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Labor Market News Letter, August 1953

Maine Employment Security Commission

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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



AUGUST - 1953

ISSUED BI-MONTHLY



LABOR MARKET HIGHLIGHTS

The labor market in Maine has been very active during the summer months.

Demand for seasonal agricultural labor has been especially heavy, and requirements in non-farm activities have been firm generally.

The supply of available labor has held up well, with occupational shortages being less numerous than had been anticipated.

Changes in the defense production program are having no appreciable effect upon over-all employment trends in this State.

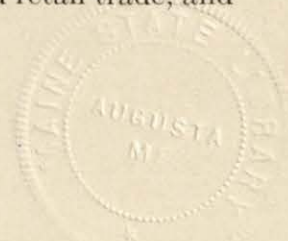
Curtailments in seasonal activities will reduce total employment in the fall but labor force withdrawals will prevent a sudden upsurge in unemployment.

DEFENSE JOBS UNDERGOING
CHANGES

Changes in the production for the National Defense Program which have been taking place for several months—even before the Korean armistice—have had comparatively little effect upon the Maine labor market. In the past month there have been minor employment curtailments in a few plants engaged in defense work, and there are indications that the future labor requirements of other related activities may be reduced below previous expectations. However, reductions of this sort should not prove to be too significant since the volume of defense work in Maine has not been particularly large during the last several years. On the other hand, the Maine economy could react in the next several months to possible secondary effects of any appreciable cutbacks in defense spending.

LABOR MARKET STILL ACTIVE

The labor market generally has continued to be very active since the first of the summer. As is usually the case, demand for nonagricultural workers tapered off following an upward surge in the late spring when competition for workers needed in seasonal jobs was especially brisk. However, demand for non-farm labor has by no means disappeared as is evidenced by the fact that in July nonagricultural employers placed orders with the sixteen local employment offices of the Maine Employment Security Commission for over 4,500 workers. Nonfarm labor requirements were most pronounced in the contract construction, vegetable processing, lumber and wood products, wholesale and retail trade, and service industries.



LABOR AVAILABLE TO MEET NEEDS

The supply of labor in Maine, while lower than earlier in the year, has held up remarkably well despite generally heavy demands. The number of persons with active work applications on file in the local MESC offices totalled more than 9,600 on August 1. This represented a three-month decline of 40.6 per cent from May 1 — the high point for the year thus far — when 16,275 persons were registered and seeking work through the facilities of the local offices. During the comparable period in 1952, the number of registrants decreased by 58.9 per cent from 22,160 to 9,100. Both the work applications on file and current claims load trends indicate that the over-all supply of labor in Maine may now be slightly above a year ago, whereas in each of the previous months this year, the supply appeared to be smaller than in the corresponding months of 1952.

OCCUPATIONAL SHORTAGES NOT SEVERE

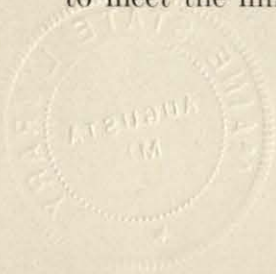
There are localized shortages of particular types of workers needed in some areas of the State, but, on the whole, these shortages are not too severe. During the middle part of August, local offices designated only 82 job openings in 31 different occupations as being of a class which could not be filled immediately from the supply of labor available in the communities in which the jobs existed. These shortage jobs were classified by broad occupational categories as follows: professional — 11; clerical — 2; service — 18; skilled — 32; and unskilled — 19. At present there are no outstanding shortages in any one field, but throughout most of the summer considerable difficulty was encountered in finding qualified cooks, chefs, waitresses, and related workers to meet the inflated demands in resort areas.

FARM LABOR REQUIREMENTS ABOVE LAST YEAR

Although crops in some sections have not been up to expectations, weather conditions have been much more conducive to the growth of vegetables than in the summer of 1952 when a serious drought caused extensive crop losses. This factor — more favorable weather conditions — has been the basic reason for a much heavier demand for harvest hands than last summer. Recruitments carried on by local MESC offices have been successful generally in obtaining workers required for harvesting activities, but in a small number of communities there have been temporary shortages from time to time in the number of workers who would accept seasonal farm employment. A large proportion of the needs which have arisen have been met effectively through the utilization of youths who are on their summer vacation from school.

