

# Labor Force Projections

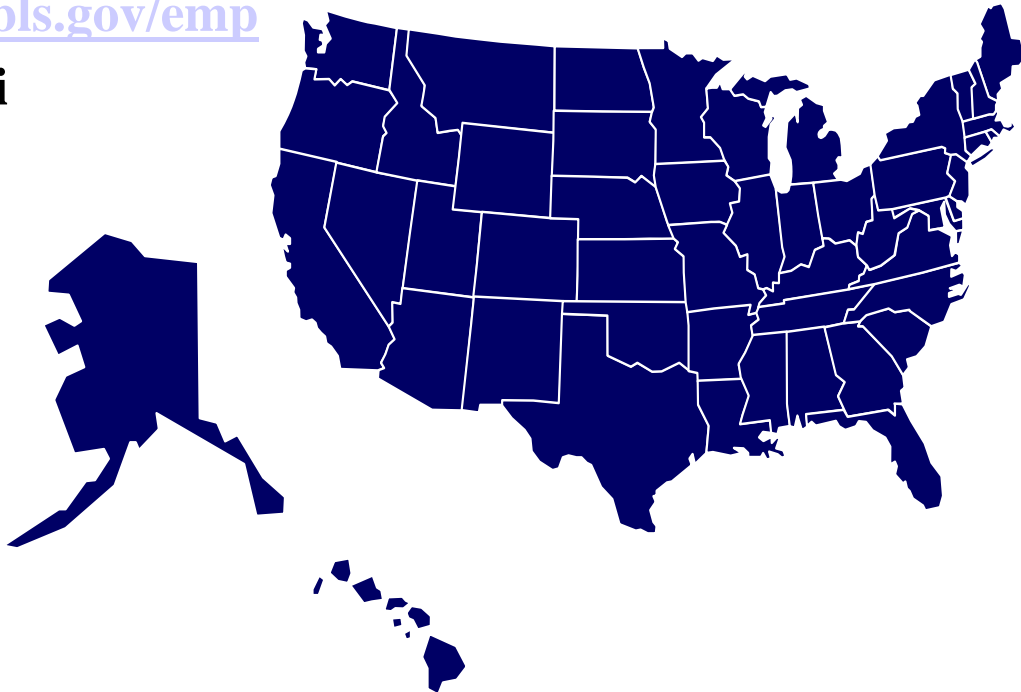


Bureau of Labor  
Statistics

- ◆ Bureau of Labor Statistics
- ◆ National Employment Projections

<http://www.bls.gov/emp>

Mitra Toossi





# Projections Process

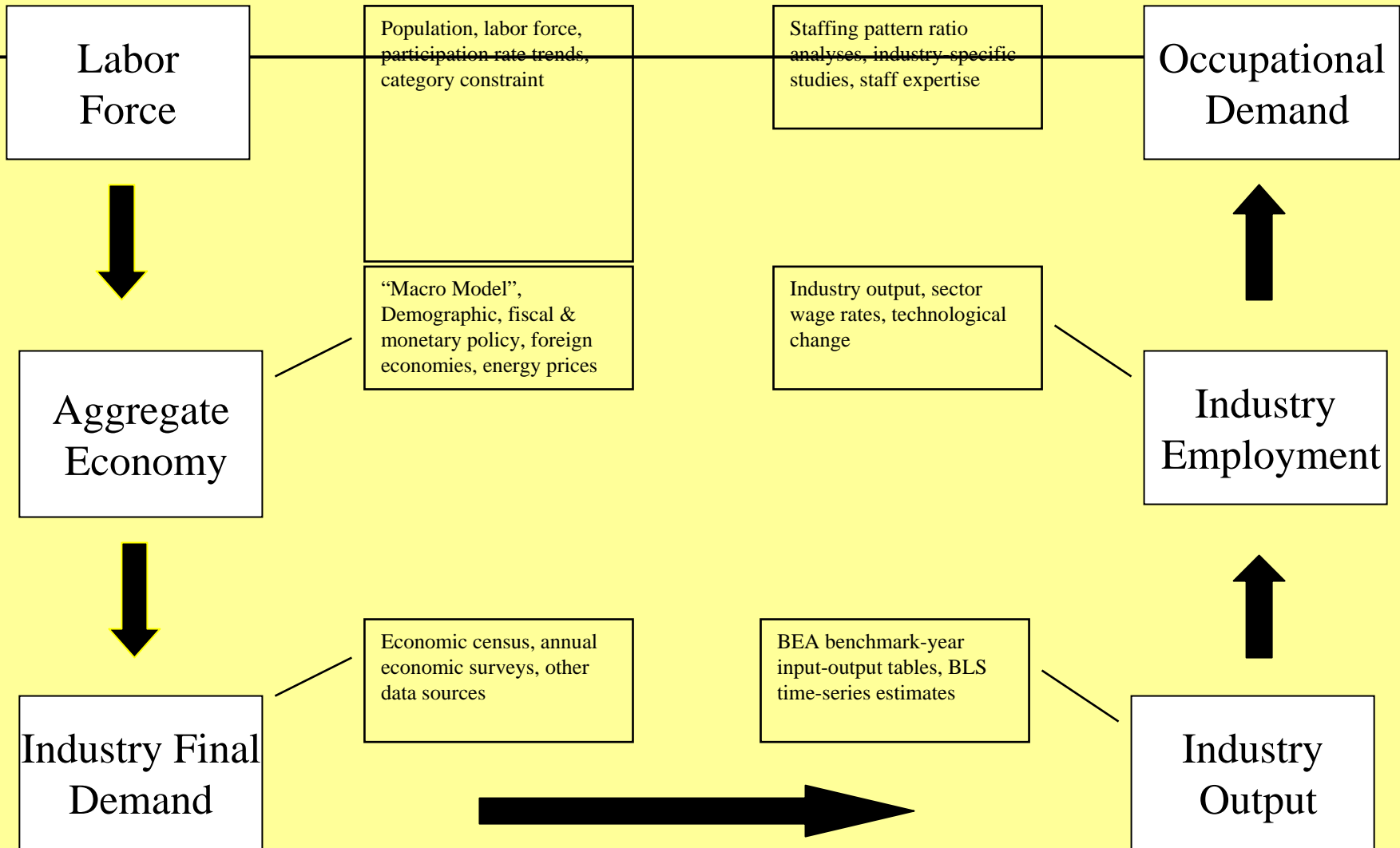
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- Labor force
  - Economic growth
  - Industry employment
  - Occupational employment

