



SEPTEMBER 2016

A Look At The Future Of The U.S. Labor Force To 2060

Mitra Toossi

In the next 50 years, demographic changes will significantly alter the U.S. population and labor force. These changes include an aging and more diverse population that will continue growing, but at a slower rate. These changes will impact the growth of the U.S. economy and its ability to create goods and services.

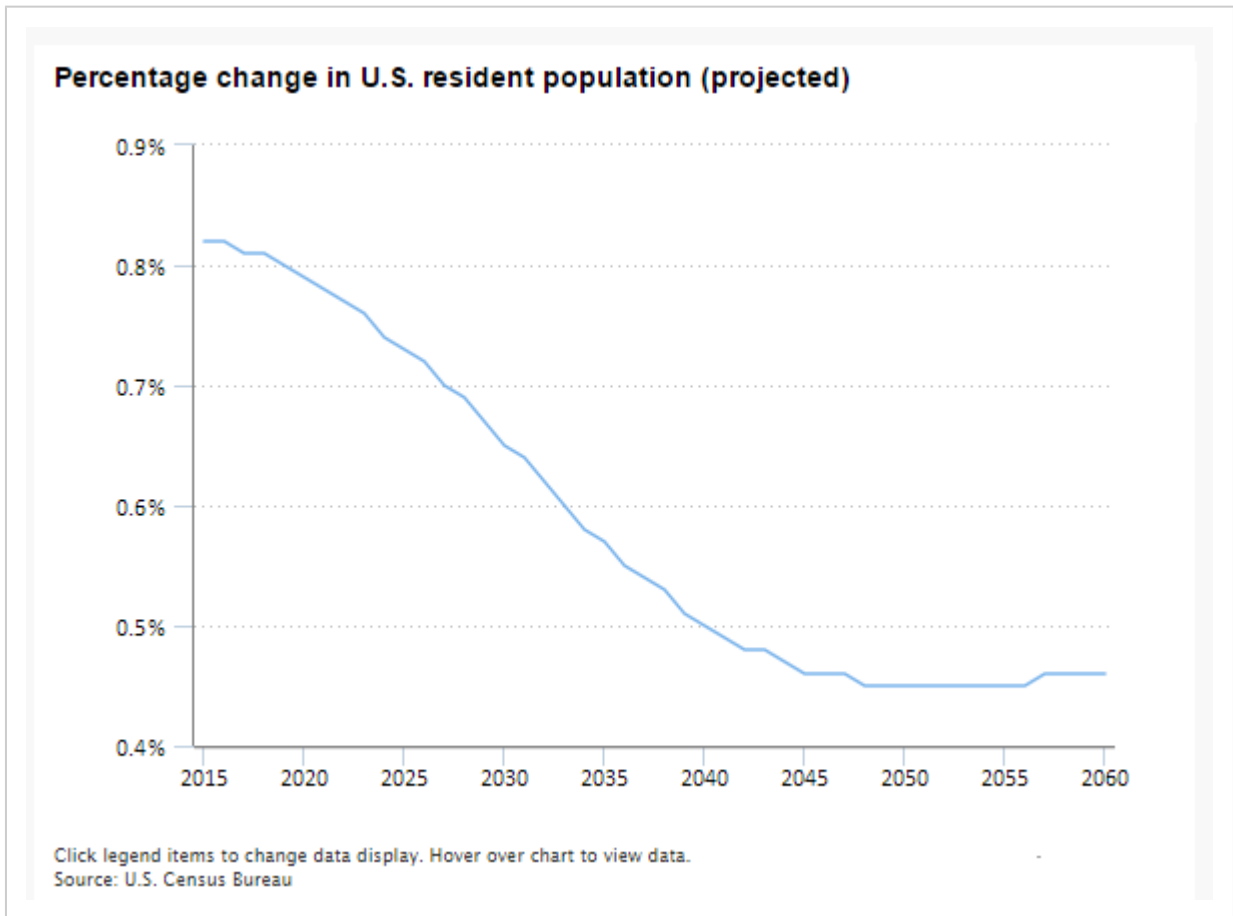
The growth of the labor force is directly related to the growth of the population and changes in the labor force participation rate. A significant part of the changes in labor force growth results from changes in the population. The labor force participation rate has declined substantially since its peak in 2000, for both demographic and economic reasons.

In this Spotlight, we look at projected long-term trends in the growth, size, and composition of the labor force.

Resident population growth is declining

The Census Bureau’s projection of the U.S. resident population uses assumptions about future fertility and mortality rates. In addition, assumptions about immigration to the United States, which has a significant impact on population growth, are added to the assumptions about fertility and mortality.