NONFARM EMPLOYMENT AT HIGH LEVEL

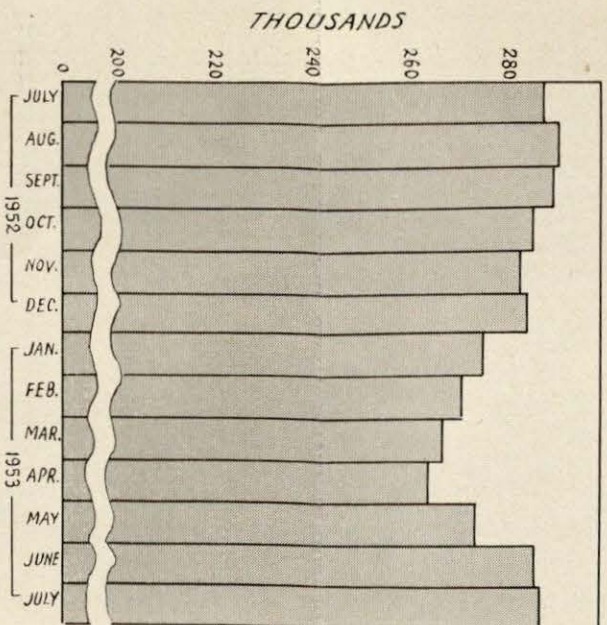
Over-all employment in nonfarm activities, reflecting seasonal movements in several major industries, rose to its highest level of the year thus far during pay periods ending nearest to July 15. According to preliminary estimates compiled by the Maine Employment Security Commission in cooperation with the United States Bureau of Labor Statistics, approximately 286,500 workers were on the pay rolls of nonagricultural employers in this State in mid July — the latest period for which estimates are available. This represented a sixty-day increase, from May 15, of 12,700 jobs, and a thirty-day increase, from June 15, of 600. Compared with July 1952, when 287,200 persons had nonagricultural employment in the State, this estimate reveals an over-the-year decline of 700 jobs.



