2. Sector Shifts

Between 1960 and 1980, a second shift in American society occurred that added emphasis to the problem of the entry of large numbers of new people into the economy. This new development was the decline of the American manufacturing sector as an employer. Between these two years, manufacturing employment grew but, as a proportion of total employment, manufacturing employment declined from 31% to 22.4%.[3] Blue collar employment, most commonly associated with unionization and goods production, declined from 37% to 32% of total employment between 1960 and 1980.[4] The shift out of goods-producing employment is striking: between 1950 and 1980, the proportions moved from a balance between goods-producing employment and service employment to an economy where 2/3 of employed people were in service industries in 1980. In terms of output, however, manufacturing was stable between 1960 and 1980 at about 23.5% of GNP.[5]

Within manufacturing, a second shift was taking place, as traditional manufacturing, considered as labour-intensive (textiles), resource-intensive (steel), and capital intensive (refineries), gave way to production based on technology (computers). Table 1-1 illustrates this shift:

Table 1-1. Shares of value added and employment by industry group, 1960, 1970, and 1980
[Percent of manufacturing total]

Group	Value added			Employment		
	1960	1970	1980	1960	1970	1980
High-technology	27	31	38	27	30	33
Capital-intensive	32	30	27	29	30	28
Labor-intensive	13	13	12	21	20	19
Resource-intensive	28	25	23	23	21	20

Source: US Government, Economic Report of the President (Washington, DC: US Government Printing Office, February, 1984) p. 89.