2-1-1955

Labor Market News Letter, February 1955

Maine Employment Security Commission

Follow this and additional works at: http://digitalmaine.com/cwri_docs

Recommended Citation

http://digitalmaine.com/cwri_docs/145

This Text is brought to you for free and open access by the Labor at Maine State Documents. It has been accepted for inclusion in Center for Workforce Research and Information Documents by an authorized administrator of Maine State Documents. For more information, please contact statedocs@maine.gov.
Labor market trend indicators in recent weeks have lacked consistency — some appearing to warrant optimism, others not being especially promising — with regard to determining the course of general economic developments in Maine. For the most part, however, soft spots in the economic picture are pretty much offset by areas in which strength is being shown, and as a result there appears to have been neither real deterioration nor marked improvement in over-all labor market conditions.

Employment in nonfarm activities as a whole dropped off rather sharply between December and January, there having been 268,300 workers on the pay rolls of nonagricultural employers in the middle week of December as compared with 260,200 in mid-January. The indicated 3 per cent decline, while attributable primarily to curtailments in activities which normally experience contractions in the winter months, was due in part to cutbacks in industries which are not subject to seasonal influences.

The December-January decline, involving 8,100 jobs, was comparable to the decrease between the same months last year, when nonagricultural employment dropped by 2.9 per cent from 269,500 in December 1953 to 261,500 in January 1954. On a nation-wide basis, total employment in nonfarm establishments showed a 3.4 per cent, thirty-day decline to January 15 this year. Consequently, the relative employment loss for January in Maine was not as great as for the nation as a whole and it was only slightly higher than the State’s job decrease of a year ago.

Seasonal job curtailments were heaviest in the food processing, retail trade, government, and contract construction fields. The release of temporary workers hired for the Christmas rush period in stores and in the postal service accounted for the layoffs in trade and government, while weather conditions caused a falling off in construction work. Job reductions which were not wholly seasonal in nature occurred in the woolen textile industry, and several metalworking establishments were forced to cut their production because of a lack of orders. The drop in food processing was in line with customary trends at this time of year for the industry.

Employment gains were made in a few activities between December and January, and in two industries — lumbering and shoe manufacturing — the advances were fairly large. Workers with jobs in lumber and wood products increased by 1,000, to a January employment level of 18,500, and increased labor requirements in shoe factories caused total employment in the leather and leather products group to rise by 700 to 20,700. The number of persons on the pay rolls of employers classified in the leather and leather products industries is 7.3 per cent higher than a year ago.

The volume of unemployment insured under the Employment Security Law followed an upward trend during the fall and early winter, reaching a peak in January for which month the average weekly number of persons in an insured unemployed status totalled 14,200. The trend turned downward in February, and by the middle of the month the weekly average had dropped to 13,700. The decrease in February was due largely to claimants exhausting unemployment insurance benefits to which they are entitled, if otherwise qualified, within the current benefit year ending on March 31.
Job separations, reflected in the number of workers reporting to local offices of the Maine Employment Security Commission for the purpose of initiating UI claims series, have not been as numerous during the first weeks of 1955 as they were in a corresponding period last year. In fact, claims load trends indicate that the rate of newly incurred unemployment is running about 16 per cent under a year ago. A large proportion of “initial” claims received have been from workers laid off from the contract construction, metalworking, and woolen textile industries. Relatively few of the workers affected by end-of-year layoffs in retail trade and government service were eligible for UI benefits.

Demand for labor has fallen off in some activities in the last few months, but the total number of job opportunities available is fairly substantial as is illustrated by the fact that on February 1, local offices had job openings for 6,377 workers. The greatest need is for woods workers—the lumber and wood products industries accounting for about 94 per cent of the jobs currently listed with the MESC offices. Labor demand appears to be greater than a year ago, there having been 5,440 openings listed with the local offices as of February 1, 1954.

The supply of labor has proved numerically adequate to meet demand which has been represented in job orders received by the public employment offices. Only in a few instances have employers encountered shortages of workers, and in each such case the shortage has been due to localized occupational deficiencies in the supply.

At present, a total of 21,870 workers are registered for work with the MESC offices. These workers are classified according to the following broad occupational groups: professional and managerial — 560; clerical and sales — 1,755; service — 1,004; skilled — 4,211; semiskilled — 5,422; and unskilled — 8,918.

Average hourly earnings of production workers employed in Maine manufacturing industries have remained very stable in the past few months. In January the average was $1.444, as compared with $1.448 in December; $1.448 in November; and $1.439 in October. Hourly earnings rates continue to be at the highest level on record, and it is noted that the January average was 4.4 cents above that for January 1954. The over-the-year gain was reflective of increased rates in several industries, there having been relatively few in which the average earnings of employed workers declined.

The average workweek for production workers, at 41 hours per week in the middle week of January, was higher than it has been since March 1953. As is usually the case, the average has been moving upward since the fall period, and while it does not approach record winter levels of prior years, it does indicate that work schedules in many manufacturing industries are steadier than a year ago. Layoffs in the latter part of January and the first part of February may have an adverse effect upon the over-all average, but production requirements in most leading industries appear to be greater than last year.