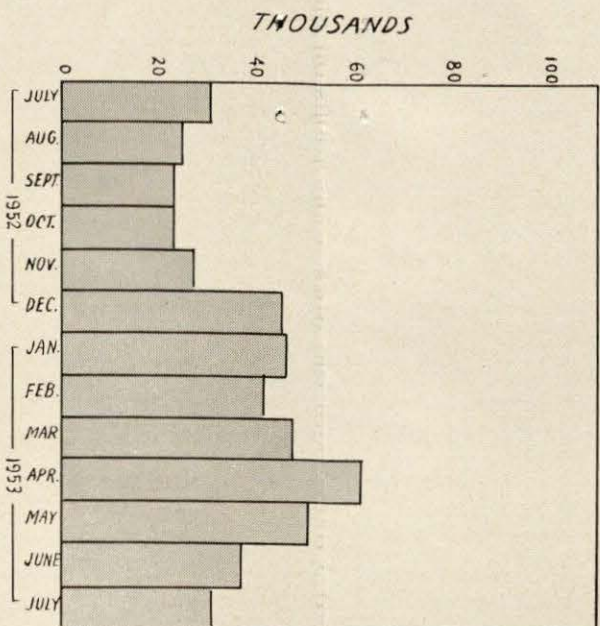
Selected Labor Market Trend Indicators

JULY 1952 — JULY 1953

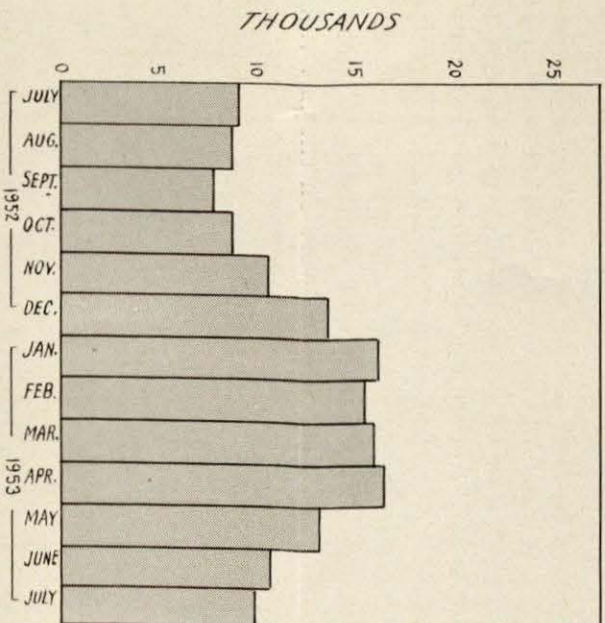
NONAGRICULTURAL EMPLOYMENT



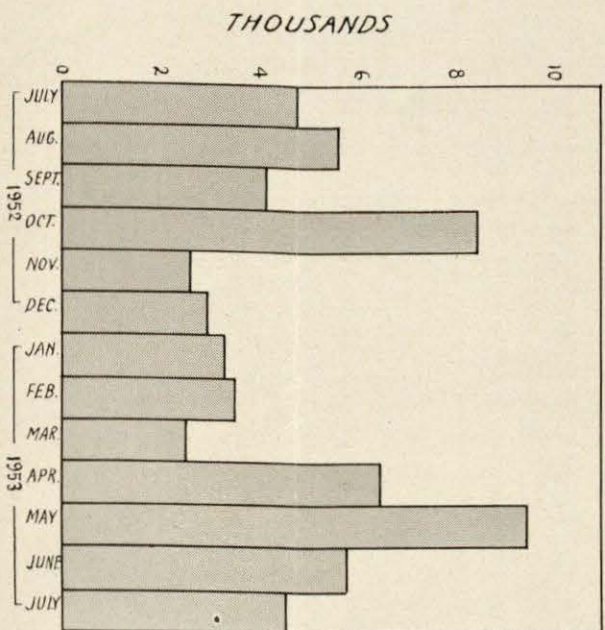
U C CLAIMS LOAD



REGISTERED JOB SEEKERS



JOB OPENINGS RECEIVED



TWELVE-MONTH EMPLOYMENT CHANGES NOTED

That July nonfarm employment was slightly under a year ago does not necessarily presage an impending general downturn in economic conditions, even though this was the first time since April 1952 that a current month's employment level was beneath that of the corresponding month in the preceding year. Actually, fairly sizable twelve-month gains were made in such industries as cotton textiles, machinery, apparel, construction, and services allied to the summer tourist trade. These, it is true, were more than offset by contractions in the lumber and wood products, shipbuilding, seafood canning, shoe manufacturing and transportation industries, and in government. However, none of the over-the-year reductions were substantial, and at least in one instance — in seafood canning — the lower employment level this year is attributable to a temporary condition. In this particular industry, production is lagging primarily because of a poor run of fish suitable for canning.

AVERAGE WORKWEEK AND EARNINGS TRENDS ARE FAVORABLE

A continuation into July of firm trends in the average workweek and earnings of production workers employed in manufacturing industries indicated that the economic situation in this

State was still favorable. During the middle week of the month, production workers earned an average of \$56.60 and averaged 40.3 hours of work. Their weighted average hourly earnings amounted to \$1.406. The average workweek was somewhat lower than in the past few months, but this was due to the effect of vacation schedules in many major manufacturing plants. Average hourly earnings, on the other hand, were at an all-time peak, being more than six cents per hour above a year ago.

SEASONAL EMPLOYMENT DECLINES LOOKED FOR

Total employment in Maine is expected to drop off seasonally in the next few months, despite anticipated strong trends in certain nonseasonal activities. The over-all decline in jobs should not result in a sudden upswing in unemployment, since layoffs in the late summer and early fall probably will be pretty much concentrated among persons — youths and women — who have been available only for summer employment. According to current forecasts, there may be some contractions in a few nonseasonal industries during the latter part of the fall period, and it appears possible that the volume of unemployment might rise above the exceptionally low levels of last year. However, as far as can be ascertained, no large-scale employment cuts are being planned in any nongovernmental activities.

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
(SEC. 35.4 (P) (1) P. L. & R.)