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Labor Market News Letter, October 1957

Maine Employment Security Commission

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Labor Market Trend Indicators — As has been the case for several months, labor market trend indicators are still failing to point to either a strong downward movement or an upswing in economic conditions in Maine. Seasonal and other scattered layoffs during the latter part of the summer and early fall caused a further narrowing of labor market activities. Demand for labor is down, but not drastically. The supply of labor has increased in size, and yet there continue to be isolated shortages in several occupations. Unemployment, although considerably higher than last year, is lower than it was in the fall periods of 1954 and 1955. There appears to be comparatively little underemployment among production workers with jobs in manufacturing industries — their average workweek in September having been 40.8 hours. Average hourly earnings for such workers — at $1.62 per hour — were at an all-time peak in September.

Nonagricultural Employment — There were 283,700 persons on the payrolls of nonagricultural employers in Maine during pay periods ending nearest September 15. This represented a decline of 5,500 jobs from mid-August when 289,200 workers were employed in nonfarm activities. The thirty-day decrease, while attributable to both seasonal and nonseasonal factors, was not so great as the August-September decline last year. In 1956, the employment level dropped by 5,800 jobs from 295,100 to 289,300. Industries accounting for the largest end-of-summer curtailments this year were food and kindred products, paper and allied products, shoe manufacturing, transportation and public utilities, wholesale and retail trade, and service.

Year-to-Year Changes — Compared to a year ago, September nonfarm employment in Maine was down by 1.9 percent, or 5,600 jobs. This over-the-year decline was indicative of a continuing leveling off of the long-range upward trend which had been apparent up to the first of the current year. It could hardly be regarded as a sign of serious deterioration in the employment situation since total employment in the State is still higher than in 1955, 1954, or 1953, as well as in many other preceding years which were not regarded as periods of low employment. On the other hand, in view of the increasing numbers of younger workers entering the labor force each year, the current employment downturn — if protracted — could result in excessive unemployment.

Claims Load Trends — The volume of unemployment in Maine, as reflected in continued claims received for unemployment insurance benefits, began moving upward in the early fall period at a higher rate than was in evidence earlier in the year. The upward movement, however, did not appear to be sharp enough to warrant particular concern regarding the general status of economic conditions in the State. Changes in the coverage, benefit eligibility, and duration of benefits provisions of the UI law have had an influence upon claims load levels and, therefore, can cause errors in the interpretation of the economic significance of claims volumes. However, after allowance for Law changes, it may be deduced that unemployment currently is running about 69 percent higher than a year ago, 3 percent lower than two years ago, and 10 percent less than in the fall of 1954.

Insured Unemployment — In the latter part of September, persons in an insured unemployed status under the unemployment insurance programs operated by the Maine Employment Security Commission totalled 9,161. This number represented 4.4 percent of average monthly covered employment. Nationally, the insured unemployment rate was 2.9 percent. Ratios for the other New England States were: Connecticut — 2.6; Massachusetts — 3.1; New Hampshire — 3.5; Rhode Island — 4.1; and Vermont — 3.0. A year ago, the unemployment rate in Maine was 2.7 per 100 workers employed.
Benefit Payments — UI benefit payments issued during the first nine months this year have amounted to $6,628,018. These payments were issued to cover 331,093 weeks of unemployment. Benefit payments thus far this year have been decidedly higher than those made in the comparable period last year when, between January 1 and September 30, a total of $5,289,737 was paid out to cover 285,317 weeks of unemployment. The noted increase was due in part to changes in the UI Law and in part to changes in economic conditions. In the first nine months of 1954 and 1955, weeks of unemployment compensated by UI payments totalled 429,772 and 359,204, respectively.

Registered Job-Seekers — Persons in the labor market who are registered for work with the local MESC offices totalled 13,571 on October 1. This was the largest number of registrants on hand at this time of year since 1949. A year ago there were 9,101 workers actively registered as of October 1. Of the current job applicants, 49.6 percent are women. The total number registered at the first of this month were distributed on a broad occupational group basis as follows: professional and managerial — 364; clerical and sales — 1,445; service — 871; skilled — 2,081; semi-skilled — 3,432; and unskilled — 5,378.

Labor Demand — The number of job openings listed with the local employment offices during the past few months has held up remarkably well. Excluding orders placed to cover jobs in which Canadian woodsmen are sought in the event resident woodsmen are not available, nonfarm employer orders received during September were for workers needed in 3,143 jobs. Similar openings listed in the preceding three months were: 3,560 in August; 3,417 in July; and 3,510 in June. Currently, local offices indicate that they hold orders for 147 jobs which cannot be filled from local labor supply sources. These hard-to-fill vacancies exist in 25 different occupations.

Production Workers’ Hours and Earnings — The average workweek for production workers employed in manufacturing industries — regarded by many economists as a sensitive economic barometer — dropped seasonally between August and September from 41.2 to 40.8 hours. The September average, although down from August, was, nevertheless, 0.6 of an hour higher than a year ago and, in fact, it was the highest average for the month — with one exception — since 1950. Average hourly earnings of production workers rose between August and September from $1.612 to $1.62. The September hourly rate was the highest recorded since the Maine Employment Security Commission started assembling wage rate data in 1947 in cooperation with the U.S. Bureau of Labor Statistics.