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Labor Market News Letter, November 1960

Maine Employment Security Commission

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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.