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Labor Market News Letter, April 1957

Maine Employment Security Commission

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Employment Conditions — Developments affecting Maine’s labor force were somewhat mixed during the latter part of the winter and in the first weeks of spring this year. Greater-than-seasonal declines occurred in the amount of employment in a few industries, causing the total number of employed nonfarm workers to fall below last year’s level. On the other hand, exceptional strength was noted in some segments of the State’s economy, and, as a result, the over-all volume of unemployment, for the moment at least, is slightly less than it was a year ago.

Trends were Downward in Winter — Jobs in nonagricultural activities totalled 268,000 in the middle week of March as compared with 271,600 in mid-February, 273,300 in weekly payroll periods ending nearest January 15, and 284,400 in December. A downtrend occurs almost invariably during the first three months each year; so, the direction of the trend was in conformity with usual expectations. However, the December-March decline of 5.8 percent this year was somewhat sharper than for the corresponding period a year ago when nonfarm jobs dropped 4.6 percent.

Level Lower than Year Ago — The number of workers on the payrolls of nonagricultural establishments was lower in both February and March than in the comparable months of 1956. This was the first time in two years that employment in a current month was not greater than in the same month of the preceding year. Over-the-year decreases in both February and March were not appreciable — the February level was off by but 0.5 percent while March employment was down only 0.3 percent. These rates of decline did not appear to be great enough to reflect any significant change in general business conditions, but they were indicative of at least a temporary leveling off in the long-range upward movement in employment which has been in force since the end of 1954.

Manufacturing Employment — Trends in manufacturing jobs have dominated the overall employment picture in recent months, the total number of factory workers with jobs having dropped from 108,300 in December to 103,300 in March. Declines, largely seasonal in nature but in some instances attributable to product-demand factors, occurred principally in the lumber and wood products, fabricated metal products, food processing, and paper making industries. Manufacturing industries which showed gains between December and March included the transportation equipment, woolen textile, and leather and leather products groups. Between March 1956 and March 1957 — when factory employment fell off by 2,600 jobs from a level of 105,900 — the textile, shoe, primary metals, and logging industries experienced sizable reductions which more than offset expansions in the paper, printing, chemicals, and plastics groups.

Nonmanufacturing Activities — The number of nonfarm workers engaged in nonmanufacturing activities, although off seasonally during the winter months — employment in this sector, because of seasonal cutbacks in outdoor, trade and service occupations, dropped from 176,100 in December to 164,700 in March — was greater in March than a year ago when 162,800 were on the payrolls of nonmanufacturing employers. Expansions causing the twelve-month advance of 1.2 percent were noted in contract construction, finance-insurance-real estate, and in government.

Labor Demand Indicators — Demand for labor, as measured by worker referral requests received from employers by local employment offices of the Maine Employment Security Commission is holding up remarkably well. On April 1, job openings listed with the offices totalled 3,201. Industries accounting for the largest number of job openings included logging and lumbering, garment and shoe manufacturing, transportation and public utilities, retail trade, and service. Demand for labor has been climbing week by week since the first of April as job opportunities have opened in enterprises which normally expand in the spring, and it is expected that stepped up hiring will continue into the summer months.
Supply of Available Labor — Labor requirements in expanding industries are being met satisfactorily through the utilization of currently available workers and other job-seekers, both youths and adults, who are entering the labor market. As of April 1, persons seeking employment through the facilities of local employment offices in Maine numbered 18,948. Of these workers, 7,148 were females. The registrants classified on a broad occupational group basis in the following categories: professional and managerial — 440; clerical and sales — 1,616; service — 935; skilled — 3,774; semiskilled — 4,765; and unskilled — 7,418.

Insured Unemployment — Unemployment in the State is approaching a seasonal peak for the year, but the current volume of persons out of work is somewhat lower than for the spring periods of the last few years. Workers in an insured unemployed status — i.e., those claiming waiting period credits or weekly benefits under the State unemployment insurance program — numbered 12,034 during the middle week of April as compared with 12,693 in the same week last year, 14,510 in mid-April 1955, and 19,386 in 1954.

Rate of Unemployment — At the first of April the rate of insured unemployment — computed on the basis of the relationship of insured unemployed to average monthly employment in establishments subject to the Maine Employment Security Law — was 6.2 percent. The nationwide ratio for the same week was 3.8 percent, while rates for the other New England States were: Connecticut — 2.8 percent; Massachusetts — 3.9 percent; New Hampshire — 4.2 percent; Rhode Island — 7.8 percent; and Vermont — 4.1 percent.