Frictional unemployment is often the result of changes in the demand for labor among different firms. When consumers decide that they prefer Compaq over Dell computers, Compaq increases employment, and Dell lays off workers. The former Dell workers must now search for new jobs, and Compaq must decide which new workers to hire for the various jobs that have opened up. The result of this transition is a period of unemployment. Similarly, because different regions of the country produce different goods, employment can rise in one region while it falls in another. Consider, for instance, what happens when the world price of oil falls. Oil-producing firms in Texas respond to the lower price by cutting back on production and employment. At the same time, cheaper gasoline stimulates car sales, so auto-producing firms in Michigan raise production and employment. Changes in the composition of demand among industries or regions are called sectoral shifts. Because it takes time for workers to search for jobs in the new sectors, sectoral shifts temporarily cause unemployment. Frictional unemployment is inevitable simply because the economy is always changing. A century ago, the four industries with the largest employment in the United States were cotton goods, woolen goods, men's clothing, and lumber. Today, the four largest industries are autos, aircraft, communications, and electrical components. As this transition took place, jobs were created in some firms, and jobs were destroyed in others. The end result of this process has been higher productivity and higher living standards. But, along the way, workers in declining industries found themselves out of work and searching for new jobs. Data show that at least 10 percent of U.S. manufacturing jobs are destroyed every year. In addition, more than 3 percent of workers leave their jobs in a typical month, sometimes because they realize that the jobs are not a good match for their tastes and skills. Many of these workers, especially younger ones, find new jobs at higher wages. This churning of the labor force is normal in a well-functioning and dynamic market economy, .but the result is some amount of frictional unemployment