle of April the number had fallen to 31,500. The rate of unemployment, which is the percentage of all persons in the work force who are without jobs, was 8.5 percent in April. At that time an estimated 368,700 persons were in the work force. Two months earlier, when an estimated 369,200 were in the work force, the unemployment rate was 9.6 percent. Although the 4,000 decline in unemployed workers between February and April was due chiefly to seasonal employment requirements expansions, it was great enough to suggest that improvements of an other-than-seasonal nature were beginning to materialize. Last year, unemployment dropped 1,100, from 29,400 to 28,300, between the two months. In the corresponding 1958 period, the number unemployed increased by 2,900 to an April level of 39,700.

**Insured Unemployment**—With the start of a new benefit year on April 1, many unemployed persons—not covered at the end of March under the State UI program because of benefit rights exhaustions or because of insufficient base period wage credits applicable to the April 1960-March 1961 benefit year—filed new claims and were determined eligible for benefits. The entrance of these workers into a claims status caused a marked increase in the volume of in-

sured unemployment in Maine. A weekly peak for the month was reached during the period, April 17-22, when the number of State insured unemployed totalled 24,708. The comparable claimant count a month earlier was 18,871. The claims load started to move downward rather sharply after the middle of April. By the week ended May 20, the number of State insured unemployed was 18,040. Average weekly insured unemployment was twenty-four percent higher in April this year than in the corresponding month last year. The over-the-year rise was caused by the effects of the general economic recession which gained force after the middle of 1960 but which appeared to lose momentum in the latter part of the 1961 winter period.

**TEUC Program**—The Maine Employment Security Commission has been participating since April 10 in the new Federal program for paying temporary extended benefits to unemployed workers who exhausted their benefits under the regular UC programs during the last benefit year and who cannot qualify for regular benefits in the current benefit year. Between April 10 and May 19, a total of 2,437 persons filed claims under this special program which was established by the Temporary Extended Unemployment Compensation Act of 1961. From the start of the program through May 19, TEUC benefits paid amounted to \$153,157. A survey of the personal and economic characteristics of 1,605 TEUC claimants filing during the week of April 17-21 disclosed, among other matters of



significance, that 56 percent were males; 13 percent were under twenty-five years of age; 17 percent were sixty-five years old or older; 58 percent had last been employed in manufacturing industries; 18 percent were from the construction industry; and 39 percent were unskilled workers.

**Nonfarm Wage and Salary Employment**—Between March and April, the number of workers on the payrolls of nonagricultural employers in Maine increased by 2,500, from 263,600 to 266,100. The indicated upturn, reversing a downward trend which had started last September, was attributable primarily to seasonally expanded labor needs in such industries as food and kindred products, contract construction, wholesale and retail trade, and services. Contributing also to the over-all advance was a non-seasonal increase of 300 jobs in the metal products and machinery industries. Employment contractions, which partially offset the gains realized, occurred in both the lumber and wood products and leather and leather products industries. Job reductions in both of these industry groups were seasonal in character and were expected, on the basis of the experience of past years, to be of relatively short duration. April nonfarm wage and salary employment was down by 1,500 jobs from the year-ago level of 267,600. The most important industry changes over the year consisted of a sizable decline in textile employment which was partly compensated for by fairly substantial gains in the machinery and transportation equipment industries.

**Hours and Earnings**—The average number of hours worked per week by production workers employed in Maine manufacturing industries

dropped from 41.1 hours in the middle week of February to 39.4 hours in mid-April. The downturn, due primarily to seasonal production curtailments in the lumber and wood products and shoe manufacturing industries, was in line with the customary trend for the late winter and early spring period and, therefore, was not regarded as being of unusual significance. Hourly earnings of production workers averaged \$1.82 in the mid-April survey week. This represented an all-time record high and was six cents above the April 1960 average of \$1.76. Average weekly earnings, at \$71.71, were off by \$2.27 from the all-time peak of \$73.98 established in February this year. The drop in weekly earnings was traceable to the downturn in weekly hours worked.

