

U.S. Economic and Occupational Projections 2010-2020

Choosing a career? Here's a look into the national labor market and jobs that are in demand



Non-agricultural wage and salary employment is projected to grow by 19.7 million jobs by 2020.

This past spring, the U.S. Bureau of Labor Statistics (BLS) published its biennial ten-year projections of economic trends for the nation covering the period from 2010 to 2020. Details focused on the expected characteristics of the labor force, job growth, and output by industry, and how the anticipated structure of the economy will affect job seekers' occupational opportunities in the coming years. This look forward into the nation's labor market, industrial structure, and job demand by occupation is important for those choosing careers. Job seekers, students, career counselors, parents, educators, and trainers use expected future demand for various occupations and industry trends to help make informed choices to prepare for and select a future vocation.

Economic Recovery

The country has just passed through the longest and deepest recessionary period since the Great Depression of the 1930s. The slower-than-average recovery is building as growth in output, jobs, and incomes are gradually improving the nation's economic environment in 2012. When BLS makes its long-term projections, they do not try to anticipate year-to-year fluctuations in economic activity; rather they focus on expected structural changes

and trends in the economy over the coming decade.

One major BLS assumption in the 2010-2020 projections is that the U.S. economy will be at or near "full employment" by 2020, which is to say, that economic production—Gross Domestic Product (GDP)—is expected to recover to near the level of its potential by 2020. BLS projects that GDP will grow over the 10-year projection period at an average rate of 3.0 percent per year and that by 2020 the national unemployment rate will be around 5.2 percent.

Labor Force

U.S. population growth and the demographic composition of the population are major determinants of the structure and growth of the economy and its labor force. It has been said that "demography is destiny" and BLS uses demographic trends as key drivers of the labor force projections.

In recent decades, the U.S. labor force has become older, more racially and ethnically diverse, and composed of more women. Not surprisingly, these trends are expected to continue over the current projection period. BLS expects the overall growth in the labor force to be slower in the coming decade with an increase of 10.5 million, reaching 164.4 million in 2020. This

6.8 percent increase compares to a 7.9 percent increase from 2000 to 2010.

One major demographic trend that cannot be ignored is the aging of the baby-boom generation that will be between the ages of 56 and 74 in 2020. Persons above the age of 55 have distinctively lower labor force participation rates than those in their prime working years of 25-to-54-year-olds. The labor force participation rate for persons 16 and over is projected to decline from 64.7 percent in 2010 to 62.5 percent in 2020, primarily as a result of the aging baby-boomers.

Industry Employment

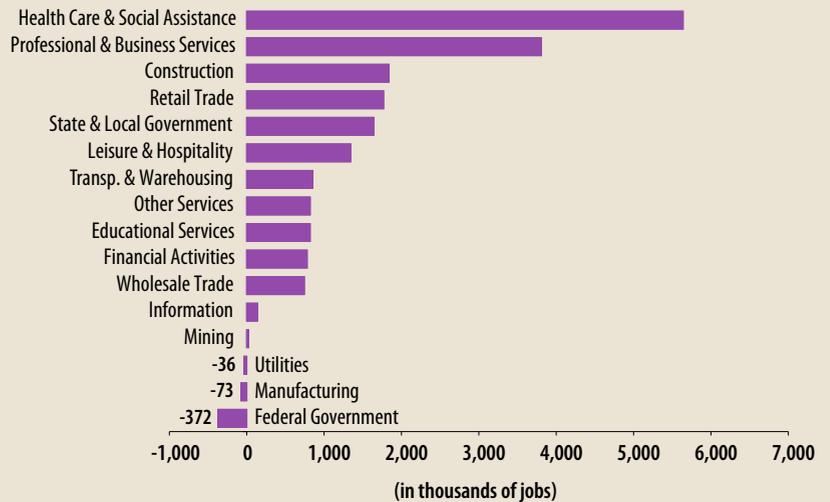
Jobs are grouped by industry according to the types of goods or services provided by a firm. Everyone who works in a hospital, for example, is part of the healthcare industry. Yet this includes not only healthcare workers, such as doctors and nurses, but also occupations found in other industries, such as office managers, accountants, receptionists and janitors.

Industry employment projections start with the known job counts in the base year of 2010 for each industry, model an expected numeric change—growth or decline in the total number of jobs over the projection period to 2020.