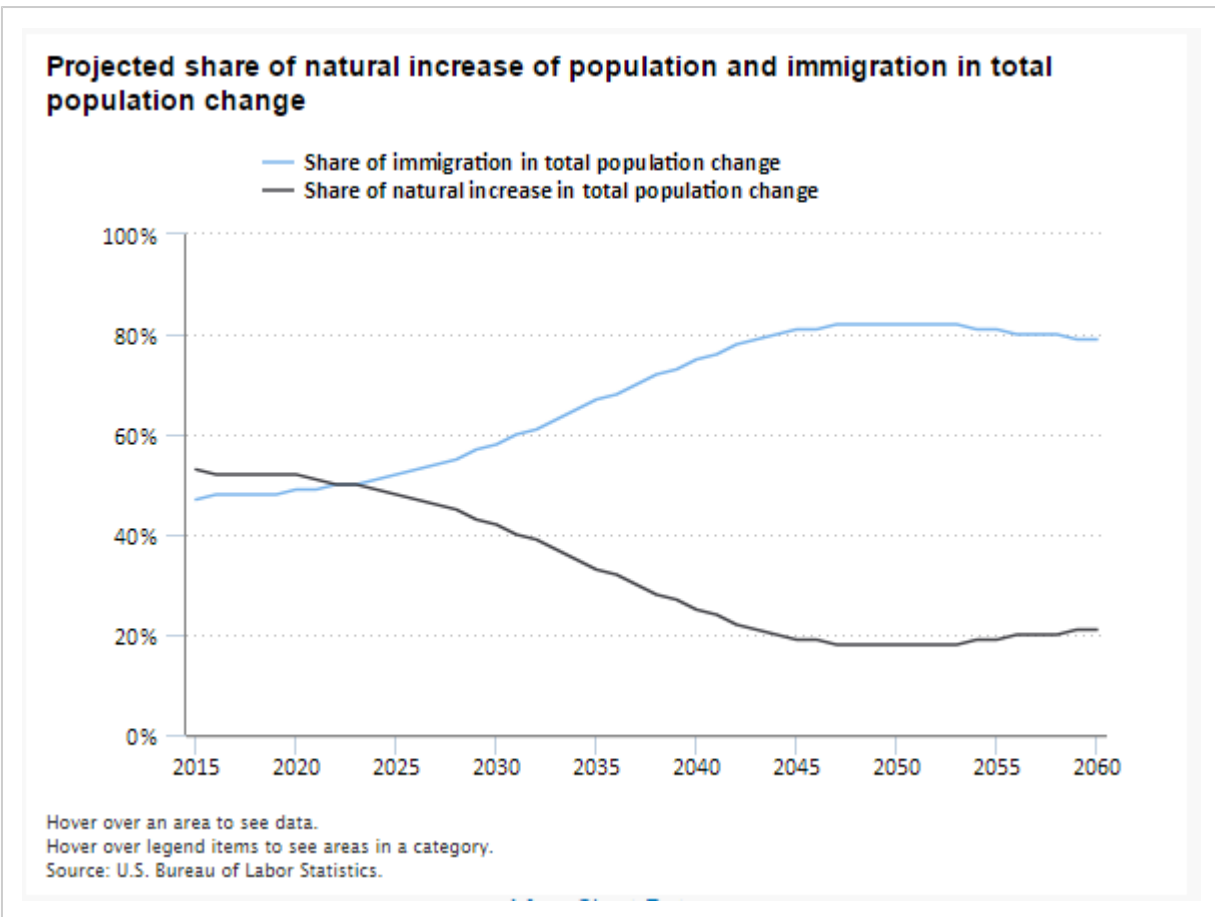
In the Census Bureau’s latest projections, the growth rate (percentage change) of the resident population is projected to decrease in the long term.



Projected share of natural increase of population and immigration in total population change

Natural increase refers to the difference between the numbers of births and deaths in a population. The share of natural increase in projections of the resident population is declining, while the share of immigration in projections of the resident population is increasing.

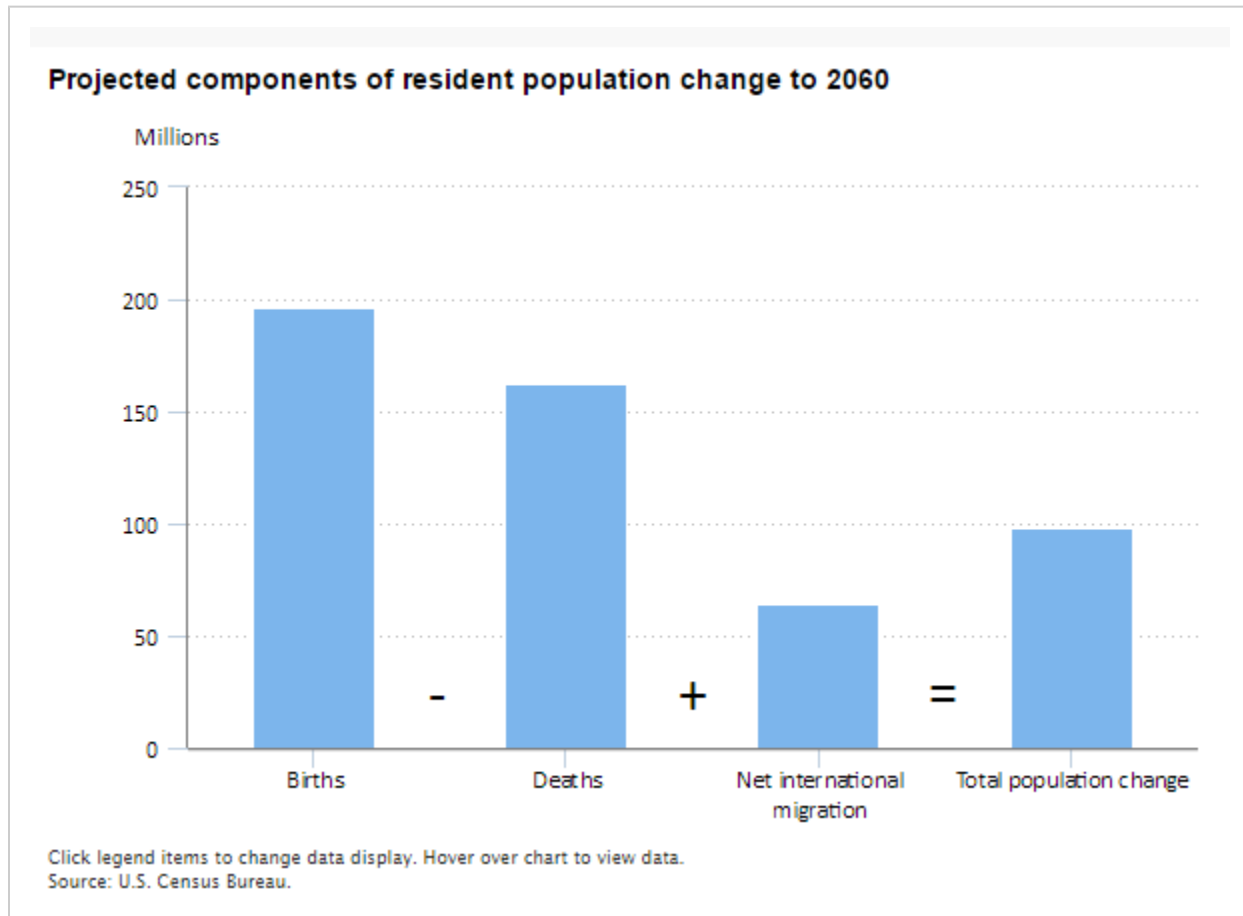
In 2022, the share of natural increase and immigration in projections of the resident population will be equal and at 50 percent.