# THE OEP PROJECTIONS PROCESS



Bureau of Labor

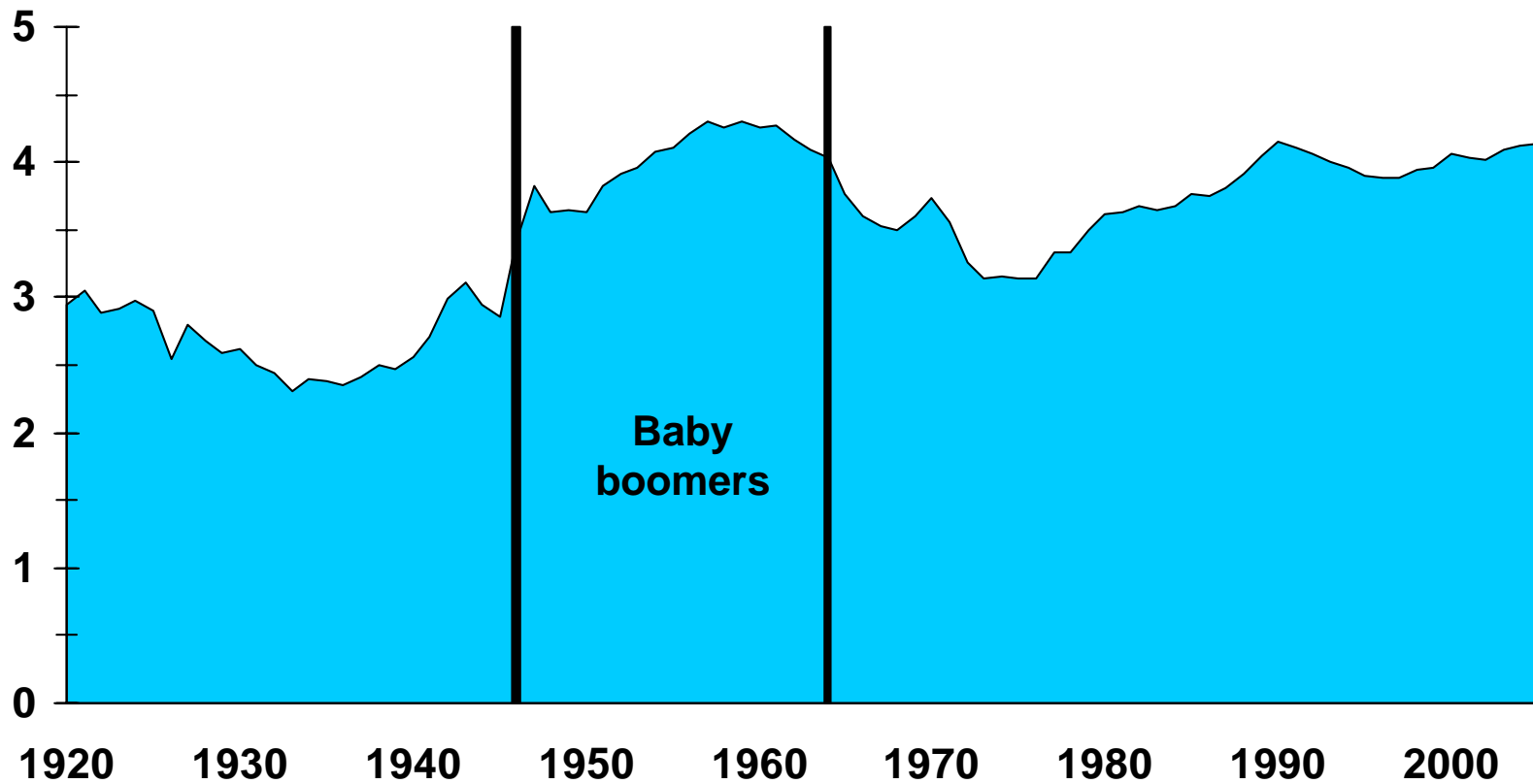


# Number of live births, 1920-2005



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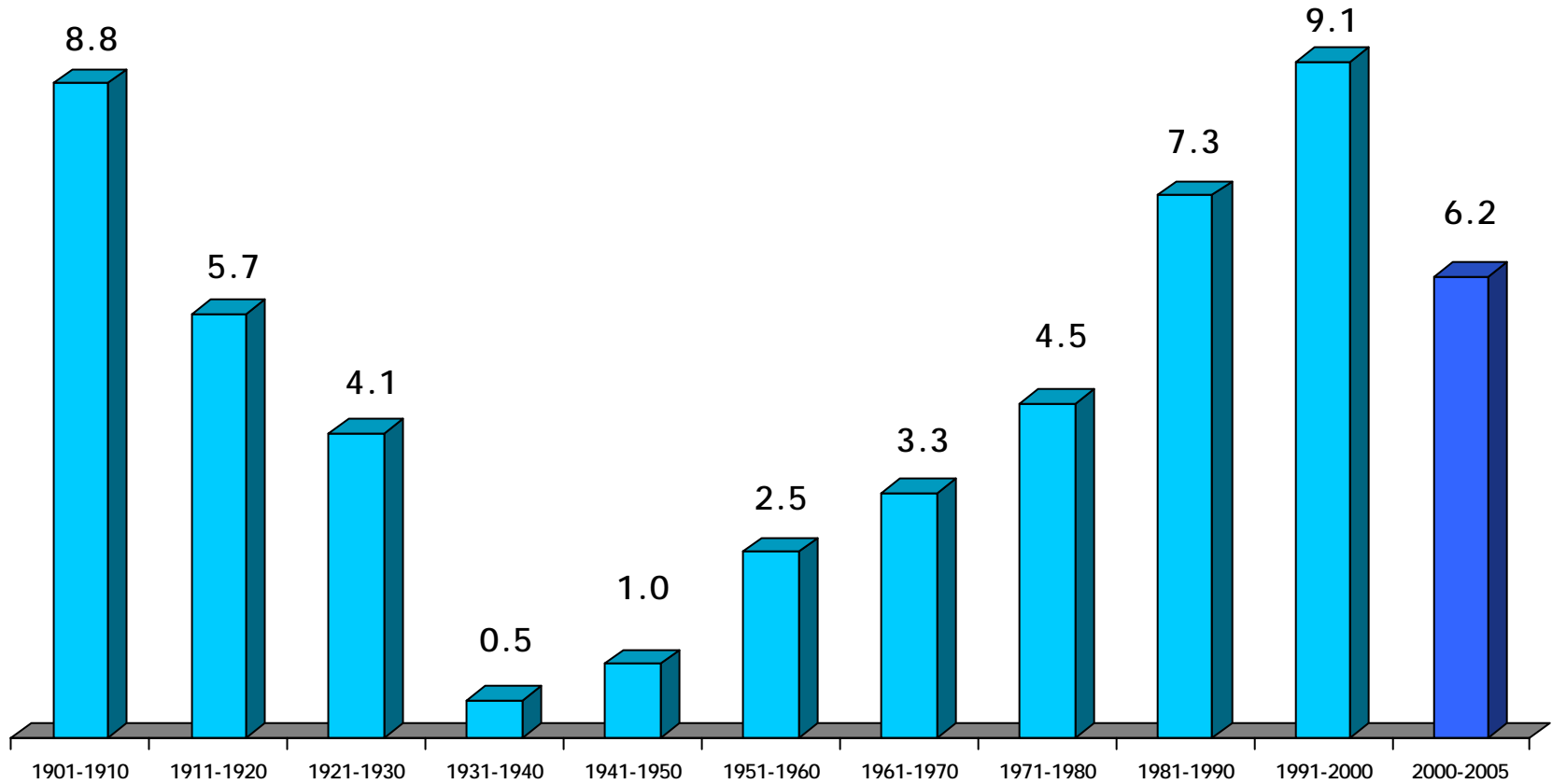
Millions of births





