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Labor Market News Letter, February 1957

Maine Employment Security Commission

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Employment Picture — Employment conditions in Maine appear, on the basis of general labor market trend indicators, to be comparatively favorable. Total employment dropped off seasonally early in the winter and there were scattered job losses which were other-than-seasonal in nature. However, the overall employment level remained high in comparison with past years’ trends. A few weak spots still exist in the State’s economic picture, but on the whole the job outlook at least for the next several months seems to be promising.

Nonagricultural Employment — Current estimates indicate that total employment in nonfarm industries in Maine, although down seasonally from last fall, has continued at a relatively high level for the winter months. In mid-January, over 273,300 workers were on the payrolls of nonagricultural employers in the State as compared with 271,500 in January 1956 and 264,000 in January 1955.

Jobs at a Peace-Time High — The January total nonfarm employment figure this year, not only was considerably above both last year and the year before, but it represented a peace-time record high for the month. Although later estimates are not yet available, reports received from many individual employers point to a continuation of strong over-all employment trends in February.

Manufacturing Jobs Down — Aggregate employment is higher than a year ago primarily because of expanded labor requirements in nonmanufacturing activities. The total number of persons with factory jobs declined by approximately 2,100 during the past twelve months whereas nonmanufacturing industries registered an over-the-year gain of about 3,900 jobs. During the middle week of January, 107,000 persons were employed in manufacturing industries while nonmanufacturing jobs totalled 166,300.

Textiles and Shoes — The twelve-month employment loss in manufacturing was attributable largely to decreased requirements in the textile and shoe industries. In January last year employed textile workers numbered 18,200 while the leather and leather products industries — of which shoe manufacturing is the leading component — provided jobs for 22,700. Employment in these two industry groups in January this year was: textiles — 16,300, and leather and leather products — 21,900.

Other Manufacturing Declines — Declines from a year ago were noted in a few other manufacturing industries, but these were not particularly sizable or significant. Among the manufacturing industries showing over-the-year reductions were: primary metals, nonelectrical machinery, transportation equipment, lumber and wood products, food and kindred products, and furniture and fixtures.

Some Manufacturers Showed Gains — Employment expansions — some rather heartening — occurred in several manufacturing industries during the January 1956 — January 1957 period. Although gains in such industries were not great enough to offset contractions in other manufacturing, they gave evidence of underlying strength in the State’s economy. Manufacturing groups achieving twelve-month increases included fabricated metals, stone and clay, apparel, paper and allied products, printing, chemicals, scientific instruments, plastics, and electrical machinery.

Hourly Earnings Highest on Record — The average hourly earnings of production workers employed in manufacturing establishments in Maine reached $1.618 per hour in mid-January. This was the highest average hourly rate on record, being nearly twelve cents per hour ($0.119) higher than in January 1956. Production workers in the transportation equipment industry group enjoyed the highest January earnings rate — $2.145 per hour. Other comparatively high rates were: fabricated metals — $1.997; paper and allied products — $1.985; and nonelectrical machinery — $1.985.
Average Workweek Off Slightly — The average workweek for factory workers, at 40.9 hours in the middle week of January, was down from December when the average weekly number of hours worked was 41.3 hours. The January average also was off slightly from the averages for the corresponding month in each of the past six years, except 1954. The dip in hours worked did not appear to be unusually severe, having paralleled a December-January decline last year. However, it was responsible for a small December 1956-January 1957 cut — from $66.40 to $66.22 — in the average weekly earnings of employed workers.

Job-Seekers More Numerous — Seasonal employment curtailments in the late fall and early winter caused an upswing in the number of workers in the labor market, and, as is the case nationally, the volume of unemployment in this State is somewhat higher than a year ago. On February 1 a total of 19,334 persons had active applications for work on file in the local employment offices of the Maine Employment Security Commission as compared with 17,014 on January 1 and 14,688 on December 1. Last year, job-seekers registered in the local offices numbered 16,737 on February 1.

Claims for Benefits — Claims for unemployment insurance benefits, although running above last year, dropped off by 13.3 percent between the first of January and the middle of February. Benefit rights exhaustions, together with scattered rehires — especially in shoe manufacturing and textiles — accounted for much of the decline. Latest figures indicate that around 12,400 persons are now filing weekly claims. Of the current claimants, approximately thirty-six percent live in or nearby the cities of Portland, Lewiston, Biddeford, and Rockland.

Rate of Insured Unemployment — In the first full week of February, the rate of insured unemployment in Maine — i.e., the number of persons filing compensable or waiting period credit claims expressed as a percentage of average monthly employment in covered activities — was 5.6 percent. This was higher than the nation-wide rate of 4.4 percent but was lower than the ratios for fifteen other States. Rates for the other New England States were: Connecticut — 3.5 percent; Massachusetts — 4.8 percent; New Hampshire — 4.3 percent; Rhode Island — 7.9 percent; and Vermont — 4.2 percent.