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Labor Market News Letter, February 1953

Maine Employment Security Commission

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LABOR MARKET NEWS LETTER

Maine Employment Security Commission  331 Water Street  Augusta, Maine

FEBRUARY - 1953
ISSUED BI-MONTHLY

LABOR MARKET HIGHLIGHTS

Seasonal curtailments in industries which normally have employment contractions in the winter months have been primarily responsible for an increase in the volume of unemployment in Maine.

There are, however, fewer workers in the labor market at the present time than a year ago.

The number of job vacancies going unfilled because of maladjustments in the occupational characteristics of the demand and the workers in the supply has dropped off as the over-all supply has increased.

Employment trends, although downwards because of seasonal influences, still reflect basic soundness in the State's economic structure.

Slight increases in the amount of unemployment in the State are looked for early in the spring, but a sharp upswing in labor demands is in prospect after the middle of May.

OCCUPATIONAL SHORTAGES HAVE DECLINED

Localized labor supply deficiencies are less numerous now than for several months. Excluding woods industry occupations in which the available supply of Maine workers invariably falls short of the demand when full-scale operations are being carried on, there are only twenty different types of occupations which are currently listed by local employment offices as being in the "Shortage" class — i.e., occupations for which there is demand which cannot be met from local labor supply sources. Job vacancies in the twenty shortage occupations total 52 at the present time. Three of the openings are in jobs calling for professional workers, thirty-seven are in skilled occupations, and twelve are in semi-skilled types of work.

JOB APPLICATIONS HAVE INCREASED

The number of persons registered for work in the sixteen local offices has risen by 5,500 in the last two months. On February 1, nearly 16,000 workers had active applications for work on file in the offices as compared with 10,500 on December 1. Of these currently represented by work applications, about 40 per cent (6,450), are females. Over 51 per cent of the December 1 applicants were women. The current registered job-seekers are distributed on an occupational group basis as follows: professional and managerial — 2 per cent; clerical and sales — 7.5 per cent; service — 5.6 per cent; skilled — 19.1 per cent; semiskilled — 21.9 per cent; and unskilled — 43.9 per cent.
EMPLOYMENT TRENDS REFLECT SEASONAL INFLUENCES

Preliminary estimates compiled by the Maine Employment Security Commission in cooperation with the U.S. Bureau of Labor Statistics reveal that between December and January over-all employment in nonagricultural activities in this State dropped by 10,700 from 284,000 to 273,300. This 3.8 per cent decline was caused primarily by seasonal curtailments in industries which customarily experience working force reductions in the winter months. That the decline was not a portent of unfavorable economic developments is illustrated by the fact that the number of persons with nonfarm jobs in January of this year was 3,000 greater than a year ago. Industries in which noteworthy over-the-year employment gains have been made include fabricated metals, ordnance, shipbuilding, food and kindred products, wholesale and retail trade, and shoe manufacturing.

AVERAGE WORKWEEK HAS MOVED UPWARDS

Pointing to the existence of fundamentally healthy economic conditions in the State is the fact that the average workweek for production workers employed in manufacturing industries was 42 hours per week in January. This was two hours per week higher than the average workweek in November and sevenths of an hour higher than the December average. There have been no important changes in the average hourly earnings of production workers in Maine during the past several months—in January the average was $1.39 per hour. However, because of the rise in the average workweek, average weekly earnings have shown an increase from $55.25 in November, to $57.22 in December, to $58.32 in January. A year ago, average weekly earnings amounted to $55.07.

UNEMPLOYMENT TRENDS CONFORMING TO SEASONAL PATTERN

Consistent with usual expectations, the volume of unemployment in Maine followed a fairly sharp upward trend in the latter part of the fall and the first part of the winter, reaching a peak early in January. Since the middle of January, however, there has been evidence of a slight decline in the number of workers in the labor market. The late fall and early winter rise in unemployment was attributable primarily to layoffs in construction, fish processing, and shoe manufacturing activities—with scattered reductions in the paper manufacturing and woolen textile industries also being contributing factors. After Christmas, employment cuts in the retail trade field threw additional workers into an unemployed status. Improvements in the over-all unemployment situation in the last half of January were due partly to pick-ups in the lumbering and shoe industries and partly to the withdrawal from the labor force of certain seasonal workers who will not be job seekers until spring when jobs in their customary occupations become available once again.

UNEMPLOYMENT LEVEL HAS BEEN LOWER THAN A YEAR AGO

Although the end-of-year upswing in unemployment in November and December was rather pronounced, the number of persons entering the labor market was not, when compared with previous years, exceptionally large. As a matter of fact, the seasonal rise in joblessness was not as great as it had been in the comparable period a year earlier. Indicative of the relative favorableness of the economic picture in Maine at the start of this year is the fact that 17.3 per cent fewer claims for unemployment insurance benefits were received by the Maine Employment Security Commission in January 1953 than in the same month a year ago. In the first week of February, approximately 7,300 persons in this State were in an insured unemployment status. This number represented about 4.1 per cent of average monthly employment in activities covered under the MESEC Law. In other words, it may be stated generally that for every 100 workers with jobs in covered industries, 4 persons previously engaged in such activities were unemployed and filing claims for benefits in the first week of February.
DEMAND FOR LABOR NORMAL FOR THIS TIME OF YEAR

Labor needs of employing establishments, are, on the whole, considerably smaller than they were three or four months ago when seasonal industries were active, but it may be concluded from the number and types of job openings listed with the sixteen local employment offices of this Commission that demand for labor is holding up well for this time of year. In January, the local offices received requests to refer workers to 3,250 job openings. In the same month last year, job openings made known to the offices totalled 3,130. In the last several weeks, demand has been brisk in various sections of the State for workers needed in woods operations, shoe manufacturing, and service activities. However, the supply of labor has, for the most part, proved adequate to meet the demand as it has arisen, and for this reason job openings except in a small number of occupations, are not remaining unfilled for any length of time.

EMPLOYMENT ADVANCE IN PROSPECT

Job opportunities probably will be somewhat limited in the next month or two, but it appears likely that towards the end of May there will be a marked upswing in the demand for labor in nearly all sections of Maine. Not only should normal advances in seasonal industries begin to take shape, but, according to the present outlook, greater-than-seasonal demand for labor will develop in some activities. The construction industry, stimulated by an accelerated public works program and planned expansions of industrial facilities, should provide more jobs than in 1952, despite a possible decrease in residential construction. Employment in agriculture should be higher than last year when crop production was drastically reduced by the summer drought, and, provided crop losses are not extensive again this year, jobs in the vegetable canning industry should also be much more numerous than in 1952. Some of the State's major nonseasonal industries appear to have reached a leveling-off point, following a period of gradual—and in a few instances, rapid—expansion, but, as far as can be determined, no contractions in these activities are in prospect in the foreseeable future. Consequently, the general employment picture should be very favorable during the latter part of the coming spring and throughout the summer months.

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