# Immigration has been rising since WWII

Millions of immigrants

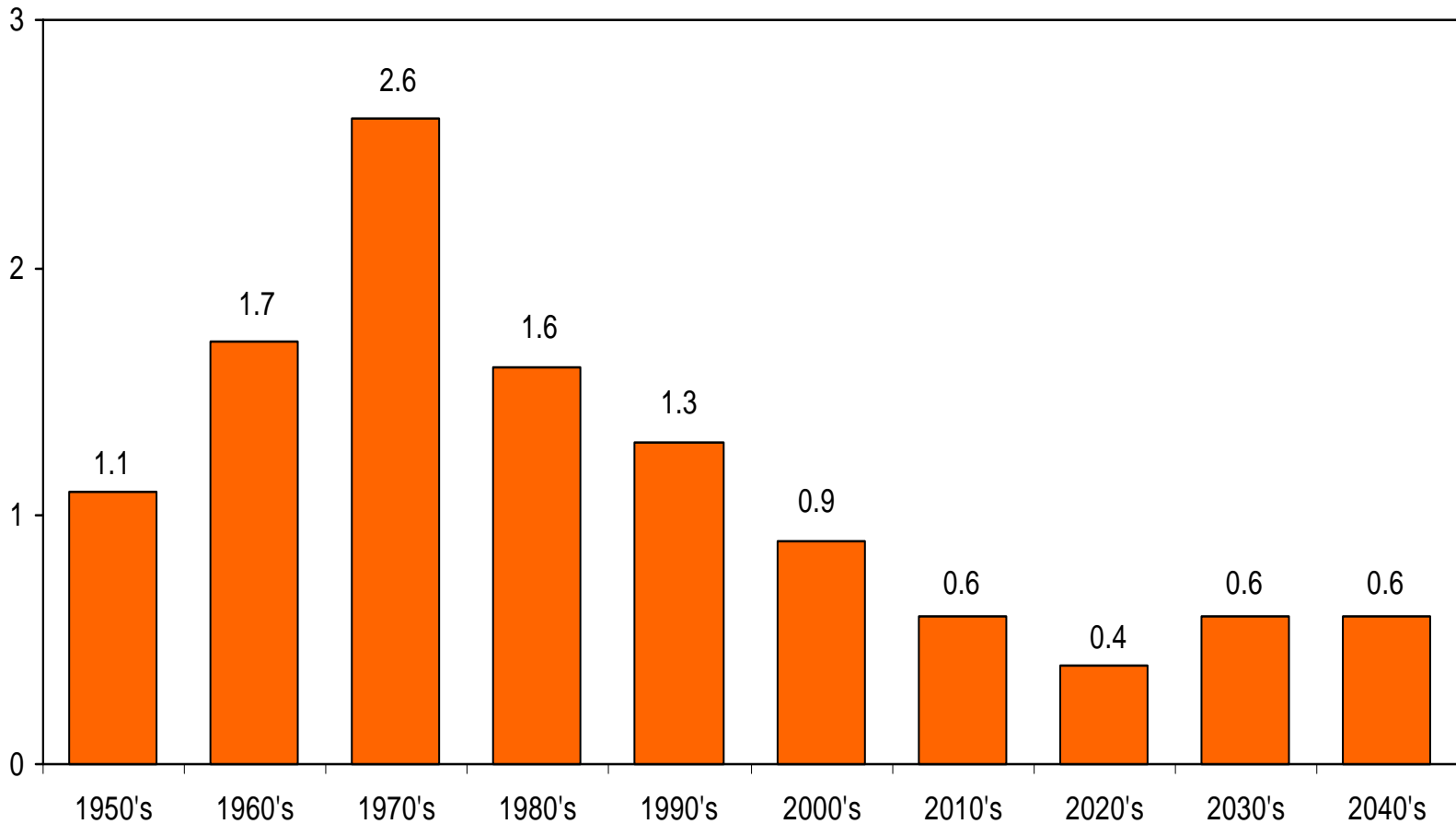


# The labor force will grow more slowly in the 21<sup>st</sup> century



