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Labor Market News Letter, February 1951

Maine Employment Security Commission

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LABOR MARKET



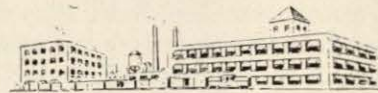
NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



FEBRUARY - 1951

ISSUED BI-MONTHLY



LABOR MARKET HIGHLIGHTS

Labor market activities in Maine have been at an unusually high level this winter. The number of job opportunities available to Maine workers has been greater than is normally the case at this time of year, and, as a result, the volume of unemployment has not risen in accordance with customary trends.

Total nonagricultural employment, reflecting the influence of curtailments in a number of seasonal industries, has dropped off since fall, but conditions in most of the State's major non-seasonal industries have either remained firm or have shown improvements.

There is still an ample supply of manpower in the State, but shortages of qualified workers in some occupational lines are becoming increasingly apparent. It appears likely that by mid-summer many employers will be forced to relax their hiring specifications if they are to obtain workers needed in a number of occupations.

Shortages of materials have caused temporary lay-offs in some activities. However, thus far Maine has escaped major employment curtailments attributable to this factor.

Defense contract awards totalling over twenty-three million dollars have been made to establishments located in this State during the past seven months. The combined orders for defense and civilian goods currently held by manufacturing plants should assure continuingly high employment in several key industries.

CURRENT EMPLOYMENT TRENDS

Seasonal factors, exerting a rather strong downward influence upon employment in the construction, retail trade, and federal postal service fields, were primarily responsible for a 3.2 per cent decline between December and January in the total number of persons with nonfarm jobs in this State. During weekly pay periods ending nearest to January 15, workers engaged in nonagricultural activities approximated 253,000, whereas a month before the number thus employed was 261,400. Compared with twelve months earlier, however, employment was up by 5.5 per cent, since in January 1950, workers on the pay rolls of nonfarm establishments totalled 239,800¹.

WIDE-SPREAD IMPROVEMENTS

Practically all major manufacturing and nonmanufacturing industries in Maine have participated in the advancements of the past several months in over-all business conditions. Even those industries, such as food processing, construction, retail trade, and transportation, which normally experience seasonal slumps during the winter period, are better off employment-wise than a year ago, and remarkably impressive gains have been made in such key manufacturing industries as lumber and wood products, metal products, machinery, textiles, pulp and paper, and shoes.

¹Source: Latest nonagricultural employment estimates published by the Maine Employment Security Commission in cooperation with the United States Bureau of Labor Statistics. (Copies of publication giving breakdowns by industry available upon request.)

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JOB OPPORTUNITIES

Demand for labor usually drops off sharply each winter, but this year the demand, as measured by job opportunities listed with the sixteen local employment offices of this Commission, has held up exceptionally well. In January, 5,701 job openings were made known to the local offices by Maine employers classified in nearly all types of manufacturing and nonmanufacturing activities. This represented a gain of about 2,400 over the number of openings listed during December and an increase of 2,600 over the number in January 1950.

HARD-TO-FILL JOB OPENINGS

At the end of January, local offices had 709 unfilled job openings (exclusive of those in the woods industry) on hand. Workers had been referred to many of these jobs, but the results of the referrals had not been verified with employers. There were, however, vacancies in a few occupations for which, because of the nature or location of the jobs, there were relatively few or no qualified workers immediately available. Labor requirements presenting the most difficult recruitment problems were those for truck owner-drivers needed for pulpwood hauling operations, various classes of woods workers, experienced machinists, loom fixers, weavers, and sewing-machine operators.

SUPPLY OF LABOR

Although stringencies continue to become increasingly evident in the supply of workers in some occupational lines, there is still a large reserve pool of manpower in this State. On January 31, over 17,800 persons were actively seeking work through the facilities of the local offices of this Commission. Job applicants in the offices do not constitute the entire available supply, but trends in the number of registrants provide a basis for following changes in the total number and characteristics of workers in the labor market. Judging from this source of information, it appears that the labor supply has, contrary to customary trends, remained fairly constant or, if anything, has decreased slightly since the first of the winter when 17,900 Maine residents had work applications on file. A year ago, registered job-seekers totalled 31,600.

FACTORS AFFECTING LABOR SUPPLY

While employment expansions in various non-seasonal industries have played an important part in the absorption of many workers, absence of the usual upswing in the number of persons in the labor market must also be attributed, to a certain extent, to temporary labor market retirements, military service withdrawals, and to the movement of a relatively large number of job-seekers to out-of-state defense production centers. The immediate effects on the labor market of fulfilling the needs of the armed forces have not been far-reaching since inductions have not been especially extensive and since many of the youths called to duty had not yet entered the labor force. However, the out-migration to defense plants in southern New England has been great enough to cause a rather appreciable drain upon the supply, particularly of workers with experience in the metalworking trades. Temporary retirements from the labor force are always looked for in the winter months, and, as is usually the case, the majority who have removed themselves from the job-seeker class until next spring have been women.

CHARACTERISTICS OF THE WORKERS

There were some, although no radical changes in the characteristics of the State's available workers during the two-month period ending on January 31. The active files of job applicants in the local employment offices indicate that between November and January the number of females in the labor market decreased by about 10.3 per cent while the number of male job-seekers increased by 8.5 per cent. At the end of January, 7,600 of the applicants were females while 10,200 were males. Of the total number, 2.4 per cent were of the professional or managerial class, 10.3 per cent were clerical or sales workers, 6.3 per cent were from service industries, 19.6 per cent qualified for skilled jobs, 22.6 per cent were experienced in semi-skilled occupations and 38.8 per cent were unskilled workers.

