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Labor Market News Letter, April 1954

Maine Employment Security Commission

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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



APRIL - 1954

ISSUED BI-MONTHLY



Labor market activities — in Maine continued to be rather sluggish during March and the first weeks of April, but the downtrend which had been in evidence during the last half of 1953 and in the first several weeks of the current year appeared to be losing momentum as the spring season got under way. Job openings were not plentiful generally and employment prospects in several major manufacturing industries were not particularly promising. However, there were encouraging signs that economic conditions were becoming more stabilized and that unemployment would not be excessive in the months to come.

The upswing in unemployment — during the past fall and early winter was rather abrupt, causing the volume of claims for unemployment compensation benefits to rise above the level reached in the first part of 1949. During the last two months, the situation appears to have eased, and since the first of March, this year's claims load has been running considerably below the load for the comparable period in 1949.

Recent trends in unemployment — insured under the employment security program have been obscured to a certain extent by the transition from one benefit year to another — the Maine Employment Security Law provides for an annual benefit period starting each year on April 1. The average number of persons per week in an insured unemployed status during March was 14,300. This figure was lower than the averages for January and February partly because of benefit rights exhaustions, of which in March alone there were over 2,300.

The unemployment insurance — program probably has not been the sole factor in checking the downward movement of economic conditions in the past few months, but obviously it has been a powerful force in this respect. Insured unemployed workers in Maine received nearly three million dollars in benefits in the first three months of this year, and during the twelve months ending on March 31 the Employment Security Commission issued benefit checks totalling \$7,251,260.

The purchasing power — released to covered workers who have been unemployed through no fault of their own represents a smaller aggregate

sum than they would have received in wages had they been employed, but, nevertheless, it has served to cushion the adverse effects of rising unemployment and has been instrumental in keeping costs of public assistance from soaring. In accomplishing these ends, the unemployment insurance plan in this State is once again — as it did five years ago — fulfilling the purpose for which it was established.

It appears likely — that the amount which will have to be paid out in benefits in the next month or two will be relatively large, but the amount should not be great enough to create a serious drain upon funds available for unemployment compensation. On April 1, the unemployment compensation fund totalled over forty-three million dollars. In the winter period, January through March, the fund decreased by approximately \$1,367,000.00, but over the twelve-month period from April 1, 1953, the fund increased in size by \$1,036,000.00 due to the fact that collections more than kept pace with disbursements.

Pick-ups in seasonal activities — should cause unemployment to drop off from the current level by the first of the summer, but, judging from reports from selected employers in various sections of the State, it would appear doubtful that labor requirements, except in one or two industries, will be higher than in 1953. Certainly, the available supply of labor should be more than adequate, numerically, to meet all demand which can be foreseen at the present time. Shortages in a few occupational classifications could materialize, however.

(over)

JUN 8 - 1954

Job-seekers currently in the labor market — represent a wide range of occupations, but it is recognized that intensive hirings could deplete the supply of some classes of workers. At the moment, 25,300 persons are registered for work with the local employment offices of this Commission. These workers are distributed on a percentage basis according to the following broad occupational groups: professional and managerial — 1.8; clerical and sales — 6.2; service — 3.8; skilled — 19.4; semiskilled — 30.4; and unskilled — 38.4.

Current demand for labor — in contrast to the supply, is relatively light, but at least there are indications that increasing needs for workers are developing in certain fields. Local employment offices have unfilled jobs available for only 387 resident workers, most of whom are needed in nonmanufacturing industries. Among the activities which appear to be showing the most positive tendencies towards expansion are contract construction, retail trade, and miscellaneous service industries.

Maine manufacturing industries — as a whole, still show comparatively little strength, although seasonal pick-ups are anticipated in a few during the next several months. Employment in several manufacturing groups is considerably below last year — the most pronounced over-the-year declines having occurred in textiles, lumber and

wood products, shoes, machinery and metal products, and shipbuilding. Textile mills alone are providing 4,700 fewer jobs than a year ago.

The construction industry — which frequently is regarded as an indicator of future over-all economic trends, started its spring upturn sooner than usual this year. Contrary to normal expectations, construction employment moved upwards between February and March, during the period jobs in the industry rose from 8,800 to 9,400 — the highest March level in seven years. Further rapid increases are looked for in view of the large amount of construction work which has been scheduled in various sections of Maine for the current year.

The trade and service industries — appear to be well under way towards reaching all-time summer seasonal peaks this year. Employment in both fields has been edging steadily upwards — except for one brief interval in the latter part of 1949 and the first part of 1950 — since the end of World War II. Recent reversals in manufacturing employment trends have not yet reflected to any appreciable extent in the labor requirements of these industries, and, with the stimulus provided by the influx of summer vacationists, it would seem hardly probable that the present upward employment trend in either industry will be interrupted at least within the next three or four months.

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