Projected components of resident population change to 2060

According to the Census Bureau’s projections of the resident population, over the 2014 to 2060 period, 98.1 million people will be added to the U.S. resident population. This is a result of adding the 34 million difference between 196.6 million births and 162.6 million deaths to the 64.1 million projected number of additional immigrants.

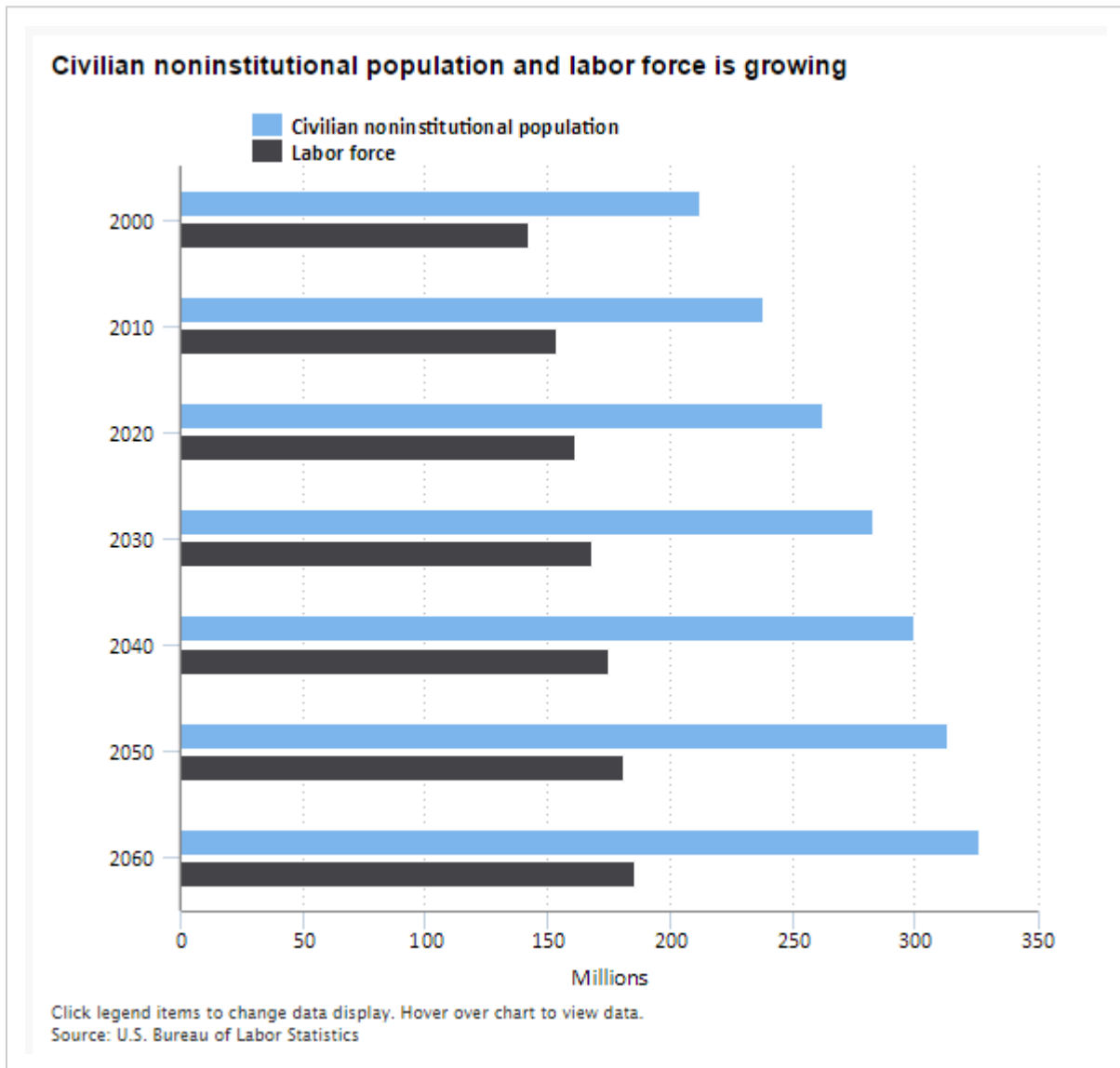
The number of people projected to be added as a result of net international migration is nearly twice as much as the natural increase.



Civilian noninstitutional population and labor force levels

The civilian noninstitutional population is projected to grow from 251 million in 2015 to 326 million in 2060, an increase of 75 million people.