CLAIMS LOAD TRENDS

The total number of Unemployment Compensation and Servicemen's Readjustment Allowance claims filed by unemployed persons during January was 56,091. This figure was slightly above the monthly claims loads for

November and December, but 49.5 per cent below the 110,973 claims filed in January 1950. Although the combined UC-SRA load was lower in January of this year than during the first month of any of the preceding post-war years, the UC load alone was somewhat higher than in January of 1946, 1947, and 1948. However, UC initial claims, which are indicative of new spells of unemployment, have been fewer thus far in 1951 than in comparable periods of the past five years.

INSURED UNEMPLOYMENT

The ratio of persons in an insured unemployment status to average monthly employment covered under the Maine Employment Security Law, while still above the national average, has been following a downward trend in the last several weeks. During the first week of February, the ratio in this State was approximately 5.6 per cent as compared with identical ratios of 7.2 per cent for the first calendar weeks of December and January. Although recent improvements in the insured unemployment picture are traceable in part to changes in underlying economic conditions, benefit rights exhaustions have likewise been a contributing factor in the decreasing ratios. During the past two months, 2,945 claimants exhausted their UC benefit rights for the current benefit year which ends on March 31.

FEDERAL ECONOMIC CONTROLS

Federal controls governing the uses of various articles basic to the defense production program have been felt by some Maine industries, but, thus far, manufacturing activities such as the automobile, metal home appliance (furniture, refrigerators, washing machines, television, radio, etc.) kitchen cutlery, and costume jewelry industries, which are largely concentrated in other states, have borne the brunt of the initial limitation and restricted uses orders. Credit curbs and price ceilings have had no visible effect upon employment although they probably will discourage expansions in some civilian lines. It appears likely that numerous civilian construction projects, planned for 1951, will either have to be abandoned or drastically curtailed, but increased work on military installations should provide jobs for all available qualified construction workers.

MATERIAL SHORTAGES

Shortages of various basic materials are threatening to interfere with operating schedules and to force employment reductions in a number of manufacturing and nonmanufacturing establishments in this State. No prolonged lay-offs, attributable to such shortages, have occurred as yet, but there has been a noticeable increase in the number of temporary production curtailments in scattered industries because of the growing scarcity of needed materials. Shortages of such items as hides for tanneries, wool for textile plants, steel and other materials for construction work, logs for sawmills, pulpwood for paper manufacturing, pliofilm for wrapping processed fish, and copper wire for the repair of electric motors, already have caused minor employment cuts.

DEFENSE PRODUCTION

Although heavy munitions are not being produced in Maine very extensively at the present time, sizeable defense contract awards have been made to Maine textile, shoe manufacturing, food processing, and metal products plants during the past few weeks. Between July 1, 1950 and February 21, 1951, the aggregate value of prime government contracts received by Maine establishments, as announced by the United States Department of Commerce, has been over twenty-three million dollars. This figure does not include the value of contracts let to companies with plants both in Maine and in other states, or the value of contracts which for apparent security reasons have not been revealed publicly. Of the total known awards, textile plants in the State have received government orders for over \$17,100,000 worth of goods.

HOURS OF WORK

The workweek for factory production workers in Maine has risen steadily during the past few months from an October average of 39.9 hours to 41.8 hours in mid-January. Recent gains in weekly hours worked have been due, to a certain degree, to the cessation of a number of seasonal activities which, in the fall months, were operating more or less spasmodically. However, steadier production schedules in non-seasonal industries have also accounted for a part of the gains. That economic conditions have shown an advance

over a twelve-month period is attested by the fact that during the middle week of January 1950 the average workweek for industrial workers in this State was 40.9 hours, or nearly one hour per week less than the average in mid-January this year.

EARNINGS OF PRODUCTION WORKERS

The hourly earnings of production workers in manufacturing industries in Maine averaged \$1.27 during the middle week of January. This was approximately the same as the average for mid-December, but an increase of about two cents per hour over average hourly earnings during the week ending nearest to November 15. Wage-rate adjustments in several industries during the late summer and fall periods, along with general improvements during the past year, are reflected in an eleven cent gain in hourly earnings over the January 1950 average of \$1.16. Average weekly earnings of production workers rose from \$47.39 to \$53.10 between the mid-month weekly periods of January 1950 and January 1951.

NATION-WIDE EARNINGS DATA

According to preliminary estimates released by the U. S. Bureau of Labor Statistics, the 13 million production workers in the nation's manufacturing industries earned, on

an average, \$64.15 per week during the middle week of December. (Later figures are not immediately available.) Average hourly earnings of these workers amounted to \$1.54 in December. Differences between averages for Maine and the country as a whole are explained largely by the fact that many of the nation's high-wage industries, such as the automobile, petroleum and coal products, magazine publishing, ordnance, primary metals, and rubber products industries, are of little or no consequence in the economic framework of this State.

EMPLOYMENT OUTLOOK

No important changes in the State's employment picture are looked for in the next several weeks, according to information obtained in January from leading employers by local office representatives of this Commission. However, a seasonal upturn in employment trends is predicted during the late spring and summer months, and, barring unforeseen developments, labor requirements in a few nonseasonal activities may show a slight expansion. Unemployment, except for a short period in the middle part of the spring, should drop off, and by mid-summer, if a large number of workers continue to migrate from Maine to high-paying defense jobs in other states, fairly substantial shortages of workers in some skilled and semiskilled occupations are anticipated.

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EMPLOYMENT SECURITY COMMISSION
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UNITED STATES POSTAGE
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