SPOKANE -- Intermountain area

major center east of the Cascades, west of the Rockies

Employment Well Below Year-Ago Levels

In January 1948

Employment in Spokane at the beginning of 1948 was at its lowest point in two years. Seasonal factors contributed to recent losses in employment which amounted to a low point in the winter months. In the longer-range trend, several industry groups showed substantially lower employment levels this year than last. Small increases over the year in a number of other activities and a reasonable gain in construction fostered hope the downward trend. The result was a 7.1 percent net decline in nonagricultural employment (exclusive of domestic workers and self-employment) between January 1947 when 63,900 were employed and January 1948 when 59,400 were at work.

Peak employment—64,500—was reached in March when payrolls in nonfarm enterprises were still high and before force reductions in military establishments had reached any great number. The downward trend began in April and has continued steadily since, with the exception of a slight rise in the early fall months when fruit processing and construction were at their peaks.

Fewer Female Workers Too

Employment of women has followed the general downward trend, although the decline for female workers was relatively more severe (16.5 percent) than among male workers. A large jump in female employment occurred at the Christmas shopping season, but employment levels in trade returned quickly to normal after the holidays. About 13,000 women were laid off as soon as the season was concluded.

Government Retirement Ends Industry Declines

Total government employment during the war had virtually quadrupled from the 1940 level because of the location of several large military installations in the area. Decline in employment at these establishments set in soon after the cessation of hostilities, and the retirement process continued through 1947. These military establishments experienced a decline in civilian employment of over 3,300 workers in the course of this year. This was by far the most outstanding loss—almost 40 percent—in the area.

All other manufacturing activities netted gains with the exception

The Spokane area, encompassing with Spokane County, is dominated by the city of Spokane which includes 90 percent of the county's population. It is the only city of metropolitan proportions located east of the Cascade foothills in the Pacific Northwest. The area with total employment over 70,000 at the beginning of 1948, is primarily a trading center for a large and prosperous, agriculturally mining and lumbering region.
of trade which employed about 400 fewer workers. Construction began the new year with payroll 10 percent above last year. Despite the sizable gain in construction employment, the industry failed to achieve the high degree of activity predicted at the beginning of the year. Shortage of materials was a handicap throughout the year and contributed, along with seasonal factors, to substantial fluctuations in employment.

Manufacturing Industries Lose Ground

All manufacturing employment—comprising less than 50 percent of the total nonagricultural work force—totalled 11,000 in January 1948, 6.1 percent below a year ago. Every major industry group lost ground. Although the actual number of workers involved did not exceed 100 in any one of the major industries, the relative declines were quite significant in food processing and nonferrous metals.

In food processing plants, employment has fluctuated seasonally and in reaction to market conditions. There has been evidence of consumer resistance to present prices and a loss of some eastern markets due to high freight rates.

Primary nonferrous metal production went down sharply the first six months of the year, then recovered in response to improving demand for aluminum sheet. But as of the first of the year, employment in this industry was still over 10 percent below a year ago.

Employment in the area's third important manufacturing activity—logging, sawmills, packing plants, and wood products—was fairly stable throughout the year, except for a shutdown which resulted from a dispute between operators and the union. The strike affected about 1,000 workers and lasted from June to September.

Unemployment Lower Despite Employment Decline

While employment declined, unemployment failed to increase as might have been expected. Actually, about 550 fewer persons without jobs were seeking employment at the beginning of this year as compared with a year ago. Continued claims averaged 3,350 in January 1948 as compared with 3,617 in January 1947. The lower unemployment rate is believed to be due to the retirement of large numbers of workers from the labor force; namely, veterans who have filled to capacity every college within 100 miles.
of Spokane; housewives who have not actively sought work; and older workers who have retired.

The area was fortunate in having no excessive unemployment during 1947. In January 1947, at the peak of unemployment, the estimated total constituted slightly over 5 percent of the labor force, while in May, the month of least unemployment, it dropped to slightly over 2 percent. Seasonal conditions have been the foremost among the factors affecting unemployment. During January and February claimants came chiefly from among construction and logging workers unable to work because of weather conditions and sales people no longer needed in retail establishments. An early spring removed 900 applicants from the compensation rolls during the first week in March and began a declining trend that continued unabated until June when two factors caused a moderate rise; namely, entry of student veterans into the labor market, and a decline in aluminum production. After a slight decline as students returned to school, unemployment swung up as unfavorable weather curtailed construction activities to cause a sharp rise in November. With the end of the Christmas shopping season, another rise occurred.

The distribution of job seekers registered for work with the local office in January was widespread among all broad occupational groups. Construction workers at various levels of skills comprised almost one-fifth of all applicants. Job opportunities for this group and for other types of unskilled workers will definitely develop as construction and agricultural work gets underway in the spring. For many service and semiskilled applicants openings may continue to be scarce until late spring. Despite a fairly large number of clerical workers, there are pitifully few qualified typists and stenographers to meet the brisk demand. This occupational group, however, is the only one in which there is a conspicuous shortage of workers.
Greater Selectivity in Hiring

There is a tendency on the part of employers to be extremely selective with regard to applicants. Here and there age limitations are being imposed—women over 35 and men over 50 find it increasingly harder to secure consideration. Even in such occupations as janitor and porter, workers over 50 are not desired. Greater selectivity is also being applied with regard to experience and applicants who are unable to show good experience backgrounds are not desired. This is especially true of clerical and sales people.

Newing in Employment by Spring

Employment conditions are expected to improve with employers estimating a 3 percent rise in payrolls by May. The trend should generally continue throughout most of the year until seasonal declines are felt in the late fall. However, employment may not achieve peak 1957 levels since there is no foreseeable source of employment which can offset the permanent reduction in the number of federal workers. Although there are rumors of new industrial activity in the area, none is yet assured.

Further declines are anticipated only in government, but future losses will be at a much smaller rate. Finance, insurance, and real estate, and service activities foresee no important change in employment levels. Employment gains are forecast for all other activities. Greatest recovery will occur in construction which by May should be well on its way toward full activity. A one-third increase is indicated; there is a large amount of work for which contracts have already been let or for which bidding dates have been announced. Food processing should recoup its recent losses and return to normal levels; smaller increases are foreseen for lumber and wood products, nonferrous metals and fabricated metal products. Relatively small increases should take place in trade by May if the pattern of employment variations this year follows that of last year.

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This article is based on the annual Labor Market Report (March/April) prepared by S. Earl Proctor, senior labor market analyst for the Washington State Employment Service.