2-1-1958

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LABOR MARKET NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine

FEBRUARY - 1958
ISSUED BI-MONTHLY

Labor Market Highlights — After increasing sharply in the latter part of 1957, unemployment in Maine started to move along a much more gradual upward path during the first weeks of the current year. Layoffs continued in a number of activities in both January and February, but the rate of new unemployment — although significantly above normal — eased slightly. The total volume of unemployment in this State was not so great in January as in the same month of 1950 when the nation’s economy was still in the grip of another business recession which had started in the latter part of 1948. However, in February there were indications that the current year’s level of unemployment might be approaching a post-World War II peak for the late winter and springtime periods.

Unemployment Insurance Benefits — Unemployment insurance benefits have been issued in record-breaking amounts thus far this year, partly because of adverse economic conditions and partly because of the effects of liberalizations in the benefit payment schedule adopted by the State Legislature. During January and the first three weeks of February, the Maine Employment Security Commission issued 158,342 benefit checks amounting to $3,490,290.91. In the corresponding period last year the Commission issued 80,188 checks for a total of $1,581,436.56. In comparing data for the two periods, it is noted that the number of payments this year is higher by 97.5 percent while the amount paid is 120.7 percent greater than a year ago. The higher average payment — an increase from $19.72 to $22.04 — is attributable primarily to benefit formula revisions which became effective April 1, 1957.

Claims Load Trends — Claims series initiated by newly unemployed workers covered under the State UI program totalled 12,615 in January — a postwar peak for the month. The rate of new unemployment dropped in February as, in accordance with usual labor requirements trends, fewer curtailments occurred in industries which customarily experience seasonal employment contractions early in the winter. However, the volume of initial claims filed in the first weeks of the month was considerably above normal expectations — in fact, the number was running above February initial claims levels of the past decade. Continued weeks of unemployment claimed in January totalled 95,736 — only 1,700 under the number claimed under the State program in January 1950. Benefit rights exhaustions have been mounting — by the end of the third week of February, 5,184 claimants had drawn the total amount of benefits to which they were entitled during the current benefit year which ends March 31. In spite of an increasing exhaustion rate, it appears almost certain, on the basis of current trends, that the claims load will soon be higher than in 1950, and probably at the highest level since before this Country’s entry into World War II.

Labor Surplus Areas — Surpluses of labor have developed in practically all sections of Maine, and it is apparent that very few cities or towns have escaped feeling at least some ill effects from the general downturn in business conditions which has been in evidence for about a year. Communities which have lost manufacturing plants through permanent shutdowns during the last few years have been the most vulnerable, although extensive employment curtailments in plants still operating have created serious distresses in several localities. The largest concentrations of unemployment at the present time exist in the cities of Portland, Lewiston, and Biddeford, but there also are many smaller communities which are experiencing high rates of unemployment. During the third week of February, 24,110 persons filed claims for UI benefits in this State. Of the total number, 3,097 were from the greater Portland area; 2,712 were residents of Lewiston and surrounding towns; and 1,723 were from Biddeford and Saco.
Insured Unemployment Rate — The rate of insured unemployment in Maine — i.e., the ratio of continued weeks of unemployment claimed to average monthly covered employment — is higher than it has been for several years. During the first week of February, the rate for this State was 10.3 percent which was well above the nation wide average of 7.1 percent and represented the twelfth highest in the Country. Insured unemployment rates for the other New England States were: Connecticut — 7.7 percent; Massachusetts — 7.1 percent; New Hampshire 7.0 percent; Rhode Island — 10.5 percent; and Vermont — 9.2 percent. With only one exception, all states in the Country are experiencing higher insured unemployment than a year ago. States which have shown the greatest over-the-year relative increases include Maine, California, Connecticut, Maryland, Vermont, Virginia, and West Virginia.

Employment Trends — Total nonfarm employment in Maine continued to decline at the first of the year — between December 15 and the middle week of January, jobs in nonagricultural industries dropped from 273,000 to 262,100. The number of workers on the payrolls of manufacturing establishments declined by 2.1 percent, to 101,600, while jobs in nonmanufacturing activities fell off by 5.1 percent, to a January level of 160,500. Although complete employment figures for February are not yet available, fragmentary data furnished thus far by employers fail to indicate any basic improvements in the employment picture. On the other hand, it would appear that, with possibly one or two exceptions, employment conditions are not worsening at the moment in the State’s major industries.

Average Workweek in Manufacturing — The average workweek of production workers employed in manufacturing industries rose between November and January from 38.0 to 40.0 hours. This two hour per week increase was attributable, for the most part, to a lessening of the effects of irregular work schedules in seasonal industries which were in the process of contracting their operations in the fall. While the two-month upturn was not without substance, the average number of weekly hours worked in January this year was, nevertheless, the lowest January average recorded since the Maine Employment Security Commission started developing such data eleven years ago. In December, the average number of weekly hours worked by production workers was 39.9, and in January 1957, the average was 40.9.

Job Opportunities — Demand for labor, as reflected in employers’ orders received by local employment offices of the Maine Employment Security Commission, has been considerably lower this winter than in the last few years. On February 1, job vacancies listed with the local offices totalled only 494. Last year on the same date, the number of openings on hand numbered 817. Most of the current labor needs are for replacements, there being practically no demand for employment expansion purposes. A pick-up in hirings is looked for in the next few months in industries which expand seasonally in the spring and summer each year, but, on the whole, the job outlook is not encouraging, especially for youths who will enter the labor market following the completion of their current school year.