The labor force is projected to increase from 157 million in 2015 to 186 million in 2060, an increase of 29 million.

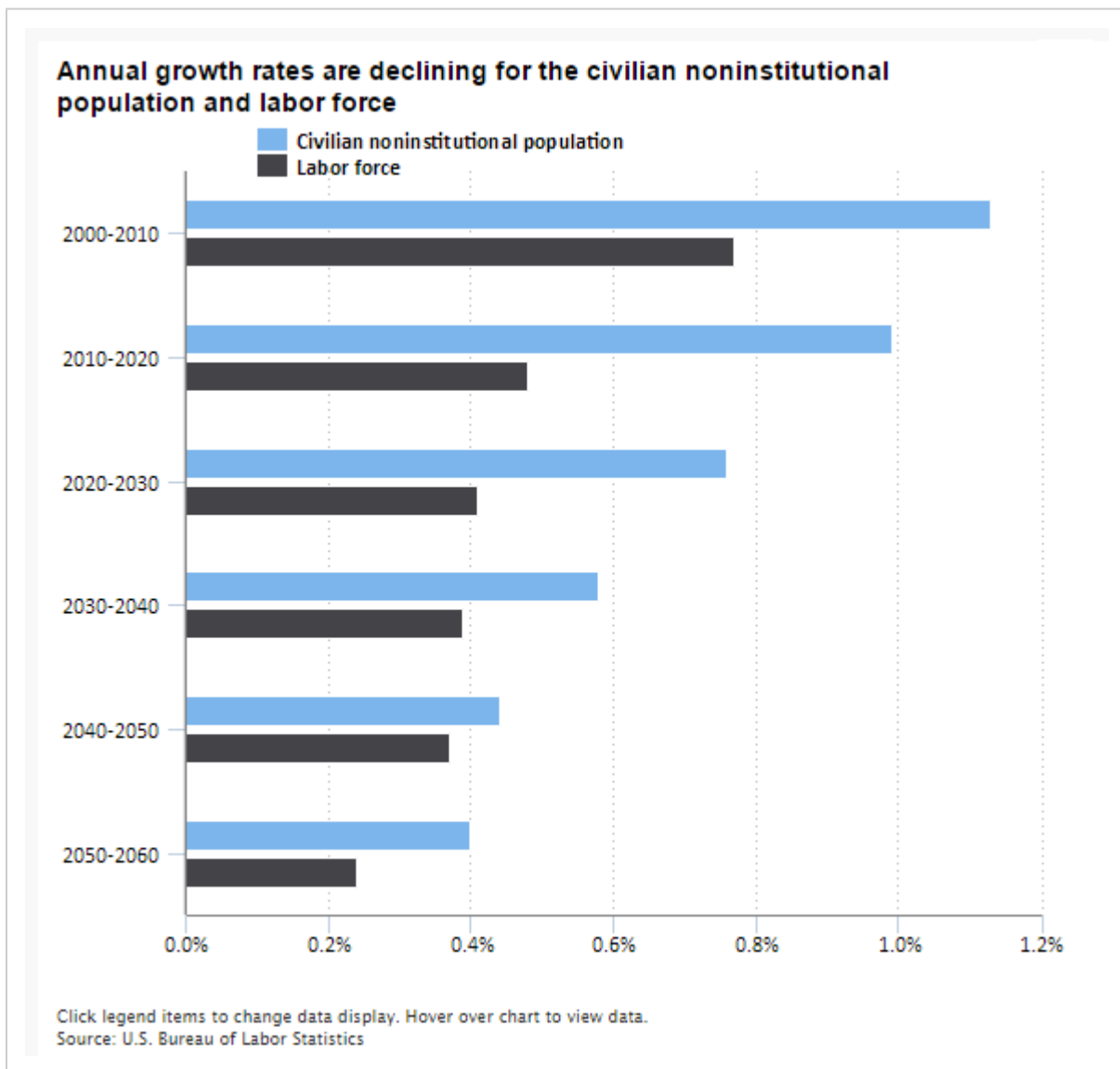


Civilian noninstitutional population and labor force growth

Changes in population growth and labor force participation rates over the next several decades will impact the growth of the labor force.

Even though the size of the population will grow, its annual growth rate is projected to slow down in the coming decades. The decline in the growth rate of the U.S. population is due to a variety of factors, such as the aging of the baby boomers, declining fertility rates, and a lessening of the growth in immigration.

Growth is expected to get progressively slower for both the population and the labor force over the projected time frame to 2060, much slower than in earlier decades.