**Job Outlook**—Recent and impending plant closings in a few localities, together with unremedied chronic unemployment problems confronting several other communities which are lacking in year-round industries, detract from an otherwise favorable State-wide employment outlook for the coming summer months. On the whole, it is expected that the demand for labor will become extensive in most sections of Maine in July and August. Requirements will be particularly heavy in agriculture, food processing, logging and lumbering, shoe manufacturing, transportation, and in trade and service activities located in resort areas. Nonseasonal job opportunities expansions are almost certain to materialize in machinery producing establishments in three local areas and the prospects are reported to be excellent that additional new industries will be attracted to locations in Maine within the near future. It appears quite unlikely, however, that job openings will be numerous enough to absorb many of the job seekers who will be in the labor market during the summer.

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# LABOR MARKET



# NEWS LETTER

Maine Employment Security Commission

331 Water Street

Augusta, Maine



**MARCH - 1961**  
ISSUED BI-MONTHLY



**Labor Market Highlights** — The general business slump, together with usual seasonal influences, caused total unemployment in Maine to continue along an upward trend during the winter period. By mid-February, the volume of joblessness—although slightly lower than in the comparable period of 1958—was appreciably above a year ago. In spite of the seriousness of the unemployment situation, the absence from this State's industrial framework of some of the hard goods industries which in other areas of the Country have suffered extensive reverses during the current recession has saved the Maine economy thus far from a worse downturn.

**Unemployment Levels**—During the middle week of February, the estimated work force in Maine comprised 369,200 persons. The unemployment rate among those in the work force was 9.6 per cent, the number unemployed having been estimated at 35,500. This was above the nation-wide unemployment rate for February — estimated by the U. S. Department of Labor at 8.1 percent—but at this time of year Maine's rate is always higher. This year's difference between the nation-wide and Maine ratios for February was smaller than usual, however. Last year, the number unemployed in Maine was 29,400 during the middle week of February; a year earlier the number was 34,300; and in the corresponding week of 1958 the unemployed totalled 36,800. In contrast with unemployment trends in this State, the February total for the Country as a whole was higher than at any time in over twenty years.

**Work Force Trends** — After allowing for seasonal fluctuations, the trend in the number of persons in this State's work force has shown a decided upward tendency during the past three years. This has been attributable in no small measure to the effects of a sharp rise in the birth rate starting in the early 1940's. The work force in February was at an all-time peak level for the month, having expanded by 3,200 from a February 1960 total of 366,000, and by 7,500

from a level of 361,700 two years ago. The emerging uptrend in the size of the labor force promises to accelerate in the coming years, a matter which poses numerous problems, particularly with respect to the preparation and training of youths who will be entering the labor market and the development of job opportunities in which these youths may be absorbed. Failure to move forward in these two important areas of public endeavor could, it appears certain, prove to be extremely damaging to the future economy of the State.

**Employment Developments** — During mid-February, approximately 333,700 of the persons in the Maine work force had jobs, and of this number an estimated 265,700 were nonagricultural wage and salary workers. Trends in the number of employed nonfarm wage and salary workers have been downward since last August when, according to current estimates, the total employed was 293,200. The indicated six-month decline of 27,500 jobs cannot be attributed to a basic worsening of business conditions alone, and, as a matter of fact, this factor had much less to do in creating the downturn than did seasonal influences. The significance of changes in seasonal labor requirements in this State between the summer and mid-winter periods, regardless of the cyclical status of the general business picture, is apparent from the size of the declines



(25,000 in 1960; 22,800 in 1959; 30,800 in 1958; and 25,500 in 1957) which occurred during the six-month periods ending in February of each of the past four years.

