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Labor Market News Letter, April 1952

Maine Employment Security Commission

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LABOR MARKET



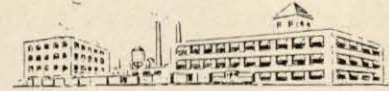
NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



APRIL - 1952

ISSUED BI-MONTHLY



LABOR MARKET HIGHLIGHTS

Greatly expanded labor requirements are anticipated in a number of different industries during the next few months.

Increased hirings should result in a marked decline by mid-summer in the number of workers in the Maine labor market.

Although improvements in general economic conditions are in prospect, substantial labor surpluses in some manufacturing centers may not be eased unless the textile industry pulls out of its present slump.

Seasonal factors have been largely responsible for a 2.3 per cent drop in nonagricultural employment since the first of the year. However, the March nonfarm employment level of 261,900 was 2,000 above that of a year ago.

There have been no significant changes during the last few months in the average hourly or weekly earnings of production workers employed in Maine manufacturing industries, but earnings are running above last year.

JOB OUTLOOK IN MAINE

The over-all job picture in Maine should become much improved within the next two or three months, according to the current outlook. Forecasts with respect to expected levels of activity in several important industries, which almost invariably have greatly expanded labor requirements during the latter part of the spring and in the summer months, point to a decided upswing in the total number of job opportunities which will be available to persons in the labor market. Although there apparently is no relief in sight from the textile industry slump and, in spite of possible declines in the labor needs of some other of the State's major nonseasonal industries which at the moment do not stand to benefit directly from the national defense mobilization program, there are prospects of increased employment in industries — such as shipbuilding, ordnance, and metal products — which produce goods considered vital in the planning of the defense of the country.

ANTICIPATED SEASONAL DEMAND

Activities in which the greatest seasonal employment gains are expected to be made by mid-summer include: contract construction; food processing; agriculture; and those businesses (summer hotels, sporting camps, summer camps for youths, eating and drinking places, filling stations, amusement places, retail sales establishments, water transportation services, etc.) which benefit directly from the State's position as one of the country's leading summer vacation areas. Although residential building construction may be below levels of the last few summers, in view of the extensiveness of anticipated labor requirements on several major nonresidential projects, no experienced construction worker in Maine should have any difficulty in obtaining employment this year. Jobs in the food processing and agricultural industries should run above last year's peaks, and, indicative of an anticipated banner year in the recreation field is the fact that employers in

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some resort sections already are contacting local employment offices for the purpose of signing up workers for the coming season. Normally, such contacts are not made to any appreciable extent until June.

PROJECTED NATIONAL MANPOWER NEEDS

Since economic trends in this State are dependent to a large degree upon developments in the country as a whole, and since long-range employment trend predictions applying to the nation are exceptionally encouraging, the employment situation in Maine during the next two years should be relatively favorable. According to forecasts of the United States Bureau of Labor Statistics, a net expansion demand for 1.5 million persons will develop during calendar year 1952, and in 1953 an additional 2.1 million workers will be needed if anticipated manpower goals are to be reached. Estimates indicate that in 1952 the size of the armed forces will increase by 200 thousand to 3.6 million; defense employment will rise by 2.3 million to 7.7 million; and nondefense jobs will drop 1 million to 55 million. The decline in non-defense employment in 1952 will more than be made up for in 1953 by an increase of 1.6 million. Other additional needs for 1953 will be: armed forces — 100 thousand; and defense industries — 400 thousand.

ADEQUACY OF MAINE'S LABOR SUPPLY

Numerically, the over-all supply of labor in Maine should prove to be more than sufficient to meet all demands which may reasonably be expected to arise in the foreseeable future. The current supply will be augmented within the next two months by the entrance into the labor market of youths from high schools and colleges, and as summer job opportunities develop in various fields — particularly in the food processing industry — housewives who usually seek this type of employment will become available. It is possible, because of such factors as unequal distribution geographically of the labor demand and supply, distaste on the part of some workers for the classes of jobs which are open, and the lack of qualified workers in a few skilled occupational groups, that recruitment problems will

be encountered when attempts are made to fill certain job openings in the logging and lumbering, metal trades, domestic service, ordnance, and construction fields. However, any labor shortages which materialize should be localized and of a type that can be resolved substantially through relaxations in hiring specifications, within-plant upgrading, job dilution, or interarea recruiting.