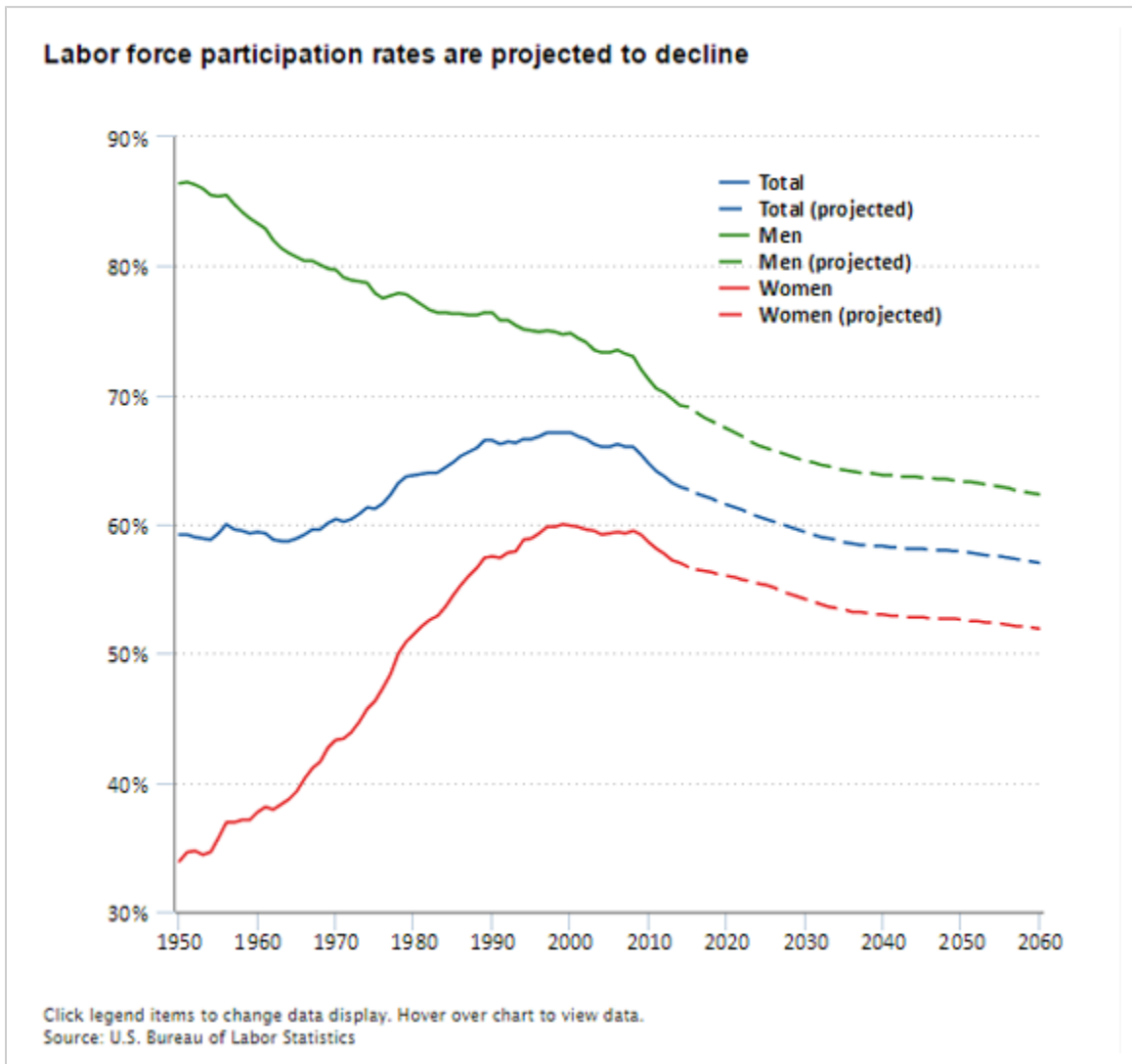


Labor force participation rates by sex

From the early 1950s until its peak over 1997–2000, the overall labor force participation rate increased. From 2000 to 2010, the overall participation rate fell by 2.4 percentage points. In the 5 years between 2010–2015, the overall participation rate fell by another 2.0 percentage points, much sharper than the previous 10 years. BLS is projecting a continuous decline in the overall participation rates until 2060.

The men's participation rate has declined since the late 1940s, accelerating after the recession of 2007–2009. Since 2010, the labor force participation rate of men has fallen another 2.1 percentage points. BLS is projecting a further decline in the participation rates of men.

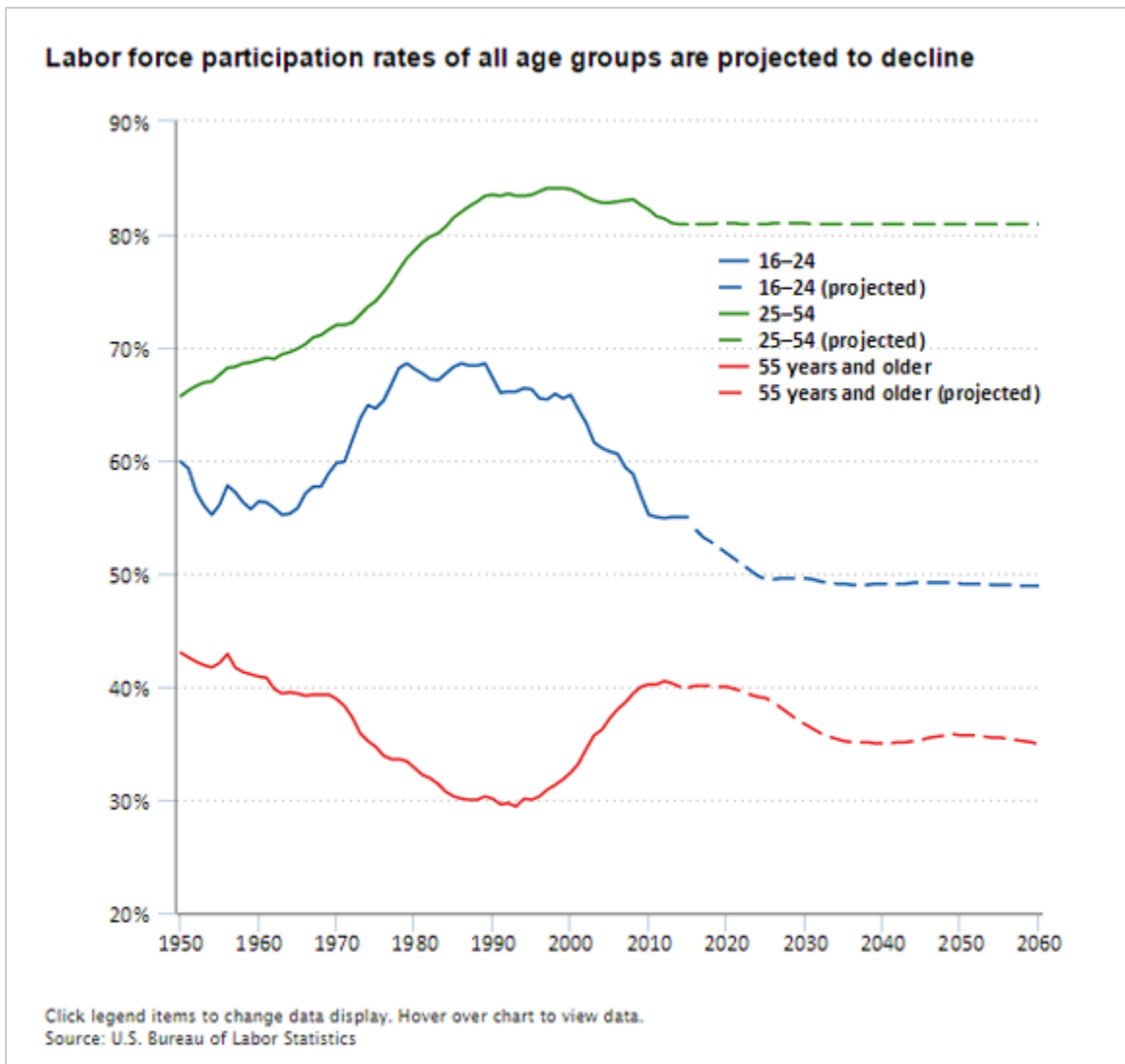
The participation rate for women peaked in 1999 at 60 percent and has been declining since then. From 2000 to 2010, the rate for women fell by 1.3 percentage points. From 2010 to 2015, the women's participation rate fell by another 1.9 percentage points, much higher than the decline in the previous 10 years. The BLS is also projecting a further decline in women's participation rates.



