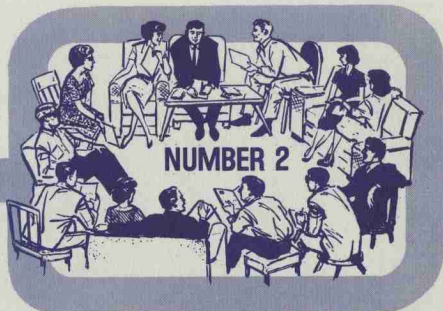


DECISIONS FOR PROGRESS



PREPARED BY THE STAFF OF THE AGRICULTURAL POLICY INSTITUTE, N. C. STATE COLLEGE, RALEIGH, N. C.
FOR THE NORTH CAROLINA AGRICULTURAL EXTENSION SERVICE

Manpower and Growth

One of the essential things of any sound economy is that its manpower produce to its fullest capacity. The ability of an individual to perform in the economy hinges on many factors. The more important of these include education, training and the opportunities available for employment.

With a growing economy and expanding labor force, employment opportunities continuously change. As technology advances, more goods and services can be produced by the same number or fewer workers.

We've already witnessed this on the farm, where mechanization has replaced many farmhands.

Manpower as a human resource controls all other resources. We couldn't begin to make use of our natural resources if it weren't for the inventiveness of man. Man devises, invests and applies technology to develop all other resources.

North Carolina's Manpower

■ We have an abundance of manpower in the state—over 4½ million people. Two out of five live in cities, one-fourth of our people live on farms, while others reside in the open country.

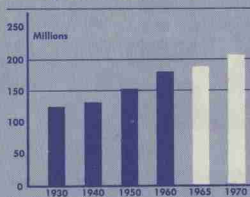
What are we doing with this manpower? We continuously hear of people leaving the farms. Where are they going? Will they leave the county or maybe the state to find employment? Are they trained to do a good job? These are a few of the questions that will have to be answered and solved.

Outlook for the 60's

North Carolina's population will continue to grow, if we follow the national trend. Population in the U. S., by conservative estimates, will increase from 180 million in 1960 to 208 million in 1970. Birth rates are expected to remain high while death rates will decline.

The state's workers will be competing with an expanding national labor force. The rise in the number of workers during the 1960's will be by far the largest for any previous 10-year period. . . . 50% greater than the

Figure 1. Population Growth in U. S., 1930-1970.



increase during the 1950's. From today's 75 million in the national labor force, we will increase to nearly 80 million in 1965 and to over 87 million in 1970.

Due to the baby boom of the late 40's, there will be 46% more young people reaching working age (18) in 1965 than in 1960. Will there be jobs for this sudden upsurge in the labor force? Where will they work? That's to be seen, but the impact of this population increase will depend on how many go to college instead of seeking jobs immediately.

When there is an expansion of job opportunities, the need for workers does not grow evenly in all industries. For example, service industries grow faster than production industries. This is because goods can be produced by relatively fewer workers as technology advances. Those industries which supply professional services increase em-

Figure 2. Young Persons Reaching 18 Each Year in U. S., 1950-1970.



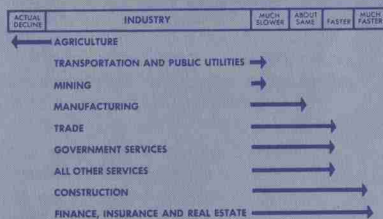
ployment as the economy grows.

Industries will vary in their rate of growth. Total U. S. employment will rise about 20% by 1970. Similarly, the demands for various types of workers change as the economy grows. The occupations requiring the most education and training will grow at a faster rate in the next decade.

In addition to an increase in the size of the labor force, there will be changes in who is working. We'll be seeing more older workers in the labor force. Also, the number of workers under 25 will increase about 46%, while those over 45 will increase 20%. We may see a smaller increase in the number of workers in the 25 to 44 age group.

More women will be working in the 1960's. By 1970 women will account for one out of every three workers in the U. S. The declining farm populations throw more women into the labor market. This is especially true

Figure 3. Rates of Growth by Industry.



