

Conclusions

This report provides a statistical profile of rural manufacturing businesses and includes much information not previously available. The results confirm that rural manufacturers employ a lower percentage of workers in higher-skill nonproduction jobs and that they pay lower wages. Businesses at nonmetro locations tend to perceive fewer problems with cost-related factors, but more problems with access to other firms and infrastructure. In many respects, however, metro and nonmetro businesses are surprisingly similar. They generally reported similar problems with implementing new technologies, skill requirements, worker quality, use of government programs and technical assistance, and sources of financing.

The most widespread concern of both metro and nonmetro manufacturing plants appears to be the quality of labor available. Both metro and nonmetro respondents reported rapidly increasing skill requirements in interpersonal/teamwork skills, computer, problem-solving, and other technical skills. About half said that problems finding qualified job applicants have increased, and quality of local labor was the most frequently cited problem associated with nonmetro business locations. The adequacy of worker skills was the biggest problem encountered by manufacturers when implementing new technologies and management practices.

Many rural development efforts are aimed at improving access to credit, transportation and telecommunications

infrastructure, and technical assistance. In this survey, however, both rural and urban businesses tend to report these as being relatively minor problems.

Infrastructure, training and technical assistance, and tax breaks are important selling points in industrial recruitment efforts, so individual communities have incentives to provide them. The low level of concern with these problems may reflect the success of past policy efforts. In any case, perceived problems with these factors have lower priority with most businesses than do those with labor quality. We should also remember that this survey covered only manufacturing businesses. Businesses in other economic sectors may give different responses.

Both rural and urban communities face the difficult challenge of supplying workers with adequate skills to preserve their manufacturing job base. New technologies and management practices give workers multiple tasks, increase decision-making responsibility, and require them to work in teams. These developments have increased skill requirements, but the needed skills include many that are not emphasized in traditional academic preparation. Among the skills most sought by employers are a reliable and acceptable work attitude, interpersonal and teamwork skills, problem-solving, computer, and technical skills. How to develop these skills will be the subject of further investigation and considerable debate.