Labor force participation rates by age

The labor force participation rate of teenagers (16 to 19 years old) and young adults (20 to 24 years old) has been on a decline for several decades. It is projected that the decline will continue in the future. The labor force participation rate of the prime age group, 25 to 54 years old, has been declining since the end of the 1990s and is projected to decline slightly in the future. The labor force participation rate of those age 55 years and older had been on the rise since 1996, but has slightly declined since a peak in 2012. BLS projects that a decline will continue in the future.

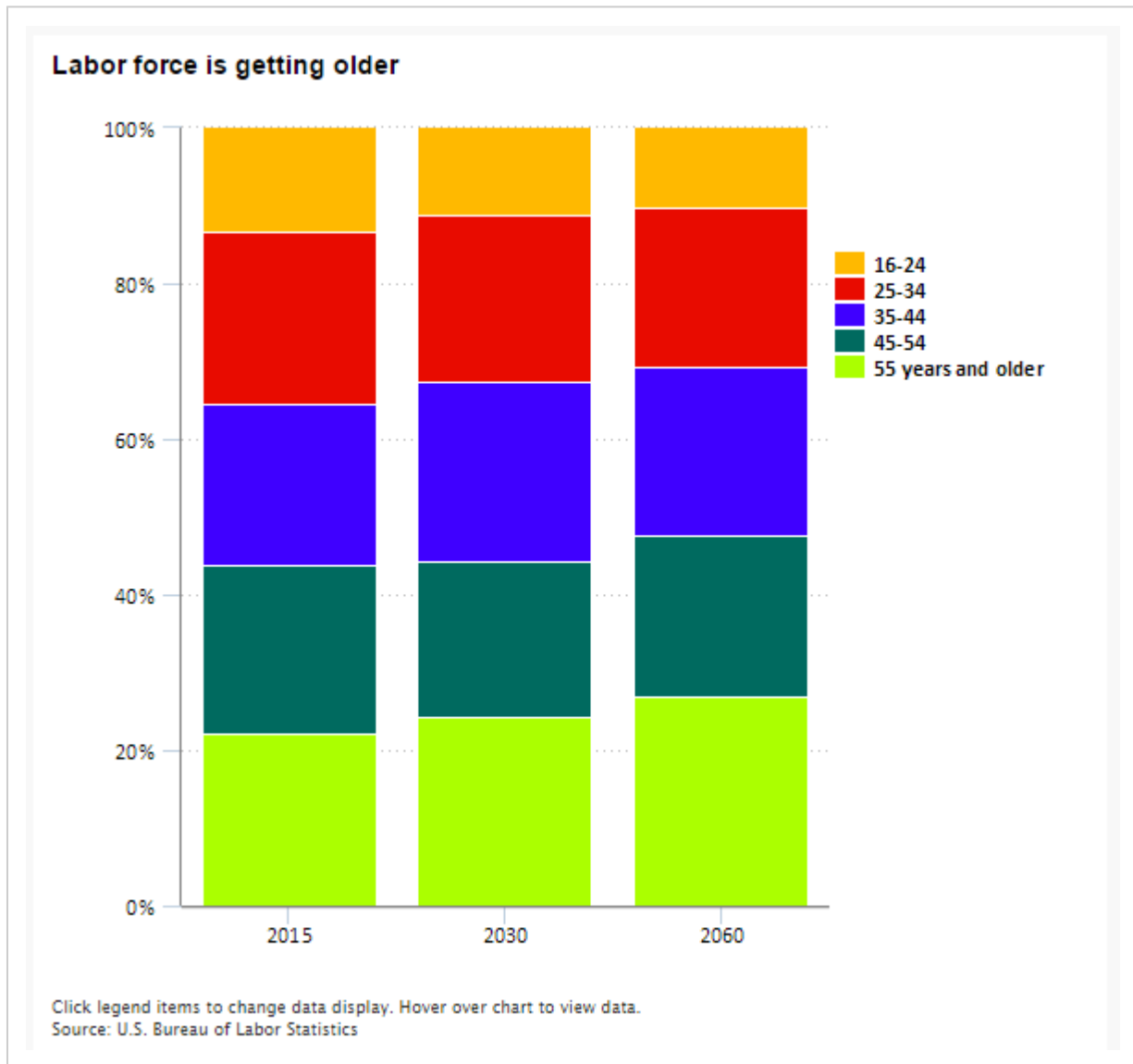
The baby boomers' exit from the prime-age labor force and their movement into older age groups will lower the overall labor force participation rate.