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Annual rates of change

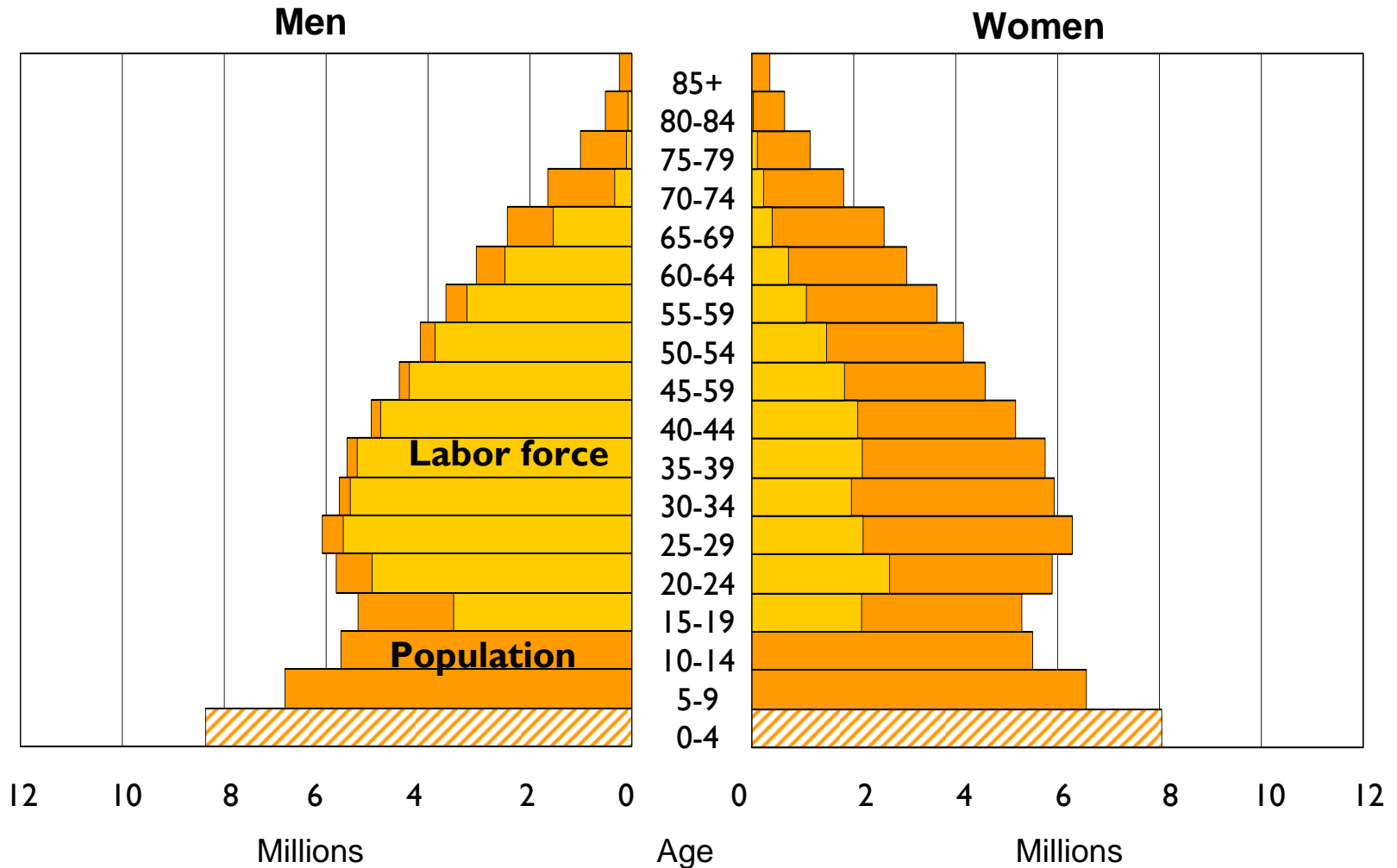
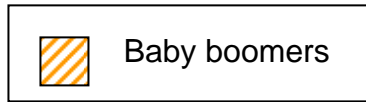


Source: Bureau of Labor Statistics.