**Over-the-Year Changes** — Although seasonal curtailments of the past few months have been responsible for a major part of the downward employment trend since last summer, cutbacks traceable to the effects of the nation-wide economic recession also have been evident. Comparison of current and year-ago nonfarm job levels illustrates that other-than-seasonal pressures have played a definite role in producing a part of the recent changes in the employment situation. Between February 1960 and February 1961 the number of persons on the payrolls of non-agricultural employers rose by 500, from 265,200 to 265,700. During this period, government employment showed a gain of 1,900; manufacturing jobs dropped by 1,100; and private nonmanufacturing industries experienced a decline of 300. Despite the over-all decrease in manufacturing—caused primarily by sizable reductions in textiles, lumber and wood products, food and kindred products, and paper and allied products—rather substantial twelve-month counter-cycli-

cal gains were made in the machinery and transportation equipment industries.

**Hours and Earnings** — The average workweek for production workers employed in Maine manufacturing industries rose from 39.2 to 41.1 hours between the middle week of December and the mid-week period of February. The latter average was identical with that for the corresponding week of 1960 and could be regarded as indicative of comparatively full production schedules in manufacturing industries as a whole. During the past fall and early winter, workweek averages showed signs of weakening and, therefore, pointed to sluggish production requirements. The December 1960 average was the lowest for any end-of-the-year period on record—the Commission having started maintaining average workweek data in 1948. The improvement in February, while not entirely conclusive, could be viewed with a certain degree of optimism as a symptom of a possible strengthening in the basic economy. In February, the average weekly earnings of manufacturing production workers amounted to \$73.98 which represented an all-time record high. In December the average was \$70.17, whereas a year ago it was \$68.89.

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# LABOR MARKET



# NEWS LETTER

Maine Employment Security Commission

331 Water Street

Augusta, Maine



## JANUARY - 1961

ISSUED BI-MONTHLY



**Labor Market Highlights** — Trend indicators maintained by the Maine Employment Security Commission still do not point to pervasive deterioration in the State's economy. An upward trend in unemployment which was particularly steep early in the fall months of 1960 continued at the first of the winter, but with at least a temporary softening in the rate of increase. The employment picture is not altogether favorable at the present time, both seasonal and other-than-seasonal cutbacks having been responsible for recent reductions in over-all labor requirements. Nevertheless, a larger number of wage and salary workers had jobs at the end of 1960 than at the same points in each of the preceding three years. Less assuring, however, was the fact that in mid-December, 1960, the average workweek for production workers in manufacturing activities, at 39.2 hours, was the lowest for any corresponding December period since the Commission started maintaining an average hourly workweek series in 1948.

**Work Force Changes** — Maine's work force in mid-December comprised approximately 371,800 persons — 344,100 employed and 27,700 unemployed. Continuing withdrawals from the labor market of many who had previously been employed in jobs of a seasonal nature caused the size of the work force to contract from October and November levels of 390,400 and 373,500, respectively. On the other hand, a large number who were laid off during the fall from both seasonal and nonseasonal activities remained in the labor market, as was evidenced by an October-December rise of 7,400 in the total number unemployed. End-of-the-year unemployment, while high in comparison with many prior years — in December 1959 the total was 24,300 — was not so great as the December levels of 1957 or 1958. The December jobless total in 1958 was 30,100 while a year earlier it was 29,100.

**Nonfarm Wage and Salary Employment**—Preliminary estimates prepared by the Maine Employment Security Commission in cooperation with the U. S. Bureau of Labor Statistics indicate that of the total number employed in the State in mid-December approximately 271,900 were nonfarm wage and salary workers. This figure was considerably lower than similar es-

timates applying to the preceding four months — downward trends during the fall period having been attributable both to the effects of a broadening nation-wide economic slump and to cutbacks in industries which invariably experience seasonal curtailments in their operations in the latter part of each year. Between August — when nonfarm wage and salary employment was at a 1960 peak of 290,000 — and December, the employment level dropped by 6.3 percent. Although sizable, this decrease was not radically out of line with usual seasonal expectations as illustrated by August-December declines in the past few years of: 6.0 percent in 1959; 5.0 percent in 1958; 6.4 percent in 1957; and 4.4 percent in 1956.