(Compared to a 20% Rise in Total Employment in the U. S. During the 1960's.)

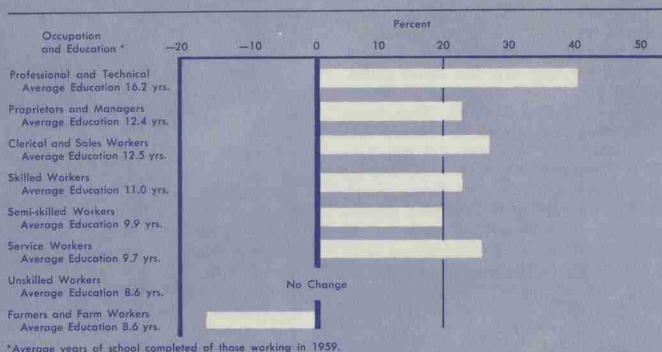
in North Carolina.

By 1970 part-time workers will increase 30% in the U. S. This allows for flexibility in the manpower supply and permits many people to combine employment with school and home responsibilities.

North Carolina doesn't have heavily congested industrial cities to the same extent as the rest of the country. A large share of our labor force lives in rural nonfarm areas and commute to their jobs. This fact, combined with decentralization of industry around the state, means our urban centers are less jammed. Also, we don't have the "ghost towns" which blight many states today, where a mass exodus of people has occurred.

The Negro worker plays an important

Figure 4. Expected Changes in Occupations in U. S., 1960-1970.



role in North Carolina's manpower situation. Yet, differences in occupations by race are extremely evident. The proportion of Negro workers employed as service workers is about five times as large as among white workers. On the other hand, only 4.7% of the Negro workers are classified as professional and technical workers, and as proprietors and managers . . . compared to almost 15% of white workers. Although job differences are less pronounced in recent years between white and Negro workers, there are still further opportunities for employment of Negroes in this state so that they can perform at their fullest capabilities . . . a goal for all workers.

North Carolina is still in a position where she gets most of her additional manpower from the farm. If people leaving the farm don't find employment in the state, then they will go elsewhere to work. Between 1950 and 1960, farm occupations declined to 12% of the state's labor force.

Discuss and Decide

A prosperous economy is vital to all industries. For example, demand for farm products is strongest when the purchasing power of consumers is high. Rapid growth and expansion in an economy creates additional job opportunities, whether the person is reared on the farm or in the city. Let us take a look at how economic growth is related to our manpower situation.

The Problem

We are not making the most of our human resources. Automation has thrown a surplus of workers on the labor market. Many of them are unskilled. Yet the development of mechanized production means more education and skills are needed for workers. Positions that require skilled workers and technicians are vacant and there are shortages of professional people.

Goals

In order to step up the rate of economic growth, and increase incomes and levels of living, it will be necessary to upgrade the productivity of human resources. One possible goal is to increase the ability of workers to qualify for and find employment. There are many other goals which you may feel are appropriate. Spell out your goals for manpower in North Carolina. Then examine the alternatives which are described in the following pages and see which of the alternatives best satisfy your goals.

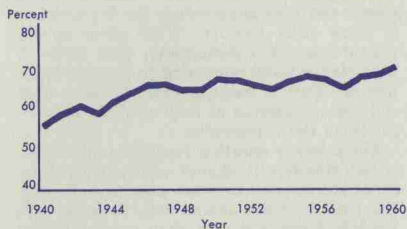
Alternatives

1 Should we continue as we are?

North Carolina ranks 45th in the nation in per capita income. This is quite a low figure. 1960 personal income per person in North Carolina was \$1574 compared to the U. S. average of \$2223.

North Carolina has an active program to create more jobs and to train workers to fill

Figure 5. Per Capita Personal Income in North Carolina as a Percentage of U. S., 1940-1960.



Adapted from Survey of Current Business, U. S. Dept. of Commerce.

jobs. However, there is still a lot of room for improvement. Despite substantial out-migration during the last decade, the labor force expanded 16% in North Carolina. We need to do more than sustain our current rate of economic growth to accommodate the increased labor force.

