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Labor Market News Letter, June 1955

Maine Employment Security Commission

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Seasonally expanded labor requirements in a number of industries have resulted in marked improvements in general labor market conditions during the past several weeks. Increased hirings have served to reduce the total volume of unemployment, but the over-all supply of labor has continued to be more than adequate to meet most of the demand that has arisen. An excessive amount of unemployment still exists in a few communities which have been affected adversely by factory shutdowns, and fish canning plants in several coastal towns have been slower than last year in absorbing locally available job-seekers. However, impressive employment gains have been made in certain areas since mid-winter, and prospects appear to be excellent for a continuation during the next few months of the upward trend in the total number of workers with jobs in Maine.

Employment in nonfarm activities was higher in May than in any preceding month this year — the number of jobs held by nonagricultural workers during pay periods ended nearest the 15th of the month having totalled 264,800. This was higher by 2.5 per cent than the low point for the year — 258,200 in March — and was 1.8 per cent above the previous high of 260,200 which occurred in January. Although the composition of the employed nonagricultural labor force underwent considerable change over the twelve-month period, total employment in Maine last month was at almost the identical level reached in May last year.

The seasonal upswing in job opportunities which has manifested itself in the last month or two has been especially pronounced in the contract construction, lumber and wood products, and trade and service industries. While employment advances of some magnitude may be expected each spring in each of these fields, they are not always so extensive as they have been this year. Between April and May, these industry groups accounted for an aggregate increase of 7,400 in the number of employed workers in the State. Other industries having noteworthy gains for the period included food and kindred products, paper and allied products, and transportation. Employment declines in the April-May period occurred in cotton textiles, shoe manufacturing, nonelectrical machinery, and government.

Over-the-year employment gains were achieved in a number of different industries, whereas declines were confined to the primary and fabricated metal products, textile, and food processing industries. Employment reductions in metal product establishments reflected the effects of curtailments in government procurement spending; the drop in textile jobs was attributable primarily to plant closings and to a labor dispute in three establishments; and lower employment than last year in food processing activities apparently was caused by the inability of sardine canning plants to obtain fish suitable for packing.

Of the gains registered during the May 1954 — May 1955 period, the most sizable were made in shoe manufacturing, contract construction, and shipbuilding. Employment in the shoe industry, under the pressure of seasonal influences, dropped off slightly during the spring period, but it was higher by approximately 6 per cent — or about 1,100 jobs — than a year ago. Hirings in the contract construction field have been more extensive than usual, causing total employment in the industry to reach an all-time May peak this year of 14,600 jobs — 900 more than in May 1954. Accelerated activity has been in evidence in many ship and boat building establishments with the result that employment in the shipbuilding industry as a whole showed a twelve-month rise of nearly 1,000 jobs to a May level of 4,550.
The volume of unemployment insured under the Maine Employment Security Law has been following a downward trend during the past several weeks as many previously unemployed workers have — on their own part and through the efforts of the local public employment offices — been able to find jobs. During the middle week of June, 10,450 persons were in an insured status under the UI program as compared with 14,250 in the corresponding week in May and 15,200 in mid-April. A year ago, 11,250 persons constituted the insured unemployed during the middle week of June. The ratio of insured unemployment to total covered employment dropped from 8.7 per cent in April to 6.4 per cent in June, but Maine’s rate still is significantly higher than the nation-wide ratio which in the second week of June was 3.4 per cent. Similar rates for the other New England States early in June were: Connecticut — 2.5 per cent; Massachusetts — 3.1 per cent; New Hampshire — 4.8 per cent; Rhode Island — 6 per cent; and Vermont — 4.1 per cent.

Persons seeking work through the facilities of the local employment offices have declined in number since the winter months, but the supply of labor, as indicated by work registrations, still appears to be rather appreciable in size. As of June 1, 17,434 men and women had active work applications on file in the offices. On March 1, the number of registered job-seekers totalled 22,500, and a year ago the number totalled over 20,950. Workers registered at the first of the current month were classified according to broad occupational categories as follows: professional and managerial — 431; clerical and sales — 1,391; service — 834; skilled — 2,878; semiskilled — 4,885; and unskilled — 7,015.

Shortages of qualified workers in certain specific occupational classifications have developed in a few local areas during recent weeks, but such shortages have been due largely to sudden spurts in the demand for workers of a type not ordinarily available to any great extent in the local labor markets in which the needs have arisen. Additional temporary labor supply deficiencies of a qualitative nature may come to light in the next few weeks, as further employment expansions become necessary in seasonal activities; however, none should create insuperable recruitment problems and it is highly unlikely that localized occupational shortages will be serious enough to disrupt the operating plans of employers seeking additional labor.