## **ABSTRACT**

Study is to analyze some factors that affecting employer gap index of manufacturing in Central Java in 2004-2008. Independent variables is employer (X1) and output (X2). Dependent variable is employer gap index of manufacturing in Central Java in 2004-2008 (Y). Samples that took is 35 regency/city with probability sampling methode with sensus sampling technic.

Analysis methode that used is classic asumption test, multikolonierity, heteroskedastisity, normality and autocorrelation test, regression analysis, goodness of fit test, determination coefficient, simultan significancy (F test) and individual parameter significancy (t test). All output adjust with testing criteria.

Employers variable and output has positive coefficient with significancy level is 0,00 and 0,017. Determination coefficient (adjusted  $R^2$ ) is 0,998 or 99,8 percent of employer gap index of manufacturing in Central Java in 2004-2008 can explained with 2 independent variables. 0,2 percent others is out of model.

Keywords: employers, output, employer gap index of manufacturing