Despite the increase in workers in higher paying occupations during the past 10 years, we still have a relatively low percentage employed in occupations requiring the most education and training. White collar workers accounted for 30% of the labor force in the state in 1960. On the other hand, manual workers made up 40% of the labor force during the same period. In the nation, the number of white collar jobs exceeded those in manual occupations by the mid 1950's. Thus we have a lag both in creating higher paying jobs and training workers.

② Should we create jobs to fit workers?

We invest thousands of dollars in rearing and educating young people—only to find them migrating to other areas. If this alternative of creating jobs is emphasized, a guideline should be to seek industries which can fully utilize the potential skills of the labor force and the natural resources of the area.

There are many activities which seek to tie industrial expansion to the ability of workers. The North Carolina Department of Conservation and Development, through its Commerce and Industry Division, seeks out industrial prospects for the state. It also provides information on industrial development and works with community groups in locating new industries. In addition, contacts

are maintained with existing industries.

The Employment Security Commission is one agency which can provide tests for various skills of workers. Use of such testing programs can aid in creating jobs that are best suited for the abilities of the local labor force. This agency also maintains data on potential labor available to new industries.

The primary impact of any group action is through mobilizing the natural resource advantages of a particular area. Plants locate at a particular location for certain reasons. Some of them are (1) availability of labor, (2) adequacy of transportation, (3) nearness to local and regional markets, and (4) availability of raw materials.

It should be recognized that the alternative of creating jobs would be more effective if it were pursued in combination with alternative number 3. It should also be considered later on, in light of the relative emphasis that should be given to each alternative.

③ Should we prepare workers to fit jobs?

An effective training program must be planned in light of the prospects for jobs in the future. There are certain things that

Figure 6. Occupations in North Carolina, 1950-1960.

Occupational Group	Percent of Labor Force	
	1950	1960
Professional and technical workers	5.9	7.9
Proprietors and Managers	6.4	6.7
Clerical or Sales Workers	12.5	15.9
Skilled Workers	10.4	11.7
Semi-skilled Workers	24.0	24.8
Unskilled Workers	5.8	5.1
Service Workers	9.1	10.9
Farmers and Farm Workers	24.4	12.3
Occupations Not Reported	1.5	4.7

must be realized when backing educational efforts and preparing people for their best contribution to the labor force. These include:

a. Some vocations or careers offer better opportunities within the total economy than others. We hear much about "growth industries" in which national demand for workers is increasing.

b. It's quite natural for various industries to move to areas where the resources are favorable. It may be that the labor force in a particular area can be trained for the skills an industry seeks or that natural resources are in abundance. These things are

important when an industry decides to make a shift in location.

The basic educational level in North Carolina should be of concern to all. Only 32% of the people over 25 in the state have a high school education. If they can't be trained in high school, then some other methods of training should be sought for young workers. Training programs for persons approaching retirement age are more difficult to put into practice.

North Carolina has a wide range of educational institutions to develop the talents of its people. There are scores of 4-year colleges, junior colleges, and industrial educational centers. In addition, many high schools provide vocational education and there are several technical institutes, night classes and short course programs offered by colleges. Business schools also provide training. Leaflet number 3 discusses our educational system in detail.

Training of workers doesn't necessarily mean that each community will attract industry; in many cases, trained workers will move and locate where the industry is. For the most part, many industries like to locate in the mainstream of commerce. This leads to consideration of the alternative of migration—movement of people to the location of job opportunities.

4 Should we encourage out-migration?

Every day people are moving in search of better jobs. It's a natural situation if a person can earn more money for his abilities in some other location. When these people migrate out of a community, they make it possible for those remaining to increase their income. This is because there is more land and other resources at their disposal as people leave the community.

