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Labor Market News Letter, August 1955

Maine Employment Security Commission

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LABOR MARKET



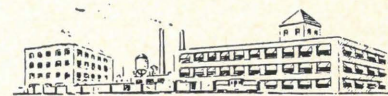
NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



AUGUST - 1955

ISSUED BI-MONTHLY



General economic conditions in Maine, as reflected by trends in total employment and the over-all volume of unemployment, appear to be relatively favorable despite the existence of rather serious localized unemployment problems which have arisen in a few communities where factory closings have occurred in recent months. On a state-wide basis, the level of employment has been higher than a year ago — labor requirements having been more extensive than last year in most industries. Only two of the State's major industry groups — textiles and primary metals — experienced significant over-the-year employment reductions. The supply of labor available during the summer has proved, for the most part, more than sufficient to meet the needs of employers, but, as the summer progressed, there was a more or less steady decline in the number of unemployed job-seekers in the labor market.

The extent of the downward trend in unemployment over the past several months has been impressive and clearly indicative of improvement in underlying employment conditions in many industries. Since spring, insured unemployment under the State unemployment compensation program has fallen off sharply. Workers in an insured unemployed status during mid-month weekly periods between April and August were as follows: April — 15,200; May — 14,250; June — 10,454; July — 9,437; and August — 8,048. The indicated five-month, 47 per cent decrease was due in major part, of course, to the absorption of workers in jobs of a seasonal nature; however, that there were approximately 1,200 fewer persons in the ranks of the insured unemployed in mid-August than a year ago lends support to the conclusion that economic gains of the past few months have not been attributable solely to normal seasonal factors.

The rate of unemployment in Maine, measured by the ratio of insured unemployment to average monthly employment in establishments subject to the MES Law, continues to be considerably above the national average, and, in fact, higher than the rates for all of the other New England States except Rhode Island. During the week ended August 13, insured unemployment-covered employment ratios in New England were as follows: Rhode Island — 5.0 per cent; Maine — 4.6 per cent; Connecticut — 3.4 per cent; New Hampshire — 3.2 per cent; Vermont — 3.1 per cent; and Massachusetts — 2.5 per cent. In addition to Rhode Island, only three other states in the country — Alabama, Kentucky, and Tennessee — had higher rates than Maine for the noted week. The nation-wide average for the same week was 2.9 per cent.

The occupational, sex, and age characteristics of the supply of labor in Maine have undergone some changes in the past few months, but it would appear that such changes have not given rise to far-reaching problems with respect to the recruiting of workers suited for job openings being listed with the public employment offices by employers. A few more localized shortages of workers in particular occupations have been in evidence lately than earlier in the year, but the supply of available workers generally is proving adequate both qualitatively and quantitatively. On August 1, persons seeking jobs through the facilities of the local offices of the Maine Employment Security Commission numbered 13,154, as compared with 14,268 on July 1 and 15,818 on August 1, 1954. Of the current job-applicants, 6,197 are females.

Job opportunities for school-age youths were plentiful in both agricultural and nonagricultural activities throughout the summer in most areas of the State, and this source of labor supply has been utilized with excellent results by many employers whose employment requirements expand seasonally during the summer period. It is apparent, however, that jobs have been available in greater numbers than last year for workers attached to the year-round labor force. During July, nonfarm employers sought the assistance of the MESC local offices in filling 3,862 vacancies, which represented a 16.3 per cent increase over the number of openings listed in July last year. An analysis of the job orders received reveals that a fairly high proportion have been in nonagricultural industries which do not ordinarily experience discernable seasonal employment fluctuations.

Workers with jobs in nonfarm activities totalled approximately 280,100 during weekly pay periods ending nearest July 15, according to the latest estimates prepared by the Maine Employment Security Commission in cooperation with the United States Bureau of Labor Statistics. This was the peak level for the current year thus far and was the highest point reached since September 1953. From March — when employment in Maine was at its 1955 low — to July, the number of persons on the pay rolls of nonagricultural employers in this State increased by 21,900. Over the four-month period, employment rose by 10,400 jobs in manufacturing and by 11,500 in nonmanufacturing industries.

Employment in nonfarm establishments in July was higher than a year ago by 1.5 per cent — there having been an estimated 275,900 persons with nonagricultural jobs in the State during the middle week of July 1954. Twelve-month gains were made in many industries — the largest having been achieved in shipbuilding, food processing, leather and leather products, contract construction, and government. In two of these — contract construction and leather products — employment was at all-time, record-high levels for July, there having been 15,800 persons engaged in construction work during the mid-month weekly period and 21,100 on the pay rolls of manufacturing plants classified in the leather and leather products industry group.

Labor dispute settlements resulted in an increase between June and July in the number of workers employed in textile mills, but the employ-

ment level for textiles as a whole continued to be considerably lower than in recent years. In the twelve-month period ended on July 15, 1955 there was a net decline of 2,200 jobs — from 20,600 to 18,400 — in the industry. While this was a serious employment drop, it is only partially descriptive of the effect of textile plant closings in Maine. Since January 1947, when 31,600 workers were employed in the industry, this State has suffered a loss of 13,200 textile jobs. During the past year the shut-down of a few small plants caused an overall loss of 650 jobs in the primary metals industry, and, although this decline was by no means as great as that noted for the textile industry, it did create difficult unemployment problems in some communities.

Minor month-to-month fluctuations have occurred since the latter part of 1954 in the average hourly earnings of production workers employed in manufacturing industries, but, generally speaking, hourly earnings averages have remained remarkably steady for a period of about ten months. During the middle week of July, average hourly earnings amounted to \$1.44 and average weekly earnings totalled \$57.67. There have been fairly substantial changes in weekly earnings figures for the last few months largely because of variations in the average number of hours worked per week by production workers. In mid-July the average workweek was 40.2 hours. Compared with a year ago, average earnings have shown a rise, whereas the average workweek is slightly under the July 1954 figure of 40.3 hours. Hourly earnings averaged \$1.41 and weekly earnings, \$55.75 in July of last year.

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

MAINE STATE LIBRARY
AUGUSTA MAINE