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Labor Market News Letter, August 1950

Maine Employment Security Commission

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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



AUGUST-1950
ISSUED BI-MONTHLY



LABOR MARKET HIGHLIGHTS

Economic conditions in Maine have shown measureable improvement during the summer months, and at present are much more favorable than in nearly two years.

Employment is on the increase, not only in seasonal activities, but also in many of the State's major nonseasonal industries.

Unemployment problems have been eliminated in many sections, and greatly relieved in other areas.

There is still a surplus of labor in the State, but there has been a decided decline since the spring months in the number of workers in the labor market.

Further amelioration in labor market conditions is looked for in the next few months.

STRONG DEMAND FOR LABOR EXPERIENCED LATE IN JULY

Demand for labor in this State was not particularly heavy during the first part of July, largely because of temporary production reductions in many manufacturing plants which customarily shut down, either completely or partially, for one or two-week vacation periods early in July. However towards the end of the month, as mills and factories which had been down were getting back onto regular operating schedules, and as a result of increased needs for seasonal agricultural workers, labor requirements in most parts of the State became quite extensive and were continuing to be firm in August.

RIISING PRODUCTION OF CIVILIAN GOODS CREATING ADDITIONAL JOB OPPORTUNITIES

At least a part of the recent spurt in labor demand can be traced to abnormal demands for civilian goods which have arisen since the outbreak of the Korean war. Production

schedules in a number of major manufacturing establishments have been revised upwards due to a deluge of orders received during the past month from wholesalers and jobbers, and it is apparent that most of the employers who have been affected thus far have found it necessary to add more workers to their pay rolls than they had planned for prior to the pick-up in orders.

EXPANSION OF ARMED FORCES AFFECTING HIRING PRACTICES

Although augmentation of the nation's armed forces has been rapid since the first of July, the transfer of men from civilian occupations to military service has not had far-reaching effects on the Maine labor market to date. However, hiring practices of all employers necessarily have been adjusted to allow for the replacement of key men who are being, or are likely to be called upon for duty in the armed services, and in some cases employers are hiring in excess of their actual current labor needs in order that they may train new workers for the jobs from which prospective inductees will be drawn.

LABOR SHORTAGES DEVELOPING IN ADDITIONAL OCCUPATIONAL GROUPS

In addition to localized shortages of qualified domestic service, woods, and construction workers — which were in evidence at the first of the summer — the supply of experienced workers skilled in certain occupations in the shoe and textile manufacturing industries is proving barely adequate to meet expanding demands. Shortages in these industries are not widespread, but recruiting difficulties are being encountered in some manufacturing centers. In short supply are loom fixers, spinners, and weavers for textile mills, and cutters, stitchers, and last room help for shoe factories.

OVER-ALL SUPPLY OF LABOR HAS DECLINED NOTICEABLY

The number of persons seeking jobs through the facilities of the local employment offices of the Maine Employment Security Commission decreased by approximately thirty-six per cent during the sixty-day period ending on August 1. However, since registered job-applicants numbered 16,200 at the beginning of the current month, it is apparent that, at least on an over-all basis, there is no statewide shortage of labor in Maine. Of the current registrants, 6,400 are women and 3,400 are veterans.

MONTHLY CLAIMS LOAD LOWEST IN NEARLY TWO YEARS

Claims for unemployment compensation benefits were at a lower level in July than in any month since the latter part of 1948, and it appears quite probable — judging from weekly claims load trends during the first half of the current month — that even fewer claims will be filed in August than in July. Job separations — as reflected by claims series being initiated by newly unemployed claimants — have been at an exceptionally low rate during the past several weeks, and, at the same time, declines in the numbers filing during extended spells of unemployment indicate that many claimants are being recalled to their former employment or are finding new jobs.

MAINE'S UNEMPLOYMENT RATIO STILL DECLINING

The ratio of insured unemployment to average monthly employment covered under the State law has continued to drop steadily throughout the summer. During the first week of August about 4.9 per cent of the covered workers employed in an average month were in an insured unemployed status. Ratios for first-of-the-month periods in May, June, and July were 14.1 per cent, 9.9 per cent, and 6.9 per cent respectively. At the present time, Maine's insured unemployment-covered employment ratio is running slightly below the average for the six New England states. During the last week of July, the New England average was 5.1 per cent.

BENEFIT PAYMENTS HAVE SHOWN A DECIDED DROP

In July, the Maine Employment Security Commission issued benefit payments amounting, in gross, to \$550,502. Although this amount is by no means insignificant, it does represent a sizeable decrease from amounts issued to eligible claimants in each of the past several months. In four of the first six months of the current year, monthly benefits exceeded one million dollars. Between June and July there was a thirty-five per cent drop in benefits, while for the two-month period — May to July — the decline approximated fifty-two per cent.

