Career Outlook

BLS

Projections of the labor force, 2016–26

Increases or decreases in the size of the labor force can significantly affect the growth of the economy. The charts in this article show how the U.S. Bureau of Labor Statistics (BLS) projects the labor force to change for men and women, age groups, racial groups (Asians, Blacks, Whites, and others), and ethnic groups (Hispanic origin and non-Hispanic origin).

The total labor force is expected to grow 0.6 percent per year from 2016 to 2026. As in previous years, the labor force is projected to grow more slowly than the number of jobs is, but this does not indicate a labor shortage. Instead, this discrepancy reflects that these two measures are based on different concepts.

(For more information on how BLS develops the projections, read about our methodology.)

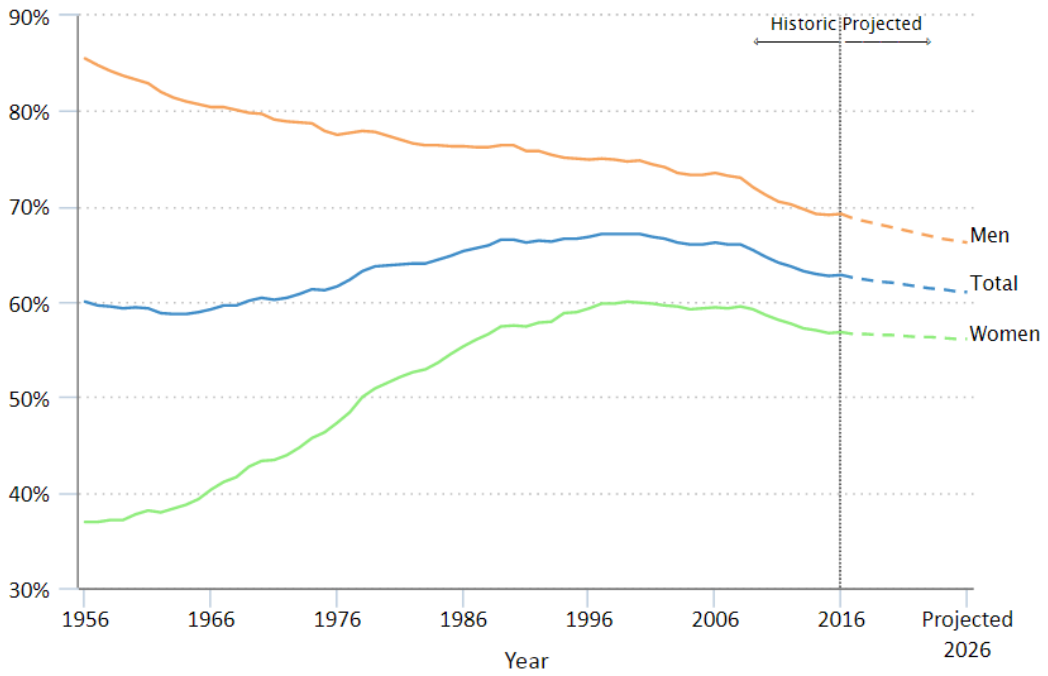
The labor force is the number of people ages 16 and older who are either working or actively looking for work. It does not include active-duty military personnel or the institutionalized population, such as prison inmates.

Historical participation rates

Overall labor force participation has declined, after a peak of 67.1 percent from 1997 to 2000. For women, labor force participation has fallen from a high of 60 percent in 1999. Men's labor force participation has been declining steadily since the 1940s. These drops are projected to continue for both women and men. (See chart 1.)