CURRENT UNEMPLOYMENT

Currently, the volume of unemployment in Maine is at a comparatively high level. In fact, it may be deduced from trends in unemployment insurance claims loads and active registrations for work in the sixteen local offices of the Maine Employment Security Commission, that unemployment has risen to its highest point since the outbreak of the Korean War. On April 1, the number of workers actively seeking work through the facilities of the local offices was approximately 19,000. This represented an increase of nearly 4,100 during a three-month period, from the first of the current year, and indicated an increase over a year ago of around 14 per cent. The rise in unemployment since January is attributable partly to seasonal employment reductions in woods operations, construction work, and retail trade, and partly to adverse developments of a nonseasonal nature in the textile industry. The twelve month increase has been caused primarily by both direct and indirect effects of the slump in textile manufacturing.

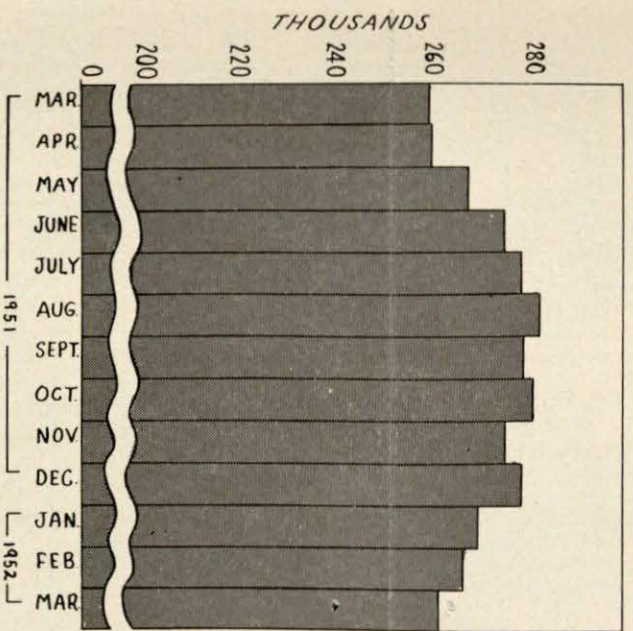
LABOR SURPLUS AREAS

Although the number of jobless workers in Maine has been on the increase in recent months, the current level of unemployment, on a state-wide basis, is not high enough to be of great significance, especially when it is considered that three years ago there were about twice as many workers in the labor market as there are at present. However, there are areas within the State where substantial surpluses of labor, caused by other than seasonal fluctuations in employment requirements, have become evident. The outstanding surpluses of this type are found in several communities — Lewiston and Biddeford particularly — in which textile and related manufacturing plants have experienced sizeable employment curtailments.