**Mixed Trends in 1960** — Despite the over-all dip in nonagricultural wage and salary employment during the late months of the year, the number of workers with nonfarm jobs in December 1960 was greater by 300 than the number employed at the end of 1959. This increase was due primarily to an over-the-year rise of 1,800 in government jobs, private employment having shown net decreases of 600 in manufacturing and 900 in nonmanufacturing. Among the nineteen major manufacturing industry groups represented



in the State's industrial complex, eleven experienced employment contractions involving a total of 2,400 jobs while eight realized gains adding to 1,800. The greatest manufacturing job losses during the twelve-month period were 1,200 in textiles and 400 in lumber and wood products. Predominant among the eight expanding manufacturing groups were transportation equipment, with an increase of 1,100 jobs, and electrical machinery which registered a gain of 600. In the non-manufacturing sector, the most significant employment changes for the year were declines of 500 in transportation-public utilities and 400 in contract construction.

**Insured Unemployment Rates** — Insured unemployment rates — relating weekly continued claims for unemployment insurance benefits to average monthly employment covered under the employment security program — are useful, although not free from limitations, in appraising the relative severity of total unemployment. During 1960, weekly rates in this State ranged from a low of 4.6 percent to a high of 11.0 percent. At the end of the year, Maine's rate, at 10.3 percent, was the ninth highest in the Country. The nation-wide rate for the week ended December 31, 1960 was 7.6 percent. This State's rate of insured unemployment usually runs somewhat above the national average. Consequently, an end-of-the-year spread between the two would not be considered out of the ordinary. The last-of-December difference was not so great, however, in 1960 as in the preceding three years. This might not be overly significant although it would tend to suggest that the current business recession has not thus far been so se-

vere in this State as in many other sections of the Country. End-of-the-year insured unemployment rates for the past four years in Maine were: 1960—10.3 percent; 1959—8.8 percent; 1958—10.4 percent; and 1957—10.6 percent. Nation-wide rates for these same periods were: 1960—7.6 percent; 1959—5.5 percent; 1958—5.4 percent; and 1957—5.7 percent.

**Characteristics of the Unemployed** — Rather significant changes occurred in the personal characteristics of insured unemployed workers during mid-month weekly periods of 1960. Most of the changes within the year were caused by seasonal labor requirements variations in such activities as food processing, shoe manufacturing, logging and lumbering, retail trade, contract construction, and miscellaneous services. However, some of the shifts in the composition of the unemployed labor force were due to other-than-seasonal factors. Between December 1959 and December 1960, marked unemployment increases materialized in all age groups except the sixty-five years and over group. In this age category, unemployment dropped by approximately 19 percent during the year. Over half — fifty-five percent — of the unemployed were males at the end of both 1959 and 1960. In September, 1960, prior to heavy layoffs from various outdoor activities, only forty percent of the jobless were males. There were more workers from virtually all major industries in the labor market at the end of this past year than twelve months earlier, and there appeared to be a larger number available in all broad occupational classes except the professional and managerial group.

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# LABOR MARKET



# NEWS LETTER

Maine Employment Security Commission

331 Water Street

Augusta, Maine



## NOVEMBER - 1960

ISSUED BI-MONTHLY



**Labor Market Highlights** — Nonfarm employment started on a downward trend in Maine after reaching a peak for 1960 in August. Curtailed labor requirements resulted in a rise in the volume of unemployment which, in the latter half of October and the first part of November, appeared to be steeper than usual for this time of year. Over-all declines in employment were due in large measure to an apparent convergence of downward seasonal pressures which ordinarily are interspersed throughout the fall months. Also, there have been instances of recent cutbacks which were attributable to other-than-seasonal influences. In spite of these developments, total employment last month was at its highest mid-October level in four years.

**Nonfarm Employment Trends** — Although the total number of wage and salary jobs in nonfarm activities in Maine dropped from 290,000 to 279,200 between the middle weeks of August and October, employment in the latter month was 500 above last year, 8,300 greater than two years ago, and 3,400 higher than in October 1957. The two-month decline of 10,800 was not extraordinarily large when compared with employment decreases in prior years between these two months, but, on the basis of weekly claims load trends, it appears that the rate of decline in total employment may have accelerated following the middle week of October. Industries accounting for the largest employment losses between August and October were lumber and wood products, food and kindred products, textiles, shoes, contract construction, trade, and services. A few industries showed gains for the period, the largest of which was an increase of 2,300 jobs in government employment.

