

TABLE 3— R^E : RATIOS OF EMPLOYMENT CHANGES IN THE 1950s
TO EMPLOYMENT CHANGE IN THE 1960s

	Periods Used for Ratios ^a		
	1954-57 1963-66	1954-56 1964-66	1954-55 1965-66
Industry			
Visible Group			
Ordnance and Accessories	0.804	0.731	0.549
Primary Metals	0.990	1.019	1.095
Fabricated Metal Products	0.960	0.961	0.974
Machinery	0.955	0.979	0.941
Electrical Equipment	0.936	0.916	0.877
Transportation	0.950	0.904	0.971
Chemical and Allied Products	0.984	0.995	1.001
Petroleum and Related Products	1.012	1.002	0.968
Rubber and Plastic Products	0.955	0.970	1.025
Mean	0.950	0.942	0.933
Invisible Group			
Lumber and Wood Products	0.965	0.982	1.012
Furniture and Fixtures	0.979	0.992	1.006
Stone, Clay and Glass Products	0.990	1.025	1.030
Tobacco Manufacturers	0.997	1.048	1.038
Textile Mill Products	0.953	0.958	0.965
Paper and Allied Products	0.998	1.000	0.988
Leather and Leather Products	0.986	0.981	1.000
Mean	0.981	0.998	1.006
<i>t</i> statistic for difference between observed means (none significant at .10 level)	-1.33	-1.61	-1.22

^a The change from 1965 to 1966 was approximated by the change between the April-May average for each year.

port the guidepost explanation offered for the findings with wage changes alone. In fact, the indicated difference between R_V^E and R_I^E is not significant at the 10 per cent level. These results still show that relative employment changes cannot account for the differential in wage behavior that we observe between the visible and invisible industries.

The employment data can be applied to our question somewhat more formally by specifying the following model. Assume the ratio of wage changes in the i th industry to the average wage change in manufacturing is proportional to the ratio of employment change in the i th industry to the average employment change in manufacturing. That is:

$$\frac{W_{t,i}}{W_{t-1,i}} / \frac{\bar{W}_t}{\bar{W}_{t-1}} = a_i \left[\frac{E_{t,i}}{E_{t-1,i}} / \frac{\bar{E}_t}{\bar{E}_{t-1}} \right]$$