

5-1-1956

Labor Market News Letter, May 1956

Maine Employment Security Commission

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Recommended Citation

Maine Employment Security Commission, "Labor Market News Letter, May 1956" (1956). *Center for Workforce Research and Information Documents*. Paper 152.
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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine

MAY - 1956

ISSUED BI-MONTHLY



A number of factors — especially the weather and the new federally established minimum hourly wage rate — had a restraining effect upon hirings in some Maine industries during the early spring. However, the labor market, sparked by a rapidly developing demand for workers needed on outdoor jobs, came to life in the latter part of April and has continued since then to be very active. The supply of available labor, while not as great as a year ago, is proving more than sufficient, numerically, to satisfy the demand of expanding employers. Employment trends have been firm thus far this year in most of the State's major industries, with changes which have occurred in over-all labor requirements having been attributable primarily to seasonal influences.

There is less unemployment in Maine at the moment than either last year or two years ago in May. During the second week of the current month, 12,901 persons were unemployed and in an insured status under the Maine Employment Security Law. For the corresponding week of 1955, the insured unemployed totalled 16,306 and two years ago the number was 18,356. The unemployment compensation claims load has been running below both 1954 and 1955 since the first of the year, but the spread has been widening with each successive month. Other than economic factors could account for a part of the differences in claims levels, but it is apparent that the outstanding reason for the decreases is an improved economic base.

Maine's rate of insured unemployment, computed by relating continued claimants and the average number of persons on the payrolls of establishments subject to the State Employment Security Law, continues to be higher than the rates in many other states. During the first week of May the nation-wide insured unemployment rate was 3.6 per cent, while Maine's was 7.7 per cent. Rates for the other New England States were: New Hampshire — 6.9 per cent; Rhode Island — 6.5 per cent; Massachusetts — 3.0 per cent; Vermont — 2.9 per cent; and Connecticut — 2.3 per cent. From these ratios it may be seen that, although fewer workers are in the Maine labor market than last year or the year before, the relative severity of unemployment is greater than in other near-by states.

The occupational composition of the unemployed labor force is such that employers seeking additional labor are experiencing little difficulty generally in finding qualified workers to fill their job vacancies. An analysis of the characteristics of job-seekers registered with the local employment offices of the Maine Employment Security Commission reveals that 2.1 per cent are classified in professional or managerial occupations; 7.6 per cent are clerical workers or salespersons; 5.0 per cent are from service industries; 17.5 per cent are qualified for skilled jobs; 26.8 per cent are experienced in semiskilled types of employment; and 41.0 per cent are unskilled workers.

Localized shortages continue to crop up as a result of differences in the geographical distribution of the demand for and the supply of labor. The amount of interarea recruiting necessary in assisting Maine employers to obtain workers for job openings listed with the MESCO local offices has, however, undergone no significant change since the winter months. At the moment, such recruiting is being carried on for 153 workers needed in twenty-two different occupations. Additional shortages may develop temporarily in the coming weeks as seasonal employment requirements move upwards, but these should not become too extensive in view of prospective augmentation of the over-all supply with the large-scale entrance into the labor market next month of high school and college youths.

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Total employment in nonagricultural industries in Maine also is at a higher level than last year and the year before. According to preliminary estimates compiled by the Maine Employment Security Commission in cooperation with the United States Bureau of Labor Statistics, 262,600 persons were on the payrolls of nonfarm employers in this State during pay periods ending nearest April 15 as compared with 261,200 last year and 256,000 in April 1954. Some industries — particularly ordnance, textiles, and construction — have suffered long-term declines, but fairly substantial gains, more than offsetting these losses, have been made in such industries as logging and lumbering, metals and machinery, paper making, and shoe manufacturing.

Employment trends this year have conformed to usual seasonal patterns — the total number of nonfarm jobs in Maine having declined each month since January. The downtrend has not been steeper than normal expectations, but it has obscured improvements in some nonseasonal activities. Among such industries which have shown strength are the furniture and fixtures, primary metals, fabricated metals, and nonelectrical machinery groups. Between March and April a number of seasonal expansions were beginning to get under way — especially in the food processing, contract construction, retail trade, and service industries — but these and other gains were overshadowed by curtailments which took place in logging and lumbering and shoe manufacturing.

Demand for labor, as measured by the volume of employer requests for worker referrals by the thirteen employment offices operated by the MESCS, is rather brisk throughout the State. Labor needs were lagging at the start of the spring, but a sharp pick-up was noted in the latter part of April causing job openings received for the month to reach a total of 4,525. This was the largest monthly total since August of last year when labor requirements generally were at a seasonal peak. Current demand is by no means at a record-breaking level for this time of year, but it is considerably higher than in the spring periods of both 1954 and 1955.

The average hourly earnings of production workers employed in manufacturing plants rose to an all-time peak of \$1.54 per hour in April. This average was ten cents an hour higher than a year ago and four cents an hour above the average amount earned by factory workers in Maine during January. The increase which has occurred since the first of the year may be attributed to a combination of factors, but the principal reason for the rise appears to have been upward pay scale revisions made necessary in some establishments by the Federal one dollar per hour minimum wage law which became effective on March 1. Average weekly earnings amounted to \$61.87 and the average workweek for factory workers was 40.1 hours in April.

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