**Over-the-Year Changes** — Several significant changes occurred in the industrial composition of nonagricultural wage and salary employment in Maine during the past twelve months. Total manufacturing employment dropped by 1,300, from 106,300 to 105,000; excluding government, nonmanufacturing jobs fell off by 300, from 125,500 to 125,200; and government employment rose over the year by 2,100, from 46,900 to 49,000. The net decrease in manufacturing was

caused primarily by rather substantial reductions in the fabricated metals, textile-mill products, food and kindred products, and leather and leather products industries. Offsetting these declines to some extent and preventing, therefore, a much greater October 1959-October 1960 drop in manufacturing as a whole were gains of noteworthy proportions in the electrical machinery, transportation equipment, and paper and allied products industries.

**Total Work Force in October** — Preliminary estimates indicate that Maine's work force dropped off sharply, from 402,400 to 390,400, between September and October largely because of the withdrawal from the labor market of persons—particularly youths returning to school—who had been available only for seasonal employment. Of the total number in the work force in October, approximately 20,300 — or 5.2 percent—were unemployed. A month earlier, 18,300 were unemployed, whereas sixty days earlier, in mid-August, 18,100 workers were without jobs. The fall upswing in unemployment, from a comparatively high level which remained unusually stable during the summer period, resulted in an October unemployment figure which was 2,600 above the year-ago total of 17,700. This was the third successive month in which unemployment this year has been higher than the figure for the corresponding month in 1959. Over-the-year increases for the two preceding months were: 100,



from August 1959 to August 1960; and 1,300, from September 1959 to September 1960.

**Insured Unemployment Rates** — Although a relatively large number of unemployed workers have exhausted their benefit rights, Maine's rate of insured unemployment has been creeping upward each week throughout the fall. At the end of September the rate was 5.1 percent as compared with 7.9 percent in mid-November. Insured unemployment rates have been moving in the same direction in many of the other states, but it is noted that for the last week in October—the latest week for which nation-wide data are immediately available—Maine's rate, at 7.3 percent, was the third highest in the Country. States with higher rates at that time were Alaska (8.0 percent) and West Virginia (7.6 percent). The average rate nationally at the end of October was 4.4 percent, while rates for the other New England States were: Connecticut—4.3 percent; Massachusetts—4.3 percent; New Hampshire—3.8 percent; Rhode Island—4.7 percent; and Vermont—4.3 percent.

**Benefit Payments Issued** — During the first ten months of this year a total of over \$10.3 million has been issued by the Maine Employment Security Commission to eligible claimants for State unemployment insurance benefits. This amount has been issued to compensate for 486,946 weeks of unemployment. In the comparable period of 1959 a total of approximately

\$10.9 million was paid out covering 513,788 weeks of unemployment. Consequently, there has been less compensable unemployment thus far in 1960. However, in comparing the two periods it should be noted that the improved showing has been due to the fact that claims loads were considerably smaller during the first months of the current year than during the same months of 1959. Following the month of July, the situation has been reversed, with total benefit payments now running substantially ahead of last year.

**Average Workweek and Earnings** — The average number of hours worked per week by production workers employed in Maine manufacturing industries was 39.2 hours during the middle week of October. This was off by 1.9 hours from the mid-August average workweek and was the lowest average for October in six years. Aggregate manhours worked during the week of reference in October were estimated at 3,583,580 hours — a decrease of 419,502 hours from the weekly total in August and a drop of 124,189 from the total number of hours worked in the corresponding October 1959 weekly period. Average hourly earnings of employed production workers have fluctuated very little throughout 1960, having been at a low of \$1.74 per hour in February and at a high point of \$1.79 in October. The latter average, incidentally, represents an all-time average hourly earnings peak for Maine production workers.

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