

The November Review

The Bureau of Labor Statistics began developing long-term employment projections nearly 60 years ago, soon after World War II ended, to provide career information to veterans reentering the civilian workforce. As Kristina J. Bartsch notes in the initial article this month, the customer base for the BLS projections—which are updated every 2 years—has widened substantially. High school and college students, adult jobseekers and career changers, guidance counselors, career development specialists, and others are now routine users of the information. The *Review* serves as the principal vehicle for a detailed look at the various components of the projections, including projected changes in the labor force and the industrial and occupational mix of employment. This issue presents five articles showcasing the newest set of projections, which cover the 2008–18 period.

Ian D. Wyatt and Kathryn J. Byun present an article describing the macroeconomic projections that serve as a key component in the development of the overall set of projections. The use of 2008 as a base for the new projection period is an example of a rare occurrence, as for just the second time in the last 3 decades a year characterized by an economic recession serves as the basis for the BLS projections. The article discusses projected data on output, productivity, personal savings, and other macroeconomic variables. Although the recession has had a notable impact on the current economy, in terms of job loss and unemployment, the long-term horizon is not expected to change drastically because short-term fluctuations tend to smooth out substantially over the long term. As with most recessions, the downturn's impact has been unevenly distributed throughout the

economy, with some sectors experiencing large job declines and others being not so severely affected. The authors give examples of how some recessionary effects influence the projections.

Labor force projections serve as a crucial parameter influencing all of the macroeconomic, industry, and occupational projections. As described in the article by Mitra Toossi, slower population growth is expected over the projections period than that which occurred in the years spanning 1998–2008. This will, in part, affect labor force growth, which is projected to slow from its 1.1-percent growth rate for the 1998–2008 period to 0.8 percent for the projection period. A shrinking rate of participation in the labor force also will contribute to slower labor force growth. The aging of the population, as the so-called baby-boom generation (those born between 1946 and 1964) moves into age groups that traditionally have lower labor force participation rates, will be one of the prime contributors to the slowing of labor force growth. The continuation of recent trends showing lower labor force participation rates for the youngest working-age groups also is seen as a contributor.

With the foundation for the macroeconomic and labor force projections laid, BLS develops industry employment and output projections at a detailed level. Rose A. Woods points out that total employment in the United States is expected to increase by 15.3 million over the 2008–18 period, rising to more than 165 million. This represents a 1.0-percent average annual growth rate, one somewhat faster than the 0.7-percent annual rate experienced during the 1998–2008 period. In general, BLS does not foresee large structural changes to the economy. The professional and business services sector and the health care and social assistance sector account for more than half

of projected job growth. Construction also is expected to add jobs, whereas manufacturing and agricultural employment is expected to decline, although at more moderate rates than seen historically. With regard to industry employment changes at a more detailed level, the educational services sector is projected to have the most rapid growth in the economy, adding over 800,000 jobs by 2018—an average annual growth rate of 2.4 percent. In terms of output, the information sector, perhaps not surprisingly, is projected to have the fastest growth, increasing by nearly 5.5 percent per year.

The final article in this issue of the *Review*, by Alan Lacey and Benjamin Wright, presents the employment outlook by occupational group, as well as for 750 detailed occupations. It discusses sources of job openings and describes typical education and training for workers in new and existing jobs in the economy. In 2008, the occupational groups with the highest levels of employment were professional and related occupations, and service occupations. Because of their large size, as well as their relatively fast projected growth rates (each over 13 percent, as compared with the 10-percent growth projected for the average of all occupations), these two categories together are expected to add more than 9 million of the 15.3 million new jobs created throughout the economy over the projection period. Both groups also will see their shares of overall employment increase. □

Want more projections?

In addition to the November *Review*, BLS also is issuing a news release providing an overview of the new projections, a special issue of the *Occupational Outlook Quarterly*, and other materials. All of these items are available on the Bureau's Web site (www.bls.gov).