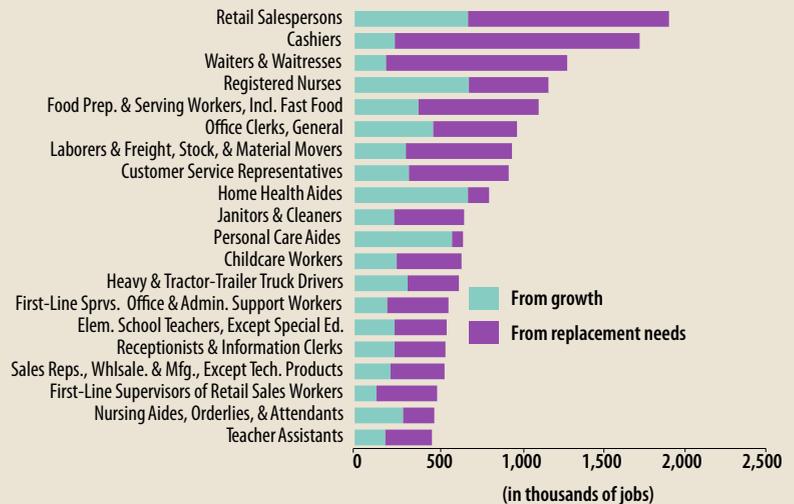
Nonagricultural wage and salary employment is projected to grow by 19.7 million jobs by 2020. As has been the case for several decades, service-providing industries will account for most of this growth. The goods-producing industries of mining, construction and manufacturing are expected to increase by 1.8 million jobs by 2020. Almost all of the new goods-producing jobs are in construction increasing by 1.8 million, with manufacturing jobs decreasing by 73,000 and mining jobs increasing by 24,000. Because the goods-producing industries are characterized by increasing productivity, their output is expected to increase 33 percent while employment increases 10.1 percent from 2010 to 2020.



U.S. Projected Change in Employment by Industry 2010-2020



U.S. Occupations with the Most Job Openings due to Growth and Replacement Needs • Projected 2010-2020



Source: U.S. Bureau of Labor Statistics.

U.S. Economic and Occupational Projections Cont. 2010-2020



In the service-providing industrial sectors, the healthcare and social assistance industry is expected to grow the fastest, 3.4 percent per year, adding 5.6 million jobs by 2020. Professional and business services is projected to generate the second greatest number of jobs, increasing by 3.8 million. Retail trade employment is third, increasing by 1.8 million jobs.

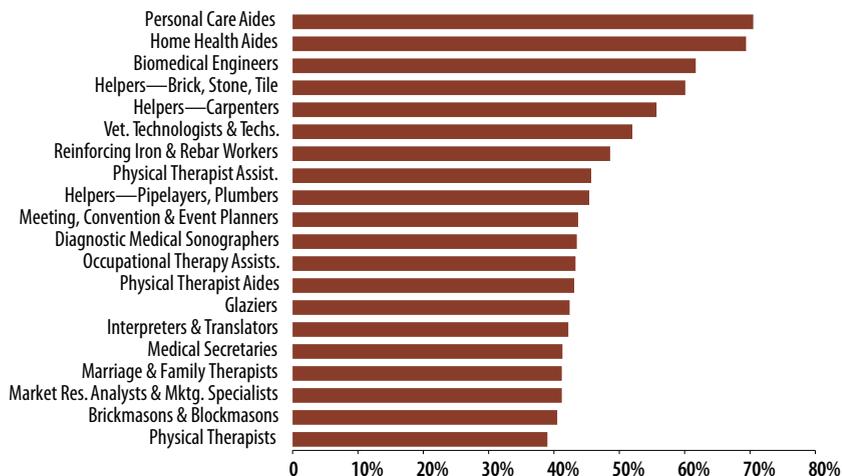
Occupations and Job Openings

What people do at work is their occupation. Some of the most widely used projection results for career exploration are the number of expected job openings by occupation. Most job openings for those entering an occupation come from the need to replace workers who have vacated the occupation (by retiring or for some other reason), rather than from the need to fill newly created jobs.

When examining occupations with the most job openings in the coming decade, the top 20 are found among retail trade and food services, office management and support workers, healthcare, and education. If we look at a list of the 20 fastest growing occupations in terms of percent growth by 2020, this list is dominated by healthcare occupations, with some construction occupations as construction regains many of the jobs lost during the Great Recession.

The occupational projections provide results for almost 700 distinct occupations. Among the many occupations with a significant number of openings are a wide range of opportunities with different levels of education/training needed to enter an occupation. In general, occupations with higher education and training requirements earn higher wages. ●

Fastest Growing Occupations in the U.S. Percent Growth in Employment, Projected 2010-2020



Source: U.S. Bureau of Labor Statistics.

More info...

Occupational Outlook Quarterly, Winter 2011-2012: <http://www.bls.gov/opub/ooq/2011/winter/home.htm>



Monthly Labor Review, January 2012 <http://bls.gov/opub/mlr/2012/01/mlr201201.pdf>



Employment Projections 2010-2020, News Release, February 1, 2012 - http://bls.gov/news.release/archives/ecopro_02012012.pdf

