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Labor Market News Letter, January 1960

Maine Employment Security Commission

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Labor Market Highlights—Although unemployment in Maine was still relatively high, the labor market in the State was considerably more stable at the start of 1960 than at the beginning of either 1957 or 1958. Employment trends, while off seasonally, reflected developing strength in the basic economy—a matter which points to probable improvements in the job opportunities outlook for the months ahead. Various other economic trend indicators also appear to give promise of further general economic advances. Consequently, it appears likely at the outset of the year that economic conditions in Maine will be especially favorable in 1960.

Total Unemployment—End-of-the-year employment curtailments in a number of industries caused total unemployment in Maine to rise by 14.4 percent between November and December 1959. Most of the reductions in payrolls were seasonal in character and, therefore, not unexpected. Layoffs which were other-than-seasonal were confined, for the most part, to the textile and transportation equipment industries, whereas the industries experiencing significant seasonal declines included contract construction, miscellaneous services, and food processing. The estimated number of unemployed persons in the labor force in December totaled 24,700, or 3,100 more than the 21,600 unemployed a month earlier. This thirty-day increase, while substantial, was considerably smaller than the 1958 November-December unemployment upturn from 30,500 to 36,500. As a matter of fact, it was the smallest November-December unemployment increase in four years.

Insured Unemployment—Despite improvements in the unemployment situation from a year ago, the number of Maine workers without employment continues to be relatively high. In the first week of January the rate of insured unemployment in this State — i.e., the ratio of continued weeks of unemployment claimed under the unemployment insurance program to average monthly employment covered under the Maine Employment Security Law — was 8.8 percent. This was the fifth highest insured unemployment rate in the Country. Other states with higher rates were Alaska, Montana, North Dakota, and Washington. The nation-wide rate at the first of this year was 5.5 percent, whereas rates for the other New England States were: Connecticut — 5.2 percent; Massachusetts — 7.8 percent; New Hampshire — 5.9 percent; Rhode Island—8.4 percent; and Vermont—6.6 percent.

Characteristics of the Unemployed — A survey of the insured unemployed in December revealed many important facts concerning the characteristics of the workers in the Maine labor market. Of the total number unemployed, 55.4 percent were males; nearly half were at least forty-five years of age; approximately one of every eight was sixty-five years old or older; 10 percent were under twenty-five years old; nearly one-fourth were food and kindred products workers; 15.5 percent were construction workers; 10 percent were from the leather and leather products industries; 9.9 percent were most recently employed in wholesale or retail trade jobs; 8.3 percent were from the textile industry; 38.1 percent were unskilled; 27 percent were semiskilled; 16.3 percent were from skilled occupations; 48.5 percent had been unemployed for less than five weeks; and 8.7 percent had been unemployed for fifteen weeks or more. It is apparent from the December survey that there is a substantial over-all supply of labor in Maine but, at the same time, it is apparent that a relatively large number of the available workers — because of their age, sex, or occupational characteristics — would not meet the hiring specifications of some employers.

Demand for Labor — Job openings available, as reflected in employer orders placed with the local employment offices of the Maine Employment Security Commission, dropped off steadily during the latter part of 1959. Decreases in the demand for labor were attributable largely to seasonal factors, although it is also true that there was a noticeable slackening in the hiring rates of a number of nonsseasonal industries which earlier in the year had absorbed a large number of job-seekers. In spite of the slowing hiring pace at the end of the year, there was evidence of heavier demand than at the same period.
in the two preceding years. Excluding open orders held which related to woods jobs in which bonded Canadians might be used provided qualified domestic workers were not available, the local employment offices had 601 unfilled openings on hand at the first of January. On the corresponding date in 1959 the number of such openings listed in the offices totaled 377, and a year before that the number of openings on hand was 414.

Employment Level — Although total nonfarm wage and salary employment in Maine dropped off during the latter part of 1959 at a slightly greater than customary seasonal rate, the number of workers on the payrolls of nonagricultural establishments in the State was 1.4 percent higher in December than in the corresponding month of 1958 — December 1958 employment was 264,700 as compared with 268,400 in December 1959. Aggregate employment in manufacturing industries increased by 1,500 during the twelve-month period while the number employed in nonmanufacturing activities rose by 2,200. Employment expansions in industries showing the greatest over-the-year advances were: contract construction—1,100; lumber and wood products — 1,000; government — 600; and wholesale and retail trade — 500. The only appreciable decrease during the period occurred in textiles. The number employed in this industry fell by 300, from 14,300 to 14,000.

Business Population Changes — In view of accelerated efforts being made throughout the State to promote economic growth, summary statistics relating to changes during the past year in the number of employers subject to the Maine Employment Security Law are of particular interest. At the start of the year there were 8,493 employers subject to the law, where-as at the end of 1959 the number had risen by 162 to an all-time record high of 8,655. The annual net increase of 162 was one of the highest in recent years, being exceeded over a twelve-year period only in 1955 and 1956 when a change in employer liability provisions of the law resulted in an extensive noneconomic expansion in coverage. During 1959 there was a considerable amount of turnover among subject employers - the number of employer accounts becoming subject having totaled 1,059, while closings and other terminations of coverage affected 897 accounts.

Hours and Earnings — The average number of hours worked per week by production workers employed in manufacturing industries in Maine was higher generally in 1959 than in either 1957 or 1958. However, at the end of the year the average workweek, while still above 1957, was slightly lower than a year earlier — the December 1959 average having been 40.9 hours as compared with 41.3 hours in December 1958 and 39.9 hours in the last month of 1957. The decrease between December 1958 and December 1959, while not particularly significant in itself, was due to shorter weekly work schedules in a majority of the State's major manufacturing industries — the most notable exception having been the paper and allied products industry which registered a decided gain. The average hourly earnings of all manufacturing production workers remained constant at $1.75 in November and December, 1959. This average hourly earnings rate was the highest on record during the thirteen-year period in which the Maine Employment Security Commission has, in cooperation with the U. S Bureau of Labor Statistics, developed hours and earnings data on a regular monthly basis.