Projections Summary


BLS projections to 2008: a summary

Four articles provide a look at future labor force, industrial, and occupational trends, and the underlying economic assumptions

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The employment outlook to 2008 is the subject of a series of articles appearing in this issue. The projections are the latest by the Bureau of Labor Statistics, and replace those published in this publication in November 1997. The updated employment outlook is the basis for new editions of Bureau publications, including the Occupational Outlook Handbook, Career Guide to Industries, and many related career guidance resources scheduled for release in early 2000. Following is a synopsis of the conclusions of the articles.

Economic trends. Norman Saunders and Betty Su set the stage for the projections by exploring the outlook for economic growth over the coming decade. (See pages 5–18.) Growth in the gross domestic product (GDP) is projected to average 2.4 percent per year between 1998 and 2008, compared with 2.6 percent per year over the preceding 10 years. The projections assume that productivity growth will accelerate slightly relative to the earlier period, and that unemployment will remain near its 1998 level.

The importance of the world economy can be seen in growth rates for exports and imports that far outpace the growth of the domestic economy. By 2008, exports are expected to equal 20 percent of GDP, and imports, 24 percent. Investment spending is also expected to fuel economic growth, but at a somewhat lesser pace than in the 1988–98 period. Overall, Saunders and Su depict a balanced economy generating steady gains in employment with continued low unemployment rates.

Labor force. In the second article, Howard Fullerton presents projections of the growth and changing composition of the labor force. (See pages 19–32.) The labor force is projected to increase by 17 million persons between 1998 and 2008, a rate of growth of about 1.2 percent per year, roughly the same as that experienced over the 1988–98 period. Underlying this trend is a projected growth rate of 1.1 percent in the working-age population and a slight increase in overall labor force participation.

Significant changes in demographic composition will accompany the relatively slow growth of the labor force over the next decade. Growth in the labor force of women will continue to outpace that of men, primarily due to projected differences in labor force participation rates. Male rates will remain essentially unchanged in all age groups, except the 55-and-older group; female rates, for the most part, will continue to increase. As a result, women will increase their share of the labor force from 46.3 percent in 1998 to 47.5 percent by 2008.

As for age, the fastest growth is seen in the 45-and-older groups, reflecting the aging of the very large baby-boom cohorts. With most of this group still a decade or more from retirement, the proportion of the population that is economically active will remain at a record high. By 2008, the median
age of the labor force will approach 41 years, a level not seen in several decades.

Immigration will continue to play a major role in the growth of the U.S. labor force. The Hispanic labor force will expand nearly four times faster than the rest of the labor force, accounting for 12.7 percent of the labor force by 2008, compared with 10.4 percent in 1998.

**Industry.** The industrial structure of the expanding economy is detailed by Allison Thomson. (See pages 33–50.) The U.S. economy is projected to add 20.3 million net new jobs between 1998 and 2008, about the same number as over the preceding 10 years. The distribution of job growth also will be quite similar, with almost all of the increase occurring in the service-producing sectors.

The computer and data processing services industry leads all others in the rate of employment growth, and is expected to expand by nearly 2 million jobs between 1998 and 2008, twice the gain of the preceding 10 years. Although constrained by efforts to control costs, the health services industries are projected to experience substantial growth, adding nearly 3 million jobs over the projection period. In addition, rapid employment gains are projected across a broad range of business and professional services. Employment in manufacturing is expected to remain at current levels, as output growth, particularly in computers and other technology intensive areas, just manages to keep pace with strong productivity growth. Overall, the industrial pattern of employment change in the coming decade is expected to reinforce the already well-established trend toward a service-based economy.

**Occupation.** Douglas Braddock discusses some of the occupational implications of the industry trends. (See pages 51–77.) At the major occupational group level, professionals; managers; technicians; and service, marketing, and sales workers are expected to increase their share of total employment between 1998 and 2008, just as they did in the preceding 10-year period. At the same time, administrative support; precision production, craft, and repair workers; and fabricators, operators, and laborers will experience relative declines.

Computer and health-related occupations dominate the list of the fastest growing jobs, with occupations in a variety of other areas such as social, legal, and financial services and natural sciences filling out the list. Some occupations, because of their size, will generate large numbers of net new jobs, even though they are expected to grow at average or below-average rates. Examples are retail sales and food service occupations.

The changing pattern of occupational employment also means changes in educational requirements. Occupations requiring an associate degree or higher education, which accounted for 25 percent of all jobs in 1998, will account for 40 percent of job growth from 1998 to 2008. In contrast, large numbers of new jobs will require no education and training beyond high school, other than short-term on-the-job-training. This category will account for 57 percent of job growth in the 1998–2008 period.

**The new projections** describe an economy marked by moderate growth, low unemployment, strong foreign markets, and improving productivity. Overall, the economy is expected to add some 20 million new jobs, as well as a much larger number of job openings to meet replacement needs. The now familiar movement to a service-based economy continues unabated. Computer technology, health care, and other professional services dominate the list of fastest growing occupations. Jobs requiring high levels of education continue to grow fastest, although a significant proportion of new jobs have very limited education and training requirements.