# Population and labor force, 1950



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Statistics



Source: Bureau of Labor Statistics.

# Population and labor force, 2000



Bureau of Labor  
Statistics

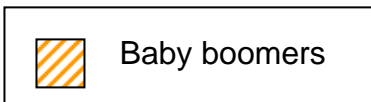


Source: Bureau of Labor Statistics.

# Population and labor force, projected 2050



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Statistics



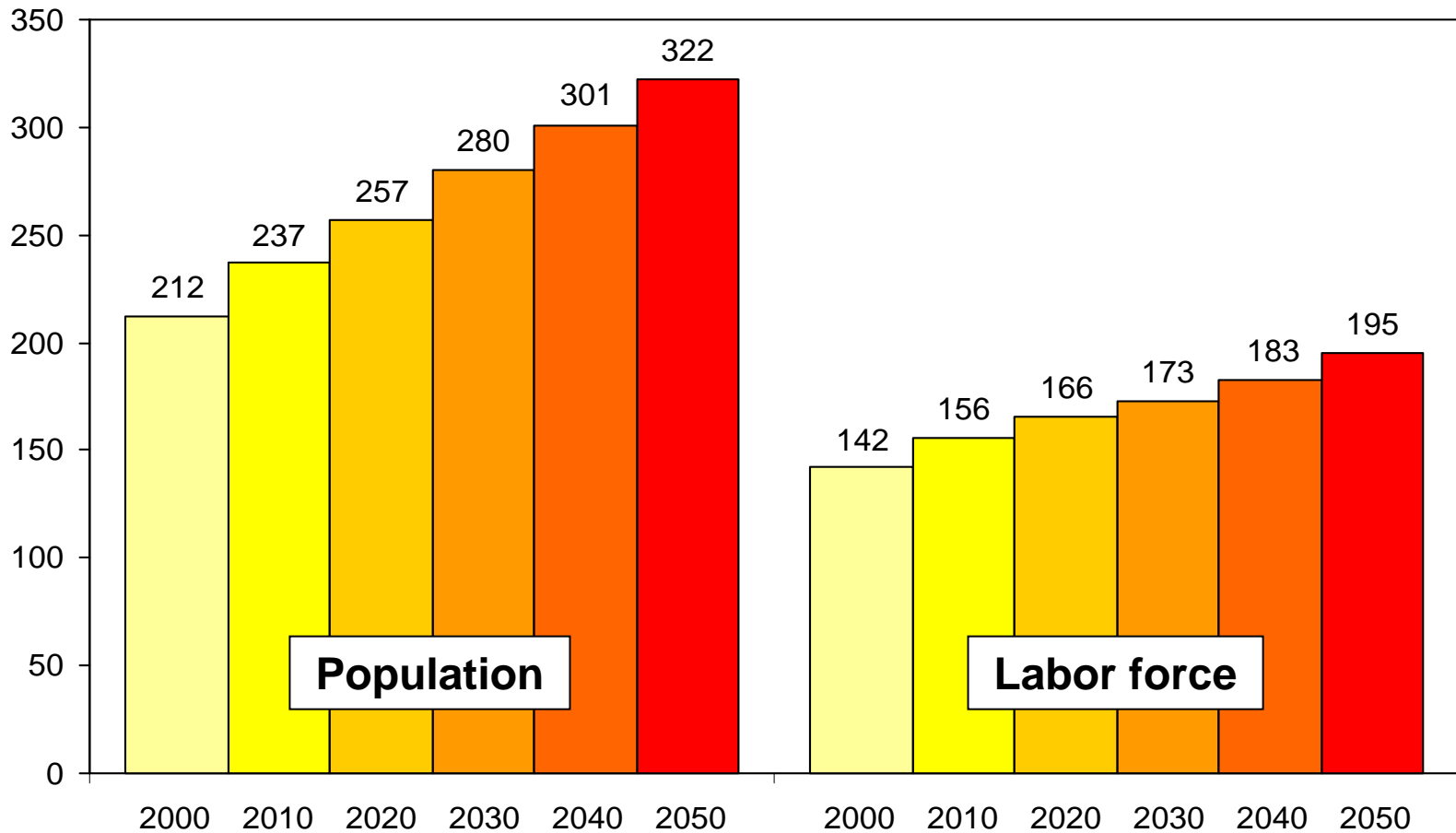
Source: Bureau of Labor Statistics.