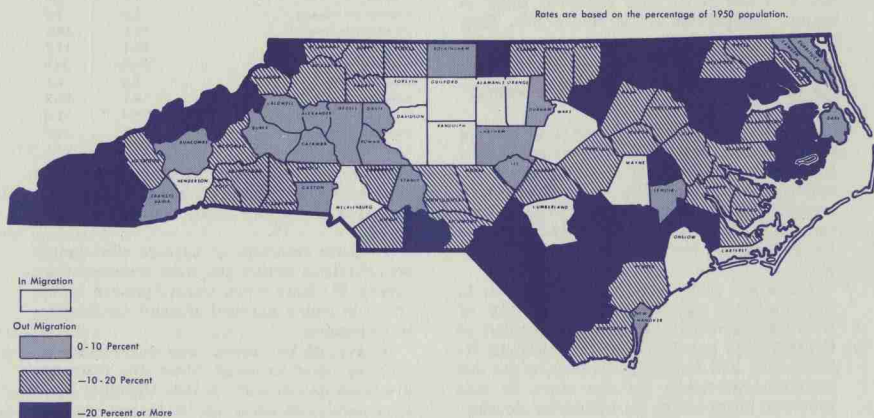
The primary question regarding migration is not whether it should occur, but rather at what rate and in what direction. During the past 10 years almost 300,000 more people left North Carolina than came into the state. This migration, which is 7% of the 1950 population, is almost equal to the combined populations of Greensboro, Durham and Raleigh.

Other factors which should be considered about migration are:

a. Due to differences in job opportunities, there are differences in the rate of migration in various parts of the state. Figure 7 shows that migration from 31 counties amounted to as much as 20% of the 1950 population, compared to only 13 counties gaining in population through migration.

b. There is a decided migration from rural to urban areas within the state. If this didn't

Figure 7. Rate of Net Migration in North Carolina, 1950-1960.



occur, farms would become smaller with a growing farm population to operate them. This isn't economical with today's mechanization. During the 1960's there will be slightly over 100,000 North Carolina farm boys reaching working age. On the other hand, there will be only 2,800 operators of farms with \$10,000 or more in gross farm sales who are expected to retire or die during this period. In other words, there are replacement opportunities on large commercial farms for about 2.8% of the farm youth reaching working age. So in this case, migration appears to be a balancing force.

c. The manner in which industrial and trade areas develop indicates that population growth will differ between counties. As a simplified illustration, suppose one community obtains a manufacturing industry because it has natural advantages for that particular industry. Right away, several service industries are established to supply the needs of the larger industry and its employees. This "snow-balling" effect may explain the concentrations of people around certain urban areas. Mecklenburg County, where Charlotte is located, is a good example of this. The population of this county exceeds that of the state's 25 smallest counties combined.

d. There is a different set of problems for those communities gaining population compared with those losing population. In the growing community, there are extra demands on existing facilities such as housing,

schools and utilities. While in the community with declining population, local trade is reduced and the decision must be made whether to maintain existing institutions by increased cost and leadership, or to reduce and readjust community facilities to the existing population.

Now What?

You've reviewed the manpower situation in North Carolina and seen some of the alternatives which are available. One or more of these alternatives might best suit your community. Discuss these alternatives and see which will most likely benefit your community.

Some questions you might consider are:

1. What changes in population in your area are expected? When will these changes affect the size of your labor force? Will there be jobs available locally or in other areas?
2. In what occupations will new job opportunities be greatest? Do these call for skilled workers?
3. What type of educational and training system is needed to prepare the labor force for the future.
4. Are there local groups actively planning for growth? Who has the responsibility? Are the necessary facts on hand about. . .
 - a. resources of the area
 - b. the resource requirements of various industries
 - c. methods of contacting firms whose needs match the resources of the area?

This leaflet is one of a series designed for use by informal discussion groups. The subject matter is concerned with economic development of North Carolina. The series of five leaflets include: No. 1. *Why North Carolina Must Grow*. No. 2. *Manpower and Growth*. No. 3. *Education and Growth*. No. 4. *Industry and Growth*. No. 5. *Agriculture and Growth*.

Figures 1, 2, 3 and 4 are adapted from *Manpower—Challenge of the 1960's*, U. S. Department of Labor.

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