

of counties and furniture and lumber manufacturing in rural counties. In the case of transportation equipment, increases in the demand for the industry's output stimulated increases in the demand for labor within the industry. As a result, employment increases occurred along with rising wage payments in the industry. As wages increased in the furniture and lumber industries, employment declined in the rural areas where much of this industry is located.

In general, increases in output per man-hour were negatively associated with employment changes. As new technology was adopted, labor requirements declined, resulting in decreased employment. Employment in food processing in urban counties exhibited the only situation where employment and labor productivity changes moved in the same direction.

Wage changes in other types of employment appeared to be more important in influencing employment changes within the manufacturing industries than changes in the number of jobs per employee. Particularly in the transportation equipment industry, increased wages in other industries resulted in employment declines for both urban and rural areas. In rural counties, rising wage rates in other industries resulted in decreased employment within the textile manufacturing industry. Employment opportunities were important in influencing changes in employment in furniture and lumber manufacturing in rural counties. Declines in employment in this industry were similar to overall industry employment declines in many of these areas.

Changes in the number of firms within the industry were a major factor influencing the change in employment level, particularly in rural areas. The relationships were positive as expected, with the exception of the furniture and lumber industry, where employment declines occurred with only slight changes in the number of firms and the coefficient was not significant. The impact of new firms on employment changes during 1960 to 1970 were greatest for the textile mill, transportation equipment, and electrical machinery manufacturing industries as compared to food processing and furniture and lumber manufacturing.

## SUMMARY

The general objective of this study was to examine the importance of investments in human and natural resources along with other shifters of employment in explaining employment