# Population and labor force will continue to grow



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Millions



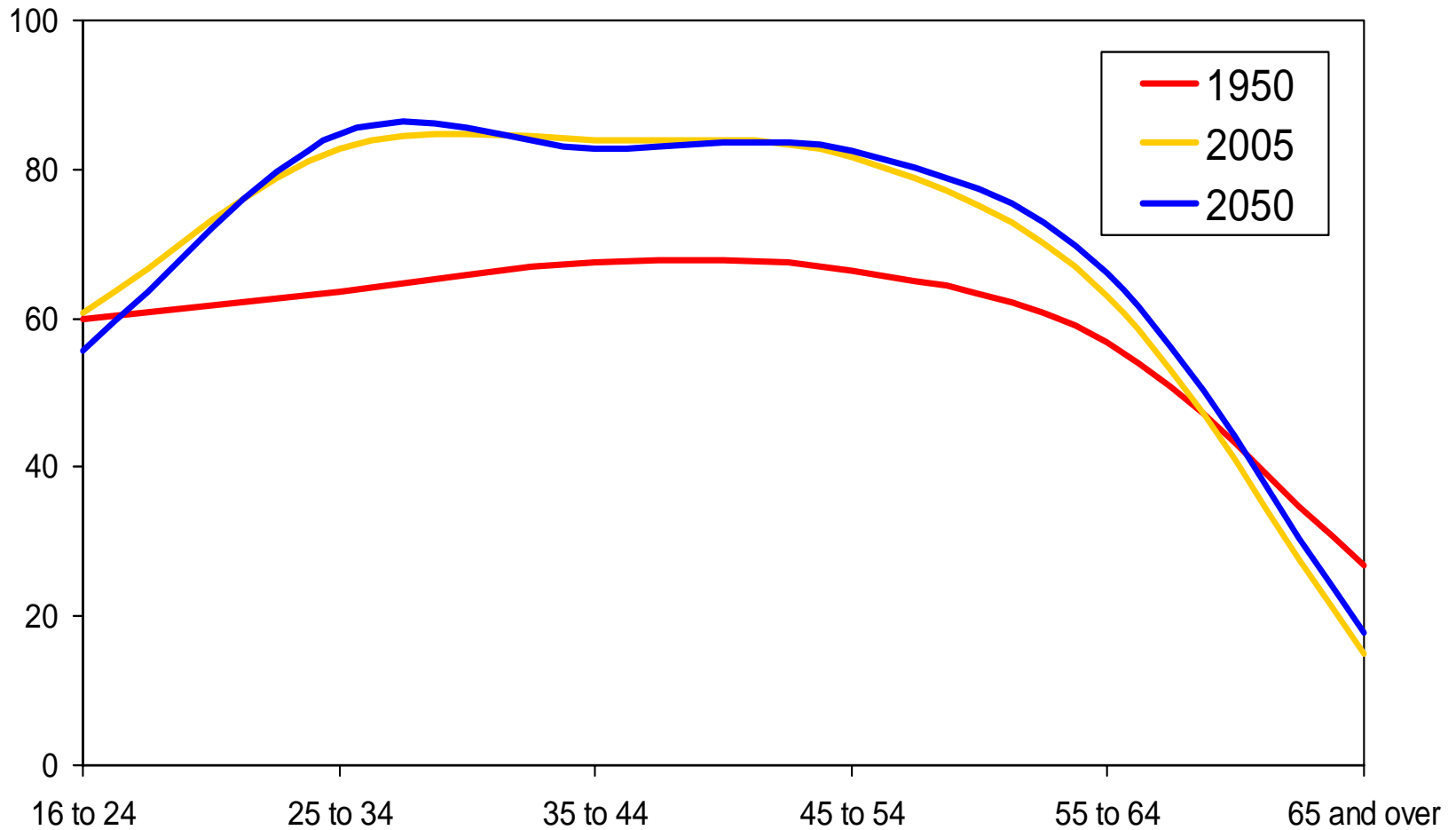
Source: Bureau of Labor Statistics.