Distribution of labor force by age

The share of the 16 to 24 year olds in the labor force is expected to decrease during the 2015-60 projections period.

As baby boomers age, the 55-years-and-older age group will become larger. This will continue until the bulk of baby boomers retire and leave the labor force.

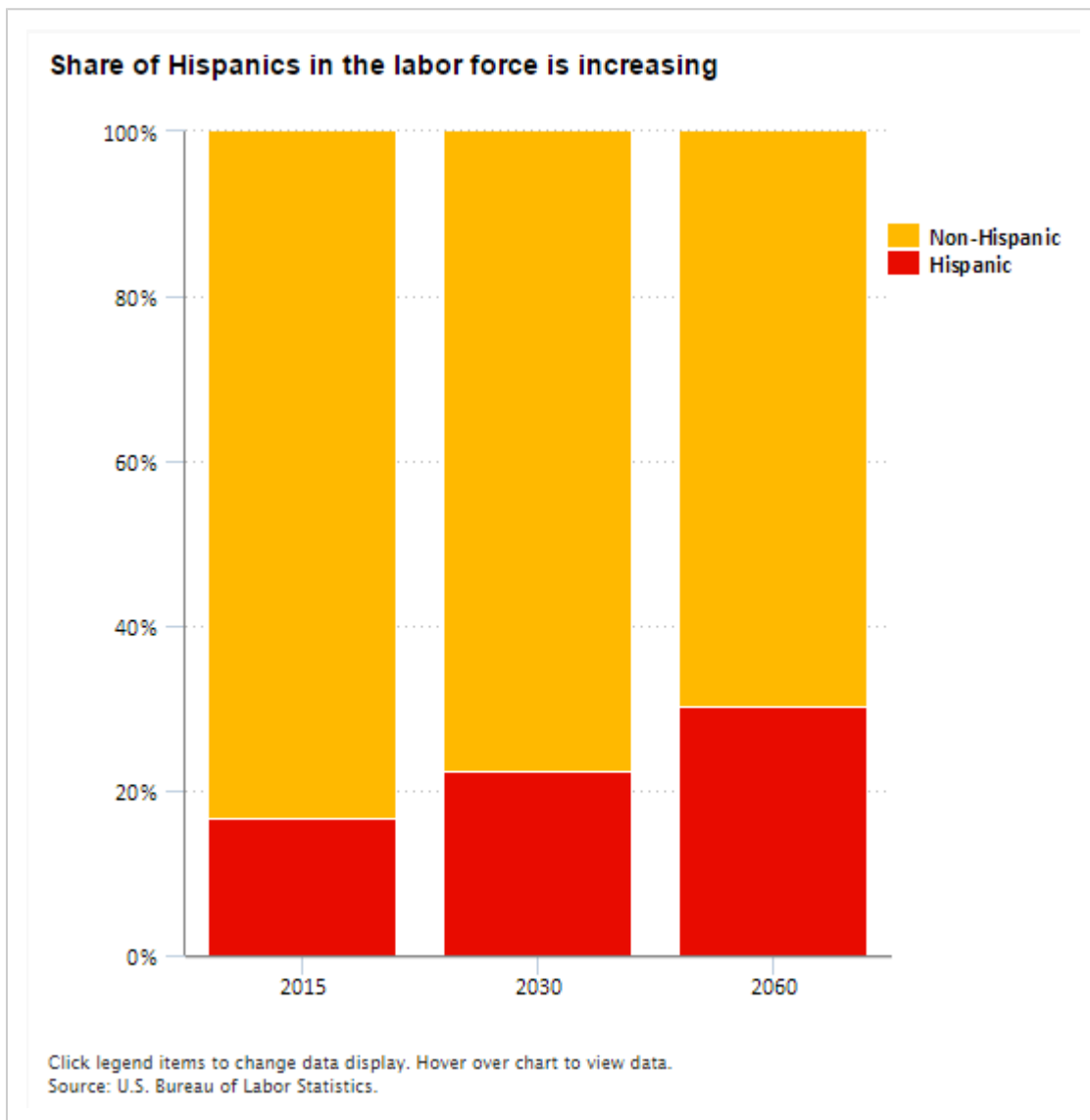


Labor force by ethnicity

Hispanics are projected to increase their share of the labor force due to higher birth, labor force participation, and immigration rates. Persons of Hispanic or Latino ethnicity can be of any race.

Growth of the Hispanic labor force is expected to be higher than the growth of the non-Hispanic labor force.

Racial and ethnic minorities have increased their presence in the population and the labor force, and the result can be seen in the growing diversity of the workforce.



