

9-1-1956

Labor Market News Letter, September 1956

Maine Employment Security Commission

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Maine Employment Security Commission, "Labor Market News Letter, September 1956" (1956). *Center for Workforce Research and Information Documents*. Paper 154.
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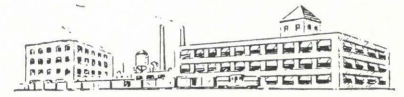
NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



SEPTEMBER - 1956

ISSUED BI-MONTHLY



General Labor Market Picture. General labor market conditions in Maine appear to be exceptionally favorable. Employment this past summer reached record peaks for a peace-time year, and although seasonal declines have started to occur in some industries, employment continues at a higher-than-usual level. The supply of labor, except for localized shortages of an occupational type, has proved adequate to meet demands. The State-wide volume of unemployment, on the other hand, has continued to be comparatively small. Isolated labor surpluses exist still in a few communities. These surpluses, however, are much less pronounced than they were last spring. Seasonal factors should cause total employment to drop off and unemployment to rise in the next few months, but there are no indications that there will be any letup in the steady improvement which is taking place in the basic economy of the State.

Nonagricultural Employment. The highest peace-time employment peak on record was attained in mid-August when the number of workers on the payrolls of nonagricultural employers in Maine rose to 290,300. Employment in the State has followed a sharp upward trend since April as industries such as contract construction, lumber and wood products, food processing, shoe manufacturing, trade, and service experienced normal and, in some cases, greater-than-usual seasonal expansions. The extensiveness of the upturn is illustrated by the fact that between April and August there was an increase of 27,700 workers with nonfarm jobs. While seasonal gains predominated, advances in a number of nonseasonal industries contributed to the four-month climb in total employment.

Over-The-Year Job Trends. The August employment level was 2.0 percent higher than a year ago when 284,500 persons had nonfarm jobs in this State. Manufacturing payrolls were up rather appreciably, there being 115,900 working in manufacturing industries in the middle week of August this year as compared with 112,500 in the corresponding week in 1955. Manufacturing industries showing substantial increases for the year included lumber and wood products, fabricated metals, nonelectrical machinery, food processing,

and paper and allied products. A few manufacturing industries — notably, ordnance, shipbuilding, textiles, and shoes — lost ground. The total number of workers engaged in nonmanufacturing activities — largely because of greater labor requirements in contract construction, transportation, public utilities, financial services, and government — increased during the twelve-month period from 172,000 to 174,400.

Volume of Unemployment. Unemployment, as reflected by claims for unemployment insurance benefits, dropped very sharply at the beginning of the summer and continued thereafter, — with temporary interruptions — to decline gradually. Trends in the volume of unemployment for the past five months are indicated fairly clearly by mid-month weekly insured unemployment levels in each of the last five months. The number of workers in an insured unemployed status in such weekly periods were: April — 12,693; May — 11,407; June — 7,596; July — 5,728; and August — 4,973. A downtrend in unemployment is customary between spring and summer, but the decrease this year was extraordinarily pronounced. By way of comparison, the number of insured unemployed workers dropped last year from 14,510 in mid-April to only 8,048 in the middle week of August.

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Insured Unemployment Rate. Of particular significance as a measure of the general economic situation is the rate of insured unemployment—i.e., the ratio of the number of persons filing continued claims for unemployment insurance benefits and the average monthly number employed in industries covered under the UI programs. During the week ended September 1, the insured unemployment rate in Maine was 2.6 percent—the lowest weekly rate for 1956. In the same week the national rate was 2.7 percent and the other New England states had the following: New Hampshire—3.8 percent; Vermont—1.7 percent; Massachusetts—2.0 percent; Rhode Island—3.9 percent; and Connecticut—2.3 percent. Last year the Maine rate for the last week in August was 4.6 percent.

Registered Job-Seekers. The supply of labor available to meet the needs of employers having expanding requirements proved generally adequate during the summer—youth new entrants in the labor force having bolstered the supply when the demand was heaviest. Applications for work in the local employment offices of the Maine Employment Security Commission declined as the summer progressed, but the registered supply was still rather substantial at the end of the summer season—there having been nearly 8,600 persons with active work applications on file at the first of September. These workers were distributed, percentage-wise, on a broad occupational group basis as follows: professional and managerial 2.6 percent; clerical and sales—12.8 percent; service—6.1 percent; skilled—17.7 percent; semiskilled—26.7 percent; and unskilled—34.1 percent.

Demand for Labor. Employers in many sections of the State have found it increasingly difficult to obtain experienced workers for their job vacancies, and many—even in local areas where unemployment has been greatest—have been forced to relax their hiring specifications in order to fill jobs. This has been particularly true with respect to limitations placed upon the age classes of workers acceptable in various fields. Total job listings in the MESC local offices have started to taper off after having been especially extensive during the summer, but the demand appears to be relatively strong for this time of year as is evidenced by the fact that there were 9,130 openings listed on September 1. Of these, 7,587 were woods jobs for which operators had requested the importation of Canadians provided qualified resident workers could not be recruited.

Earnings of Industrial Workers. Average weekly earnings of production workers employed in Maine's manufacturing industries are at an all-time high, but average hourly earnings dropped slightly between July and August. During the middle weeks of July and August, average hourly earnings amounted to \$1.569 and \$1.546, respectively, while average weekly earnings for the same periods were \$63.08 and \$65.17. The slight decline in the hourly average was attributable almost entirely to the fact that in August there was a larger number of workers engaged in seasonal work where wage rates are not as high as in many non-seasonal activities. The over-the-month increase in average weekly earnings, on the other hand, was due primarily to a rise in the average work-week from 40.2 hours to 42.2 hours.

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