# Labor force participation rates: 1950, 2005 and 2050



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Percent

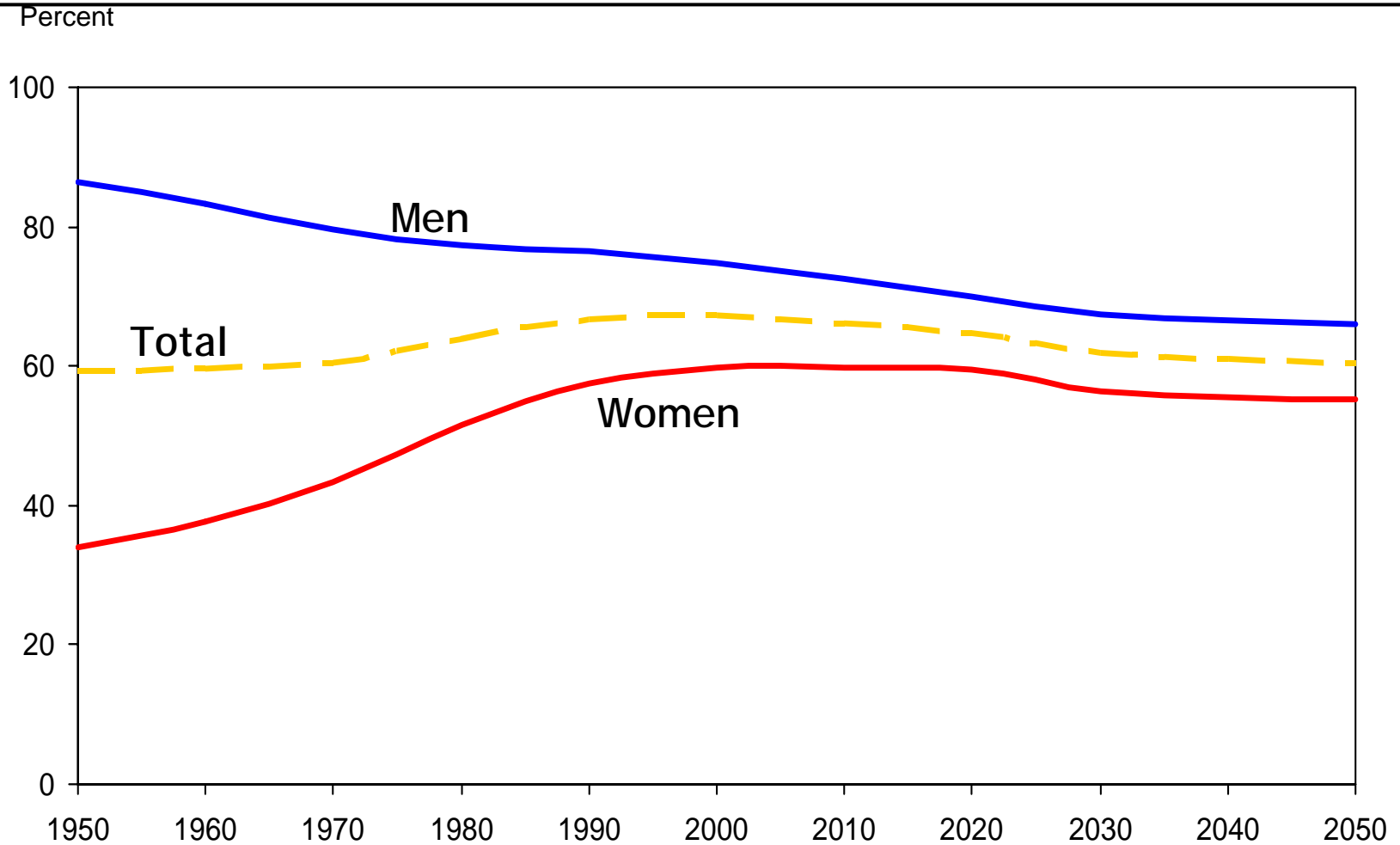


Source: Bureau of Labor Statistics.

# Labor force participation rates, 1950-2050



Bureau of Labor  
Statistics



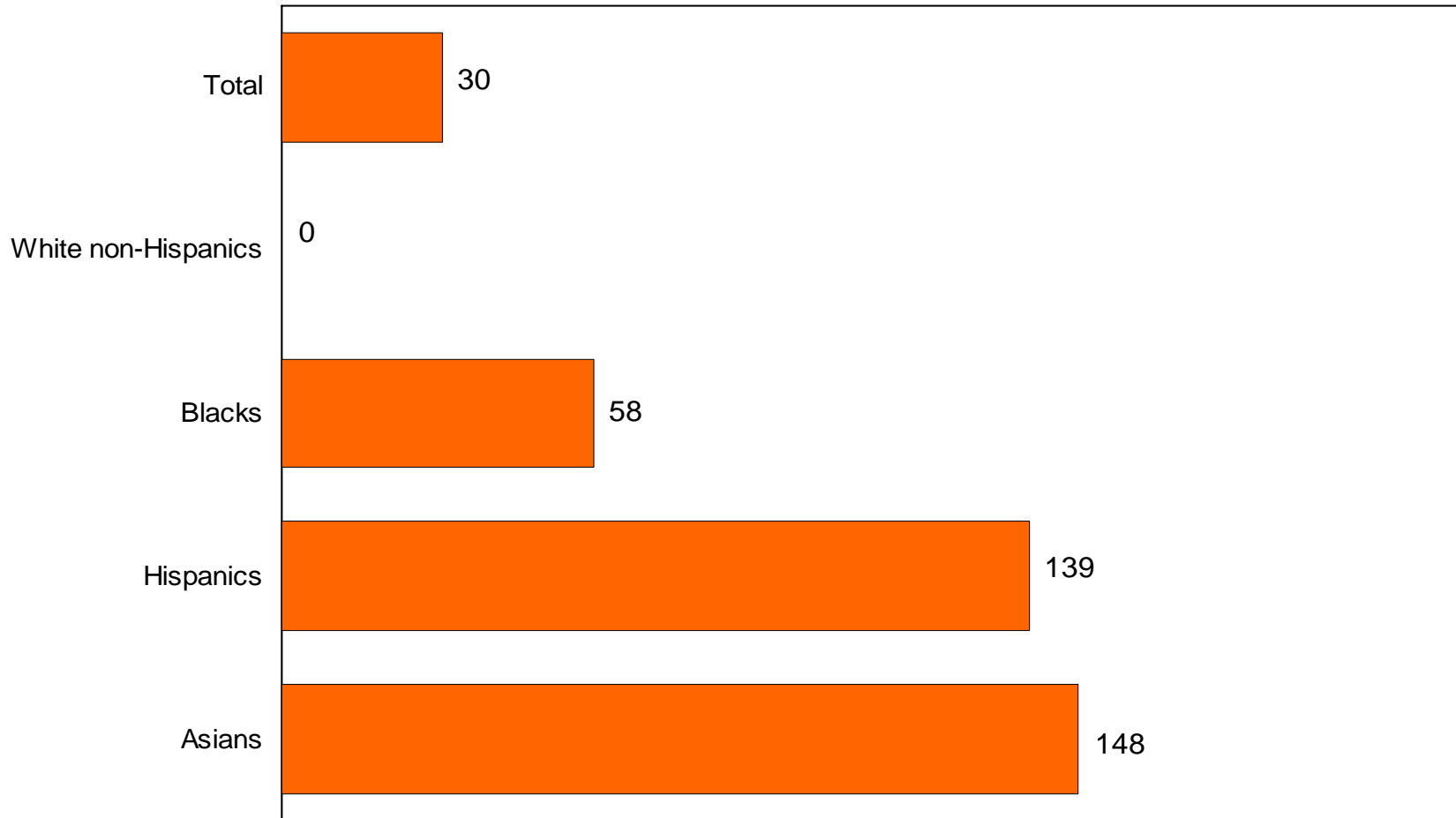
Source: Bureau of Labor Statistics.