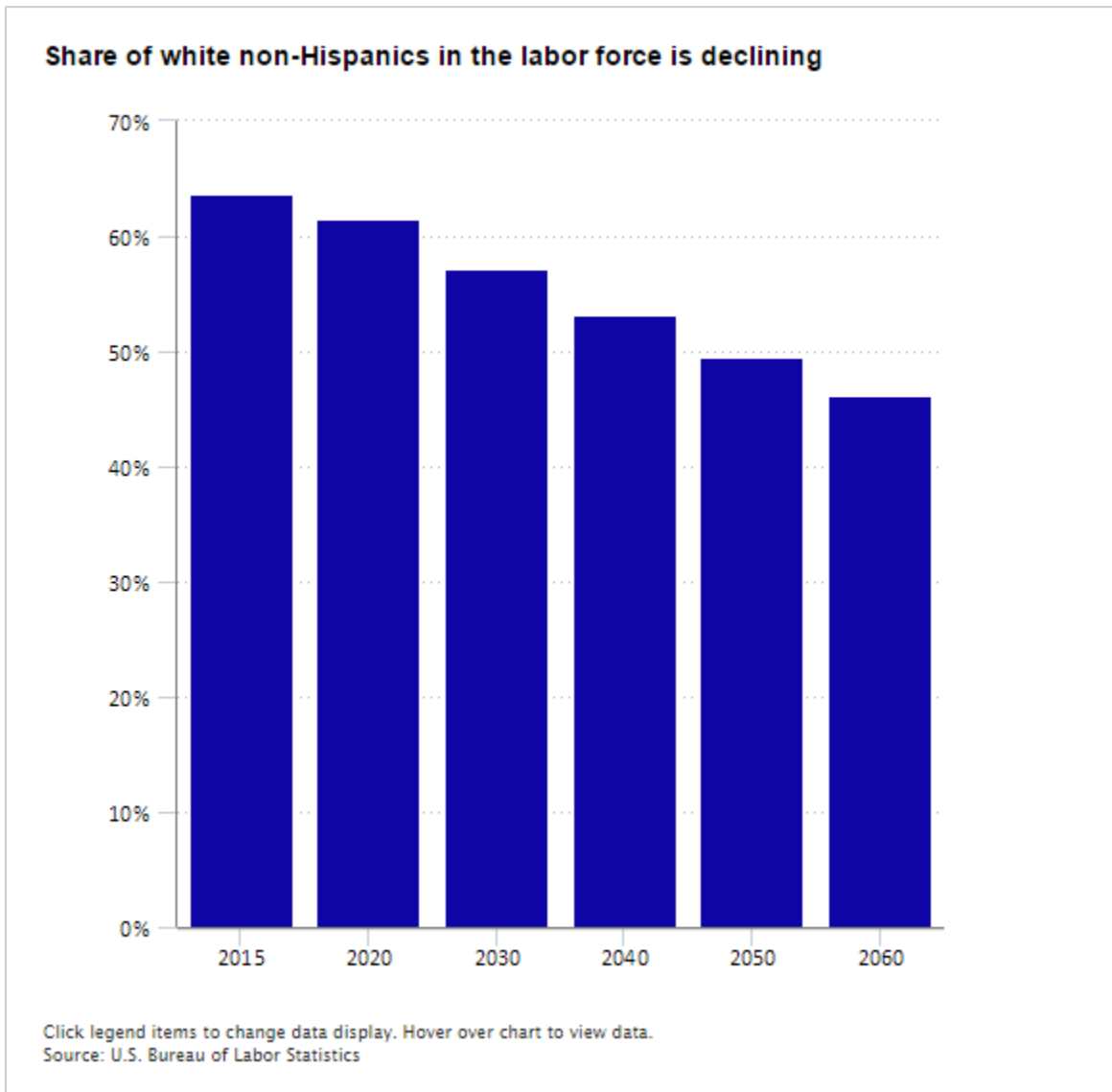
Share of white non-Hispanics in the labor force

Over the long term projection period, the share of white non-Hispanics in the labor force is expected to decrease.

A decline in the number and share of White non-Hispanics is accompanied by faster growth of other racial and ethnic groups.

The upcoming retirement of the baby boomers, a group that has a large share of white non-Hispanic men, will further lower that group’s share of the total labor force.

Low fertility rate and low migration of White non-Hispanics relative to other racial groups will contribute to the group's decreasing share in the labor force.



More information

Mitra Toossi is an economist in the Office of Occupational Statistics and Employment Projections, U.S. Bureau of Labor Statistics.. Email: toossi.mitra@bls.gov.

The [2014 National Population Projections of the Census Bureau](#) have been used as the basis for the BLS long-term labor force projections to 2060.

The historical demographic data on labor force participation rates are based on the Current Population Survey. The Current Population Survey, a monthly survey of households, is conducted by the Census Bureau for the Bureau of Labor Statistics. The survey provides statistics on the employment and labor force status of the civilian noninstitutional population 16 years and older and is collected from a probability sample of approximately 60,000 households.

The BLS labor force projections are based on the civilian noninstitutional population, which is defined as all persons 16 years of age and older who are not inmates of mental institutions, homes for the aged or in the Armed Forces.

In the present long-term labor force projections to 2060, detailed labor force participation rates were projected from 2014 to 2024 and kept constant afterwards. During this period, any changes projected in the labor force are mainly the result of compositional changes of the population. The projected overall decline in the participation rate is expected to exert a relatively insignificant influence on the labor force, whose growth will likely be due mostly to the impact of low population growth projected by the Census Bureau.

Note: Data in this Spotlight on Statistics are the latest available when published. Internet links may lead to more recent data.

General Information: (202) 691-6378

Media Contact: (202) 691-5902