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Labor Market News Letter, June 1957

Maine Employment Security Commission

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Labor Market Highlights — Various indicators reveal that over-all economic activities in Maine have been at a high level during the past few months although, in some respects, slightly off from a year ago. Demand for labor was very brisk during April and May but the usual spring upturn in employment was restrained somewhat by lower total labor requirements than last year in a number of major industries. The volume of unemployment in the State is a bit higher than at this time in 1956. However, the available supply of labor, except in a few communities, is not excessive. In fact, localized shortages have materialized with respect to job vacancies which currently exist in fifty-three different occupational classes.

Labor Demand — Job opportunities — especially in industries which customarily expand in the spring and summer months — increased sharply during April and May. During this two-month period, job openings made known to the local employment offices of the Maine Employment Security Commission totaled 13,661. Nearly half of these jobs — or 6,815 — were in woods operations in which bonded Canadians might be utilized provided qualified resident woodcutters could not be recruited. The remaining openings were scattered among other industries, with the greatest concentrations being in construction, food processing, retail trade, and service.

Hard-to-Fill Openings — Qualitative deficiencies developed in the labor supply of several communities as demand for labor grew heavier during the spring. Where such localized shortages occurred, local employment offices were forced to attempt to recruit out-of-area labor for the hard-to-fill vacancies. In many cases these recruiting efforts were successful, but at the present time shortages involving 356 nonagricultural jobs exist in 53 different occupations. The current shortages are distributed on a broad occupational group basis as follows: professional or managerial — 45; clerical — 1; service — 20; skilled — 92; semi-skilled — 16; and unskilled — 182.

Registered Job-Seekers — Although the supply of labor in the State was augmented during the spring by the entrance into a job-seeker class of youths and adults who had withdrawn from the labor force in the winter months, the expanded needs of employers have been great enough to absorb most of the new entrants and some of the workers who were in an unemployed status at the end of the winter. Between April 1 and May 1, workers actively seeking employment through the facilities of the local MESC offices increased in number from 18,948 to 19,566, but by June 1 the number of registrants had dropped to 16,130. Despite the decline in available job applicants during the spring, the number of job-seekers in the local offices is greater now than a year ago, as is illustrated by the fact that on June 1, 1956, registrants totaled 14,270.

Age and Sex Characteristics — Contributing to labor recruitment problems encountered by local employment offices is the matter of age and sex specifications in orders received from employers. In a large number of cases, jobs listed with the offices are for male workers in age classes under forty-five years. Considering that nearly forty-three percent of the June 1 registered job-seekers were 45 years of age or over and approximately forty-eight percent were females, it is apparent that rigid hiring specifications could have a seriously restricting effect upon the utilization of available labor.
Insured Unemployment — The number of persons becoming unemployed in May was slightly higher than in the same month in both 1956 and 1955. Last month 6,984 initial UI claims were filed by workers separating from their jobs, whereas initial claims totaled 6,810 in May 1956 and 6,458 in May 1955. The average weekly number of persons in insured unemployment — i.e., workers in a continuing unemployed status — was 11,595 in May this year as compared with 11,375 a year ago and 15,090 in May 1955. It would appear from these claims data that unemployment in the State as a whole is not, on a comparative basis, unusually extensive. Some localities, however, are faced with rather large and growing surpluses of labor because of cutbacks, especially in cotton textile plants.

Rate of Unemployment — In the first week of June, there were 9,993 claimants in insured unemployment under the State UI and unemployment compensation programs for Federal employees. This number represented 4.9 percent of average monthly employment in covered activities. The nation wide insured unemployment rate was 3.2 percent, while rates for the other New England states were: Connecticut — 2.5 percent; Massachusetts — 3.4 percent; New Hampshire — 4.3 percent; Rhode Island — 6.4 percent; and Vermont — 3.0 percent.

Nonfarm Employment Trends — The number of workers on the payrolls of nonfarm employers increased 2.9 percent between April and May from 266,200 to 273,800. This over-all rise was accomplished through employment expansions in several major industries—particularly, lumber and wood products, transportation equipment, food processing, paper making, construction, trade, and service. The spring upturn was not as great as last year, however, and, as a result, May represented the fourth consecutive month in which employment was lower than in the same month of 1956. Employed nonfarm workers in May 1956 totaled 276,100.