# Labor force growth rates of minorities outpace that of White non-Hispanics



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Percent change, 2005-2050

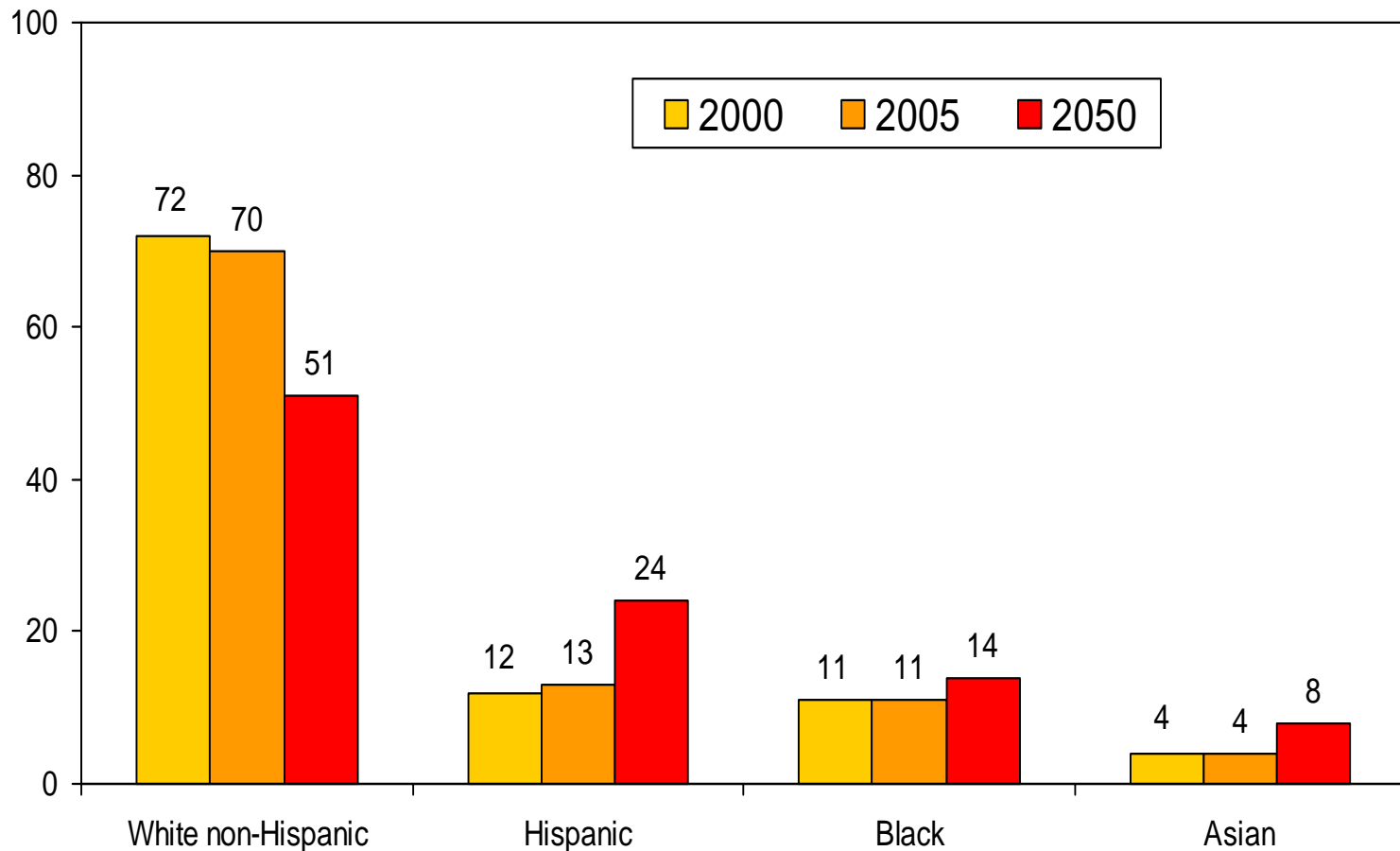


# The share of White non-Hispanics declines in the labor force



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Percent share of the labor force



Source: Bureau of Labor Statistics.



# Demographic Changes

- The U.S. economy is entering a period of dramatic demographic change.
- Projected slowdown of labor force growth.
- Retirement of the baby boom generation.
- Increasing diversity of the U.S. workforce.
- Significantly higher levels of immigration in the last twenty years.



# The Challenge that Lies Ahead

- The impending (and current) retirement of the baby boom generation, the slower but more diverse labor force growth, and trends in immigration leads to two critical questions facing the workforce system:
  - Will the U.S. economy face an overall shortage of workers in the next decade and beyond?
  - And even if there is not an overall shortage, will there be a shortage of skilled workers in the U.S. economy?



# The Challenge that Lies Ahead

- The answers to these questions depend on a variety of factors, including:
  - trends in labor productivity,
  - trends in educational attainment and training - both overall and for immigrants
  - Labor force participation rates, especially among older workers



# Meeting The Challenge

- Increases in labor force participation rates of older workers.
- Continued increases in labor productivity.
- Upgrading the skills of the U.S. workforce (native and foreign born) through education and training.
  - High-growth industries
  - High-wage, high-growth occupations