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Labor Market News Letter, December 1957

Maine Employment Security Commission

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LABOR MARKET



NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



DECEMBER 1957

ISSUED BI-MONTHLY



Labor Market Highlights — As 1957 drew to a close, the gradual downturn in employment which had started earlier in the year continued unchecked. Unemployment was at its highest December level in eight years, and job opportunities, generally, were narrowing both as to occupational choice and the total number available. Employers having job vacancies to be filled were in a position to be more selective than had been possible for several years in their hiring practices, and lower quit rates in many activities indicated that employed workers were becoming increasingly aware of the shrinking demand for labor. Earnings of production workers employed in manufacturing industries were at the highest hourly rates in history but reductions in work schedules served to cut average weekly earning rates.

Nonagricultural Employment — Employment in nonfarm activities in Maine dropped off to a sharper degree than usual this fall. Seasonal curtailments in several industries which normally experience reduced labor requirements at this time of year were deeper than a year ago. Also contributing to the over-all decline were layoffs which were other than seasonal in nature. Between September and November, the number of persons on the payrolls of nonagricultural employers decreased by 8,400, from 283,700 to 275,300. By way of comparison, employment in nonagricultural industries fell off by 5,600 jobs, from 289,300 to 283,700 in the same sixty-day period in 1956.

Industry Trends — Although the downward pattern in employment trends in the fall period was revealing with respect to the growing unemployment problem in Maine, perhaps of greater significance have been longer-range employment developments. Employment requirements were lower in November this year than twelve months earlier in practically all of the State's major industry groups. The most pronounced job declines were: lumber and wood products — 1,400; textile-mill products — 1,400; metals and machinery — 1,300; contract construction — 1,100; paper and allied products — 900; wholesale and retail trade — 800; and shoe manufacturing — 700. The only noteworthy over-the-year gain was in government employment which rose by 400 jobs.

Past Employment Levels — The 3.0 percent, twelve-month decrease in nonfarm employment cannot be regarded as an encouraging development, particularly in view of the more or less constant increase in the number of younger persons entering

the labor market. On the other hand, in terms of the number of employed workers represented, the decline between 1956 and 1957 was not as great as it might have been had basic economic conditions been subjected to more severe pressures. As a matter of fact, recent employment levels have compared favorably with most prior years. To illustrate; in the ten-year period, 1948–1957, there were five other years (1948, 1949, 1950, 1953, and 1954) in which November employment was lower than in November 1957. The lowest November employment level during the period was in 1949 when 248,000 workers — or 27,300 fewer than in 1957 — were employed in nonagricultural jobs.

Claims for UI Benefits — Unemployment, as measured by unemployment insurance claims received in the local offices of the Maine Employment Security Commission, rose to an eight-year peak in November and the first part of December. The claims load, even on an adjusted basis to allow for the effects of changes in the MES Law, was about 0.3 percent higher than in the comparable period in 1954. However, in the corresponding weeks of 1949, the volume of claims received was about one-third greater than the current load. Claimants filing at the present time are from practically all sections of the State, with the greatest numbers being from some of the larger cities — especially Portland, Lewiston, and Biddeford — and from various coastal communities in which fish packing is a major industrial activity. The numbers of claimants filing from the three cities cited were, during the middle week of December, as follows: Portland — 2,544; Lewiston — 2,254 and Biddeford — 1,085.

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Insured Unemployment Rate — Maine, with a rate of 7.7 percent, had the third highest insured unemployment rate in the Country during the first week of December. A year ago, the rate for Maine — that is, the ratio of weekly compensable and waiting period credit claims to average monthly employment in covered activities — was 4.7 percent which was then the seventh highest rate in the Country. The nation wide average rate at the first of December this year was 4.1 percent as compared with 2.9 percent a year ago. Insured unemployment rates in the other New England States for the week ending December 7, 1957, were: Connecticut — 3.9 percent; Massachusetts — 4.6 percent; New Hampshire — 4.2 percent; Rhode Island — 6.3 percent; and Vermont — 5.4 percent.

Labor Demand — Job vacancies listed by employers with the local MESC offices have fallen off rather appreciably since the end of the summer. During November, the employment offices were requested to assist in the filling of 1,736 job openings. During the preceding month, jobs represented in employer orders received totalled 4,510. A decline in orders is anticipated each year in the fall, but the drop this year was more abrupt than usual. The jobs listed in November were distributed on a broad industry division basis as follows: contract construction — 237; manufacturing — 712; transportation, communication, and other public utilities — 29; wholesale and retail trade — 342; finance, insurance, and real estate — 40; miscellaneous business services — 339; and

government — 37. It is apparent that labor demand has fallen off not only because of reductions in labor requirements but also because of a decrease in the rate of worker-initiated job separations.

Registered Labor Supply — Judging from the number of work registrations on file in the local employment offices, employers requiring additional labor should have little difficulty in finding suitable workers. On December 1, a total of 20,137 persons had active work applications on file. A little over 40 percent, or 8,072, of the applicants were forty-five years of age or older, and 8,718 of the total number were females. The workers were classified, according to their work histories, on a broad occupational group basis as follows: professional and managerial — 452; clerical and sales — 1,776; service — 1,248; skilled — 3,206; semi-skilled — 4,729; and unskilled — 8,726.

Hours and Earnings — The average hourly earnings of production workers with jobs in manufacturing industries in Maine continue to be considerably higher than in past years — in November the average was \$1.628 per hour — but irregular production schedules have tended to reduce the average weekly earnings of such workers. In November, the average workweek dropped to 38 hours as compared with 40.7 hours in October and 39.9 hours in November 1956. Weekly earnings averaged \$66.40 in October, but only \$61.91 in November. A year ago in November, the average was \$64.31.

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