FEWER PAYMENTS BEING ISSUED NOW THAN A YEAR AGO

Although more benefit checks were issued under the unemployment compensation program during the first six months of this year than in any comparable period since the program was initiated, changes in economic conditions have been so abrupt that now the number of payment issuances has dropped to a current level which is under that of a year ago. The magnitude of this reversal in trends may be illustrated by the fact that payments between January and June of this year were running about six per cent over those issued during the first half of 1949, whereas last month's payments were thirty-three per cent less than the number made in July 1949.

DEMAND FOR FARM LABOR HEAVY BUT LESS THAN IN RECENT SUMMER PERIODS

Acreage reductions for several major crops, late frost damage to the blueberry crop, and the adverse effects of a serious drought in parts of Maine have served to keep demand for seasonal agricultural workers from becoming as great as during the summer months of the past several years. However, needs for harvest hands have been fairly heavy in some sections of the State, and as a result, short-term employment has been afforded practically all who have desired this type of work. Local supplies of available farm workers probably will have to be supplemented by workers from outside areas during the potato harvest in Aroostook County late in September, but elsewhere in the State no agricultural labor supply deficiencies are being experienced and none are anticipated.

CONTINUANCE OF UPWARD EMPLOYMENT TRENDS INDICATED IN LATEST ESTIMATES

Latest estimates of nonagricultural employment in Maine, as compiled by the Maine Employment Security Commission in cooperation with the United States Bureau of Labor Statistics, indicate that the upward trend which started in April was continuing in July. Unpaid vacations prevented gains in a number of industries between the middle of June and mid-July, but aggregate non-farm employment expanded during this thirty-day period from 258,300 to 261,900.

OTHER NONMANUFACTURING INDUSTRIES ALSO ARE SHOWING STRENGTH

Total employment in all manufacturing industries (including construction) stood at 151,600 in mid-July. This represented an increase of 1,600 over the number engaged in nonmanufacturing activities in June. Gains were registered during the month not only in construction, but also in wholesale and retail trade establishments, summer camps and hotels, laundries, amusement places, and var-

ious other businesses which normally benefit from the influx of summer residents and tourists.

MANUFACTURING EMPLOYMENT ROSE BY 2,000 WITHIN A MONTH

The number of persons on the pay rolls of manufacturing establishments rose by 2,000 to a level of 110,300 during the thirty-day period ending on July 15. Three key industries — lumber and wood products, textiles, and paper and allied products — experienced temporary employment losses which apparently were wholly or partially regained by the end of July, while pronounced expansions were in evidence in the food processing and shoe manufacturing industries.

CONSTRUCTION WORK PROVIDING MORE JOBS THAN IN 1949

Despite shortages of materials which are retarding some construction projects, more workers are employed in the construction field this summer than in 1949. Employment in this industry has risen steadily since early in spring to a July total of 10,400. A year ago, the number of persons with construction jobs reached a midsummer level of 10,100. The prospects of further job expansions appear to be quite promising, as several major projects which have not yet been started are expected to get underway within just a few weeks.

FURTHER IMPROVEMENTS IN LABOR MARKET CONDITIONS ARE LOOKED FOR

Further improvements in labor market conditions are looked for during the next several weeks. Prospects are particularly promising in most of the major nonseasonal manufacturing industries, and, although curtailments in various seasonal activities are certain to be made at the close of the summer, it is very unlikely that the total number of unemployed workers in the State will increase at least until late in the fall.

Maine Employment Security Commission

EMPLOYMENT OFFICES

| <i>Location</i> | <i>Address</i> | <i>Telephone</i> |
|-----------------|----------------------|------------------|
| Augusta | 331 Water Street | 1200-41 |
| Bangor | 182 Harlow Street | 6435 |
| Bath | 174 Front Street | 1748 |
| Biddeford | 275 Main Street | 4-4571 |
| Calais | 87 Main Street | 427 |
| Caribou | Main Street | 3331 |
| Ellsworth | City Hall, Room 7 | 333 |
| Houlton | 32 Bangor Street | 3606 |
| Lewiston | 19 Park Street | 4-6971 |
| Machias | Main Street | 167 |
| Portland | 615 Congress Street | 2-0186 |
| Rockland | 437 Main Street | 105 |
| Rumford | 244 Waldo Street | 805 |
| Sanford | 25 Washington Street | 1045 |
| Skowhegan | 29 Water Street | 368 |
| Waterville | 79 Temple Street | 1886 |

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