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**LABOR FORCE PROJECTIONS**

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# Labor Force Projections: Key Findings



Photo: U.S. Census Bureau

**Why is this important?**

This report is an effort to better understand the employment outlook and what types of jobs are projected to grow over the next 30 years. Knowing which occupations are going to experience larger employment change affects the opportunities available to jobseekers. Generally, occupations with rapid job growth, many new jobs, or many job openings offer better prospects.

Employment is determined by the amount demanded of various goods and services, among other factors. Greater demand for health care services, for example, is expected due to the aging of the baby boomers and therefore greater employment of health care professionals is expected. The types of goods and services demanded determine the industry composition of employment, and the resulting demand for certain skills within industries determines the occupational composition of employment.

Numbers on employment represent the number of persons on establishments' payrolls employed either full- or part-time. Therefore, persons working for two establishments would be counted for each establishment. Self-employed workers are also included. Consequently, employment cannot be interpreted as the number of workers since some workers hold more than one job.

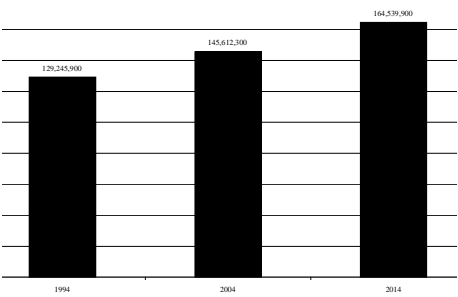
**What are the key findings?**

**Overall Labor Force To Grow Slowly**

The U.S. labor force is projected to grow by almost 1% each year from 147.4 million in 2004 to 162.1 million in 2014, which is a slower rate than in prior decades.

The labor force is projected to grow even more slowly at 0.5% per year from 2014 to 2050. Many other countries also expect to experience decreasing labor force growth.

**U.S. Employment, 1994, 2004, and Projected 2014**



Source: "Industry output and employment projections to 2014," Monthly Labor Review, November 2005

## Overall Labor Force Participation Rates To Decrease Slightly

Labor force participation rates – the percent of the population aged 16 years and older that is in the labor force – are expected to decrease slightly from 66.0% in 2004 to 65.6% in 2014 because the large portion of the population called the baby boomers, those born between 1946 and 1964, will move from an age group with a higher participation rate (40 to 58 in 2004) to an age group with a lower participation rate (50 to 68 in 2014).

The labor force participation rate is expected to continue to decrease to 60.4% in 2050 due to the increased life expectancy and most of the baby boom echo cohort – the large group born between 1977 and 2000 – having moved into the age 55 and over category.

## Labor Force To Age Rapidly and Significantly

The labor force will age dramatically over the upcoming years due to the aging of the baby boomers who will be between 50 and 68 in 2014; the percent of the labor force aged 55 years and over was 16% in 2004 and is projected to be 21% in 2014.

The labor force continues to age slightly from 2014 to 2050 even after the baby boomers exit the labor force due to older people working longer because of increased life expectancies and the existence of the baby boom echo cohort. Almost 28% of the labor force will be 55 years or older by 2050. The aging of the overall population is even more dramatic.

## Labor Force to Be Much More Racially and Ethnically Diverse...The Most Significant Overall Change

The labor force will increase in diversity with non-White races increasing their projected share of the labor force by 9 percentage points from 18% in 2004 to 27% in 2050. The major source of this increase in diversity is immigration of both Hispanics and Asians.

Almost 70% of the labor force was white non-Hispanic in 2005. This group is projected to be 51 percent of the labor force in 2050. Hispanics are projected to increase from 13% of the labor force to 24% during the same period. Asians are projected to increase from 4.4% to 8.3%.

## What are the implications?

There are a number of possible implications of the decreasing growth of the labor market and the aging and increasing diversity of the labor market, including:

- Pension system issues
- Labor market shortages
- Educational attainment of labor force
- Financial investments
- Adaptation to multicultural shifts

## Percent Growth in Employment by State

Rank	State	% Change	Rank	State	% Change
1	Nevada	42%	25	South Dakota	12%
2	Utah	31%	26	Kentucky	12%
3	Colorado	28%	27	Iowa	12%
4	Arizona	28%	28	Minnesota	12%
5	Wyoming	25%	29	Oklahoma	11%
6	Idaho	23%	30	Wisconsin	11%
7	Florida	20%	31	Rhode Island	10%
8	Arkansas	19%	32	Nebraska	10%
9	Georgia	18%	33	New Jersey	9%
10	Montana	17%	34	Indiana	9%
11	New Hampshire	16%	35	Illinois	8%
12	North Carolina	16%	36	Connecticut	8%
13	California	16%	37	North Dakota	8%
14	South Carolina	16%	38	Missouri	8%
15	Tennessee	15%	39	Vermont	8%
16	Washington	15%	40	Maine	7%
17	Alabama	14%	41	Michigan	7%
18	Alaska	14%	42	Massachusetts	7%
19	Maryland	14%	43	Ohio	7%
20	Oregon	14%	44	New York	7%
21	New Mexico	14%	45	Louisiana	6%
22	Mississippi	14%	46	Pennsylvania	6%
23	Hawaii	13%	47	West Virginia	6%
24	Delaware	13%			

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**Census questions? 1-866-758-1060**