

PRICES AND WAGES IN MANUFACTURING INDUSTRIES 121

Values of tau and levels of significance are given below for both unskilled wages and for manufacturing wages:

Year	Unskilled wages		Manufacturing wages	
	Tau	Level at which significant	Tau	Level at which significant
1952.....	-0.1189	0.3156	0.1453	0.2743
1955.....	.1695	.1841	.2374	.1292
1958.....	.0634	.4562	-.0586	.3669

None of the values are high enough that we may, with confidence, reject the null hypothesis, especially in view of the fact that the sign on the correlation coefficient seems to shift from positive to negative with little logic.²⁹

Apparently the level and change in wage rates were not importantly associated with labor market condition in the city during this period.³⁰

Wage rates on concentration of colored population

Cities were ranked according to the percentage of their population which was found to be non-white in the 1950 Census and by level of unskilled wages.

Results of rank correlation analysis show the following values for tau and significance levels.

Year	Tau	Level at which significant
1951.....	0.4505	0.015
1955.....	.2747	.095
1958.....	.2527	.115

The results are significant for 1951 at 1-percent level, but increasingly less so for the later years. This may reflect two things:

- (1) The rank of cities ordered by color concentration may be increasingly unrepresentative of the true order, the further in time one gets from 1950; or
- (2) The level of wages may be becoming less sensitive to concentrations of nonwhite population.

Correlating change in unskilled wages on color concentration shows the following values of tau and significance levels. Values for percentage change per hour are shown.

Period: 1951-58:

Percent change

Tau..... 0.3406
Level at which significant..... .0516

Unskilled wage change measured in percentage terms was somewhat significant at about the 5-percent level.

²⁹ The significance level was computed from a one-tail distribution on the a priori notion that wages would be positively correlated with labor market condition. Since this did not turn out to be the case, a two-tailed test may be more appropriate. If so, the significance levels should be doubled and the results become, a fortiori, less significant.

³⁰ But note that of the six cities omitted because of lack of unskilled wage data, two cities, Scranton and Pittsburgh, ranked 20 and 18, respectively, in the cumulative labor market scores. In 1958, Scranton also ranked 20 (i.e., worst) in manufacturing wage level, but Pittsburgh ranked second, behind only Detroit. It seems obvious that the industrial structure—coal versus steel—rather than labor market condition, made the difference.