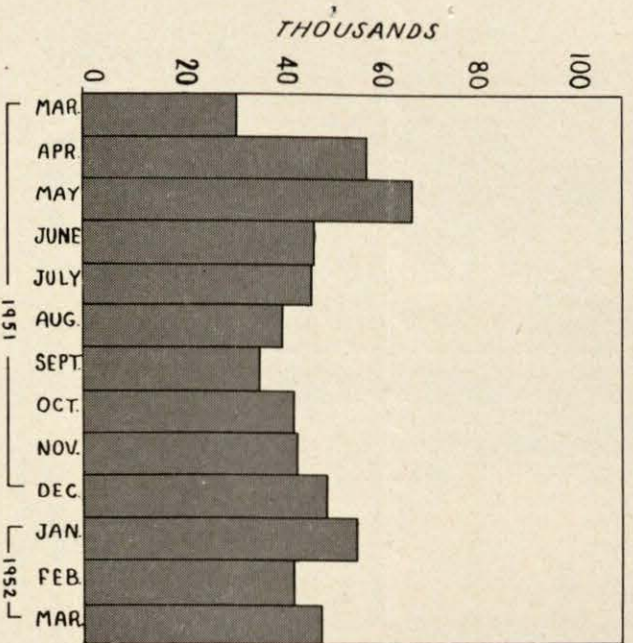
Selected Labor Market Trend Indicators

MARCH 1951 — MARCH 1952

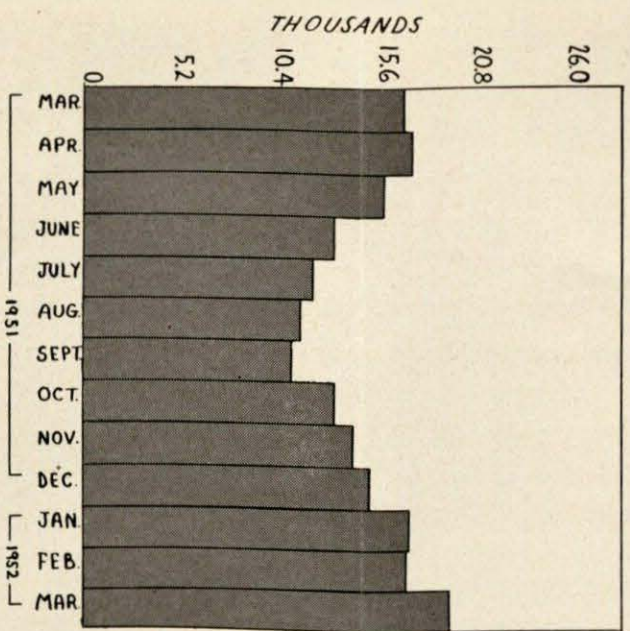
NONAGRICULTURAL EMPLOYMENT



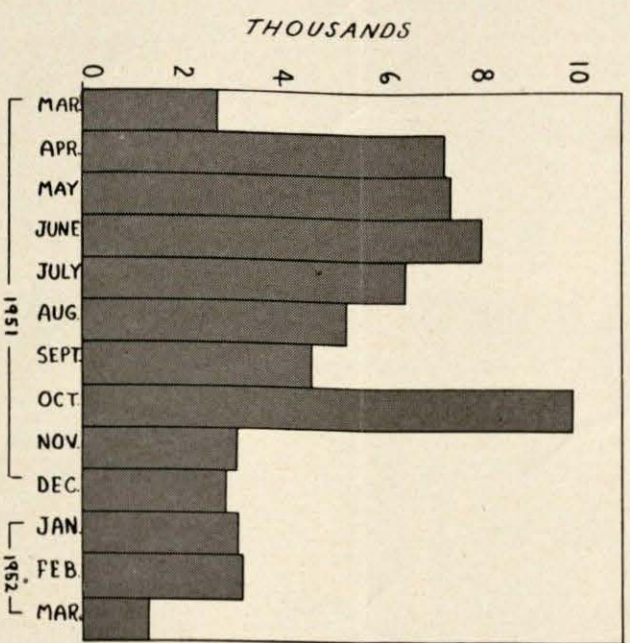
U.C. CLAIMS LOAD



REGISTERED JOB SEEKERS



JOB OPENINGS RECEIVED



NONAGRICULTURAL EMPLOYMENT

Total nonagricultural employment in Maine has been following a downward trend since the beginning of the winter, but during the middle week of March there were approximately 2,000 more workers in the State with nonfarm jobs than during the comparable week of 1951. According to preliminary estimates compiled by the Maine Employment Security Commission in cooperation with the United States Bureau of Labor Statistics, 261,900 persons were on the pay rolls of nonagricultural employers during pay periods ending nearest March 15 this year, whereas in mid-March last year the number engaged in nonfarm activities was 259,900. The higher level this year was achieved as a result of expansions not only in defense-connected industries but also in some industries which were not linked directly with the defense production program. Industry groups having the most noteworthy twelve-month gains included: lumber and wood products; ship-building; and contract construction. Those in which fairly large declines occurred included: machinery; textiles; and retail trade.

AVERAGE WORKWEEK AND EARNINGS

Information furnished by selected manufacturing employers in Maine indicated that the average number of hours worked per week by production workers was 41.2 hours in March. This was only slightly below the average workweek of 41.4 hours for both January and February, and was one-tenth of an hour above the average for a year ago. It may be concluded from the hours of work data assembled that, while some major manufacturing plants have been forced to operate on a shortened work-week basis, on the whole, production workers with jobs have been afforded fairly steady employment in recent months. The average hourly earnings of production workers amounted to \$1.34 and their weekly earnings averaged \$55.18 in March. There have been no outstanding recent changes in earnings data, but over the course of the last twelve months upward wage-rate adjustments in a few industries have served to raise the state-wide averages. Last year in March the average hourly and weekly earnings were \$1.29 and \$52.99 respectively.

After Five Days Return To
MAINE
EMPLOYMENT SECURITY COMMISSION
AUGUSTA MAINE
OFFICIAL BUSINESS

EMPLOYMENT SECURITY MAIL
UNITED STATES POSTAGE
ACCOUNTED FOR UNDER
ACT OF CONGRESS
(PAR. 13, SEC. 579, P L. & R.)