

**APPENDIX D1****EMPLOYMENT GROWTH – SHIFT SHARE ANALYSIS**

To further confirm the scale of the challenge, an assessment of the size of the economy that might have been expected, given national economic performance and the Black Country economic structure was prepared by GHK using a shift share analysis (Table below). Shift-share analysis compares local economic performance to national economic performance, by examining the extent to which, on a sector by sector basis, the sectors at a local level perform better or worse, using employment as the measure.

**Employment Growth - Shift Share Analysis (based on 1991 employment structure) ('000 employees)**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
	Actual Change	National component	Col 1 minus Col 2	Col 3 as % 1991 employment	Structural component	Actual minus expected
Dudley	14	10	4	3.6	-3	7
Sandwell	-7	13	-20	-14.8	-8	-12
Walsall	1	10	-9	-8.8	-7	-1
W'ton	-2	10	-12	-11.4	-2	-9
<b>Black Country</b>	<b>7</b>	<b>42</b>	<b>-35</b>	<b>-7.7</b>	<b>-21</b>	<b>-14</b>
Birmingham	-18	46	-64	-12.9	-2	-62
Solihull	25	7	18	24.8	0	18
Coventry	9	13	-4	-3.0	-3	-1
North Staffs	4	16	-12	-6.9	-9	-3
Rest of WM	99	78	21	2.5	-24	45
West Midlands	126	203	-77	-3.6	-59	-17

Source: GHK, 2005