

FINDINGS

Job Losses Higher in Manufacturing Counties

Since 2000, 2.6 million manufacturing jobs have been lost nationwide. Reduced business investment and a significant decline in exports due to the high value of the U.S. dollar were compounded by increased competitiveness from some low-wage countries. Manufacturing job losses began in August 2000 and continued for 3½ years, unaffected by the national economic recovery that began in November 2001. By 2004, however, some manufacturing industries—wood and non-metallic mineral products used in new home construction, for example—added jobs.

In the face of this national decline in manufacturing employment, more than one in every four (28.5 percent) nonmetro counties depends on manufacturing for its economic base. That is, these counties derived at least 25 percent of annual average proprietor and employee earnings from manufacturing during 1998-2000, and thus are classified as manufacturing-dependent in the 2004 ERS County Typology.

Manufacturing-dependent counties lost manufacturing jobs at roughly the same rate as all other counties during the steepest declines between 2001 and 2002, the latest year for which county-level data are available. Among nonmetro counties, manufacturing employment declined by 6.18 percent in manufacturing-dependent counties and by 5.83 percent in all other counties. Metro areas posted steeper declines of 7.41 percent for manufacturing-dependent and 7.61 percent for all other counties.

In terms of overall employment, counties not dependent on manufacturing were able to post small gains in total employment between 2001 and 2002. In manufacturing-dependent counties, growth in other sectors was not sufficient to maintain employment levels, which fell 0.61 percent in nonmetro counties and 0.81 percent in metro counties.

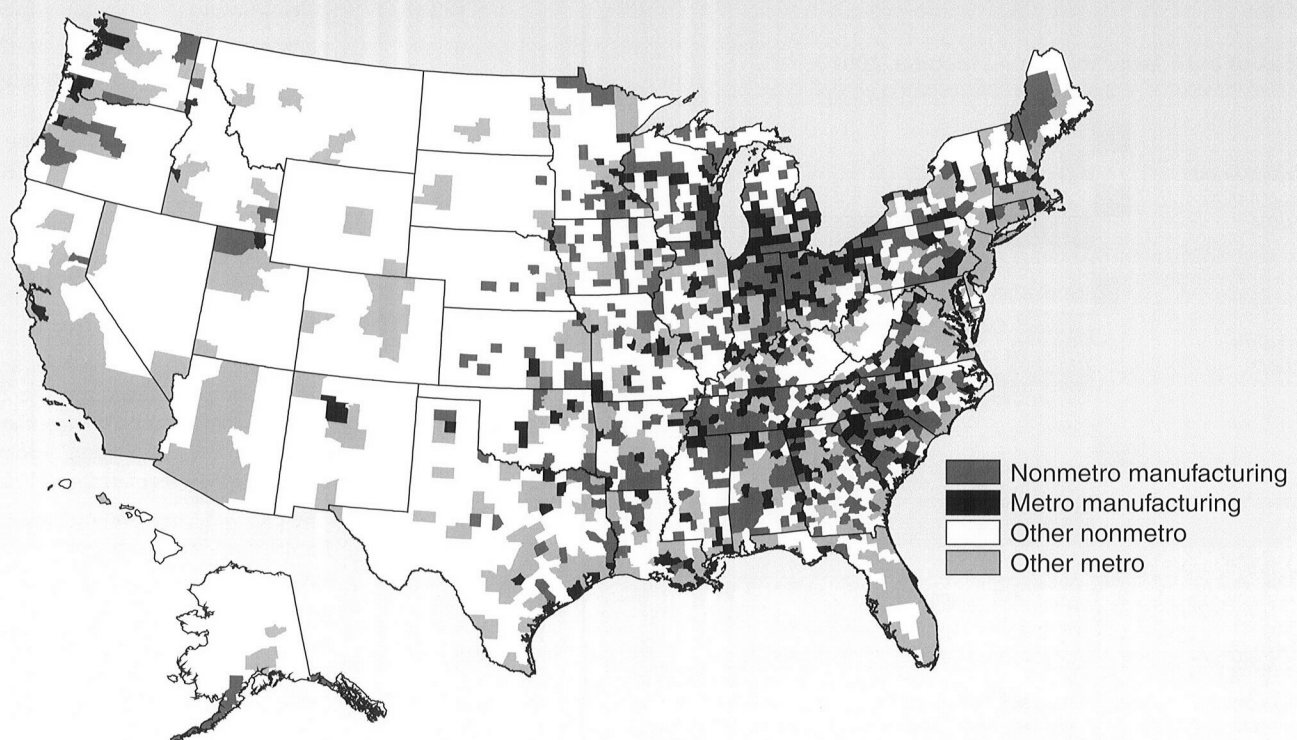
Manufacturing-dependent counties are clustered in the Midwest and Southeast. This concentration of manufacturing activity may create economies of scale and scope that could support job growth. Additionally, many nonmetro manufacturing-dependent counties have larger populations than other nonmetro counties and tend to be adjacent to large metro areas—two factors that may hasten job growth. *W*

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This article is drawn from . . .

The County Typology Codes page of the ERS Briefing Room on Measuring Rurality, at: www.ers.usda.gov/briefing/rurality/typology/

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Manufacturing-dependent counties—an annual average of 25 percent or more of total county earnings derived from manufacturing during 1998-2000.