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Labor Market News Letter, October 1951

Maine Employment Security Commission

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LABOR MARKET NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine

OCTOBER - 1951
ISSUED BI-MONTHLY

LABOR MARKET HIGHLIGHTS

Unemployment in Maine dropped to its lowest level of the current year early in October. Seasonal factors affecting the labor market were largely responsible for this development.

The supply of labor remains more than adequate to meet the requirements of employers in most sections of the State. Shortages in a few occupations have been noted, but these have not been serious enough to interfere with planned operating schedules.

Out-of-state employers are still manifesting keen interest in obtaining Maine labor. Extensive recruitments for defense plants in other states are being carried on, and numerous employers have been conducting surveys with the view in mind of establishing new plants in Maine.

Nonagricultural employment, although starting on a seasonal downtrend, is still running above a year ago. Approximately 2,100 more persons had nonfarm jobs last month than in September 1950.

Job opportunities are expected to be somewhat limited in the next few months due primarily to curtailments in activities which normally have reduced labor requirements in the late fall and winter. Unemployment, as a result, is expected to move upwards and to remain at a high level until spring.

UNEMPLOYMENT SITUATION

Despite recent employment curtailments in several nonagricultural industries—especially in textile and shoe manufacturing—the number of job-seekers in the labor market at the beginning of October was at a low point for the current year. Declines in unemployment during September were due to a combination of developments. Students who were in the labor force only for the summer months returned to school; there was some migration to defense production centers in other states; potato harvesting jobs in Aroostook County drew available workers from all sections of the State; military service inductions removed a small number from the labor force; many women who had summer jobs returned to their household duties; and expanded labor requirements in a few activities absorbed other workers.

INSURED UNEMPLOYMENT

During the two-month period, August 1–October 1, the number of persons in an insured unemployment status (i.e., the number filing claims for unemployment insurance benefits or waiting week credits while in continuing spells of unemployment) decreased by 22.6 per cent, from 8,400 to 6,500. Benefit rights exhaustions tend to distort direct comparisons from insured unemployment trends at this time of year, but, even with adjustments for this factor a decline of approximately 11 per cent was indicated for the period. On October 1, the ratio of insured unemployed to average monthly covered employment was about 3.8 per cent. This was somewhat above the nation-wide ratio, but it was considerably below the May peak for Maine of 7.8 per cent.
SUPPLY OF LABOR

The over-all supply of labor, although at a comparatively low level, was generally adequate at the start of October to meet the needs in most industries requiring additional workers. There were, however, a few occupations in which labor shortages were apparent. Woods operators still could not recruit from within the State a sufficient number of qualified men to accept jobs in wood cutting work; in some sections, the supply of experienced construction workers—such as carpenters, bricklayers, electricians, and steam fitters—was not great enough to meet requirements; machinists and machine operators were not available in some localities where they were in demand; and experienced stenographic workers were extremely scarce in a number of areas. On the whole, however, occupational shortages were not severe enough to interfere with operating schedules in any industry.

NONAGRICULTURAL EMPLOYMENT

The number of persons with full or part-time jobs in nonagricultural industries decreased from a 1951 peak of 276,500 in August to 272,600 in mid-September, according to preliminary estimates compiled by the Maine Employment Security Commission in cooperation with the United States Bureau of Labor Statistics. The decline of 3,900, while reflective of adverse developments in the shoe and textile industries along with normal seasonal contractions in a few other activities, was not great enough to push the over-all employment level below that of a year ago. In the middle week of September 1950, the number engaged in nonfarm work approached 270,500. Industries showing the most notable twelve-month gains included metal products, machinery, transportation equipment, food processing, paper and allied products, and contract construction.

DEMAND FOR LABOR

There have been no unusual developments in recent weeks in the labor demand picture in Maine. Industries having the greatest amount of activity during the latter part of September and the early part of October included agriculture, contract construction, seafood canning, metalworking, and logging and lumbering. Requirements were particularly high in agriculture due to the harvesting of potatoes and apples. Highway projects started during the period, accounted for the opening of many of the job opportunities in the construction field, but, at the same time, expanded labor needs were in evidence in the building trades. There was very little hiring in the textile and shoe industries, and job openings in trade and service activities which are dependent upon the patronage of summer vacationists vanished completely after Labor Day.

EMPLOYMENT OUTLOOK

Employment opportunities are expected to be more or less limited in most of the State's major industrial activities during the next two months. Demand for woods workers should continue at a high level and new job openings are likely to develop in several widely scattered metalworking plants. Prior to the Christmas shopping period, requirements, for temporary workers to be needed in retail trade establishments, will provide short-term jobs for a fairly sizable number, and pick-ups are anticipated in the shoe manufacturing industry by the middle or latter part of December. On an over-all basis, however, demand for labor probably will not be too appreciable in the next several months, and, because of further curtailments in a number of industries which normally have reduced employment in the winter, a rise in the volume of unemployment is in prospect.

CHARACTERISTICS OF JOB-SEEKERS

A large proportion of the persons registered for work at the present time in the local offices of the Maine Employment Security Commission are from the textile and shoe industries. On October 1, registered job-applicants totalled nearly 11,000, of whom around 43 per cent were either textile or shoe workers. The registrants were distributed according to broad occupational groups as follows: professional and managerial—2.3 per cent; clerical and sales—11.6 per cent; service—6.2 per cent; skilled—18.5 per cent; semiskilled—31.3 per cent; and unskilled—30.1 per cent. Fourteen hundred of the applicants were veterans, while 5,900 were females. Fewer than 500 possessed handicaps which might tend to limit their employability.
Selected Labor Market Trend Indicators

SEPTEMBER 1950 — SEPTEMBER 1951

NONAGRICULTURAL EMPLOYMENT

U.C. CLAIMS LOAD

REGISTERED JOB SEEKERS

JOB OPENINGS RECEIVED

THOUSANDS

THOUSANDS

THOUSANDS

THOUSANDS
AVERAGE WORKWEEK AND EARNINGS

During the middle week of September, the average workweek for production workers in manufacturing activities was 40.5 hours. This represented an increase of two hours per week over the average number of hours worked in mid-July, but it was still under the 1951 peak workweek of 42.3 hours achieved in February. The average hourly earnings of production workers in September amounted to $1.319, and the average weekly earnings totalled $53.39. The significance of wage rate advancements over the past year is rather apparent when it is considered that in September of 1950 hourly earnings averaged $1.188 and the average weekly pay check of production workers was $49.38. The average workweek a year ago, being 41.6 hours, was somewhat higher, however, than in September of this year.