Chart 1. Change in labor force participation rate by gender

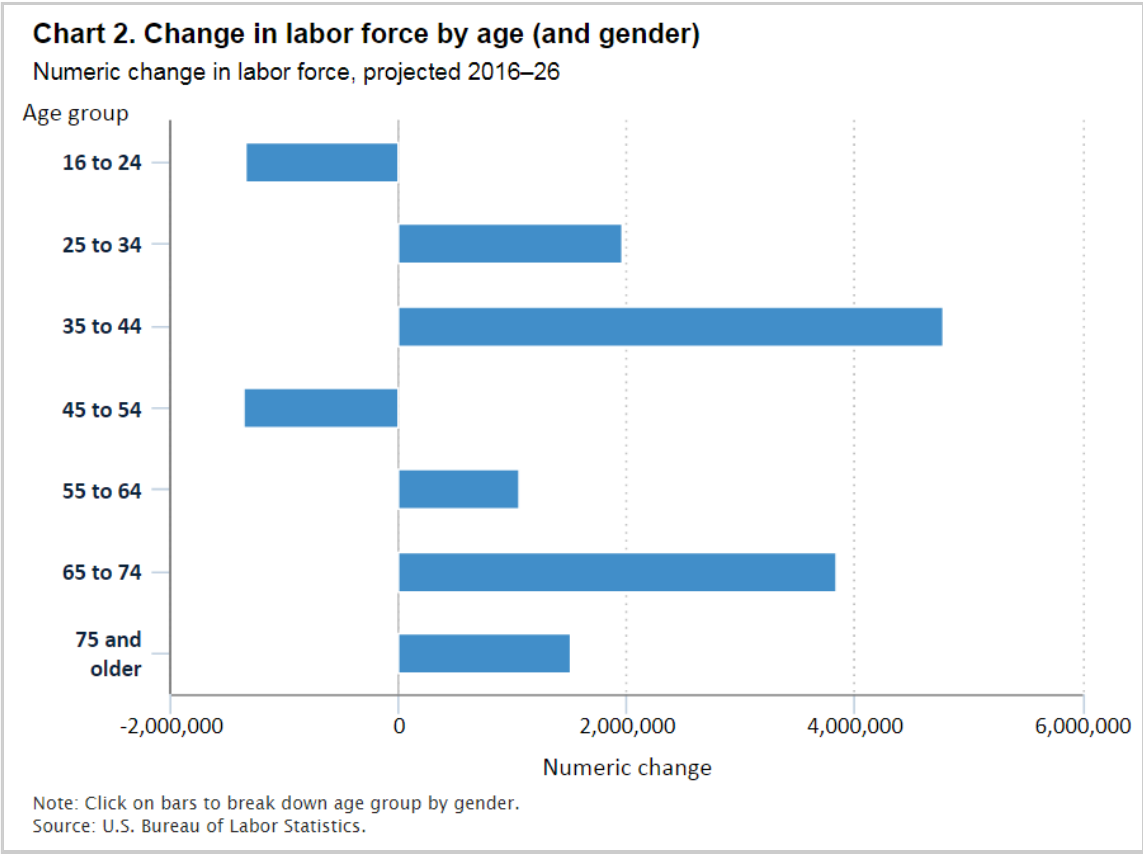
Change in labor force participation rate, 1956–2016 and projected 2016–26



Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

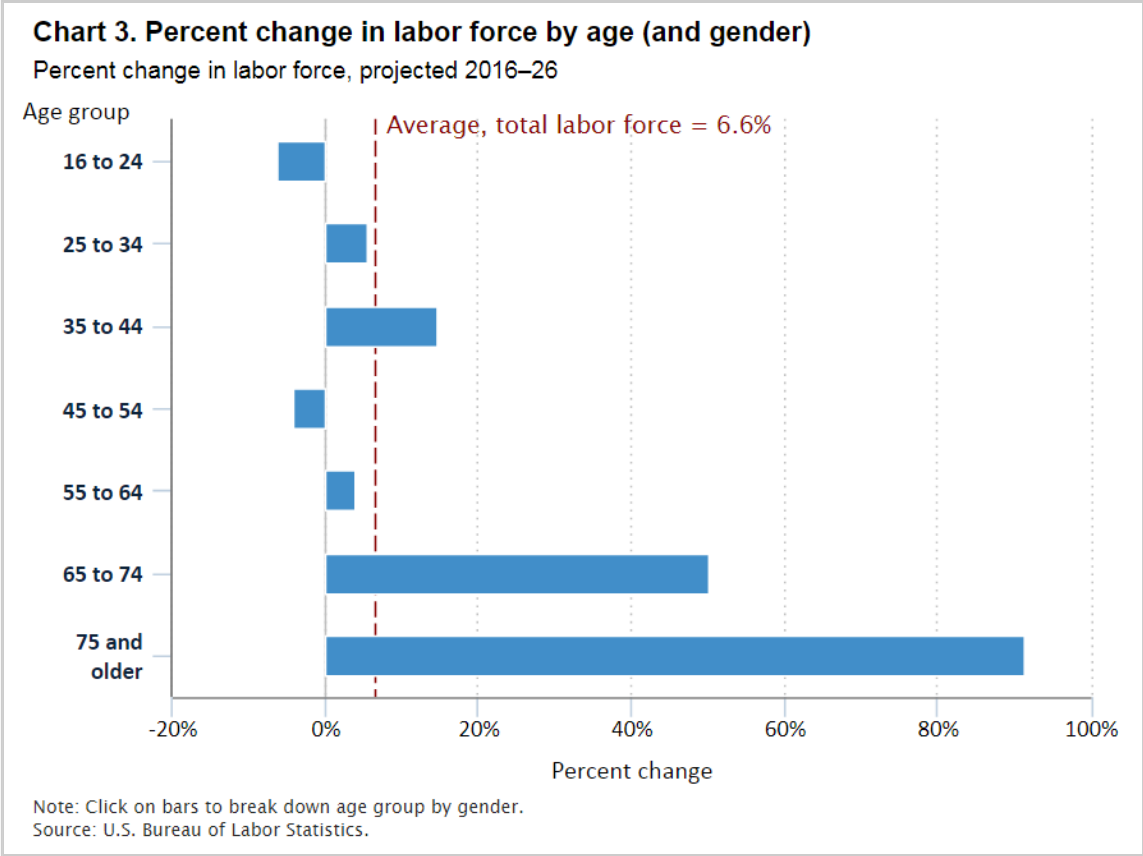
Numeric change in labor force

The number of people in the labor force is projected to rise for most age groups, with significant increases in the 35- to 44-year-old and 65- to 74-year-old groups. (See chart 2.)



Percent change in labor force

Workers ages 75 and older are expected to have the fastest rate of growth in the labor force, followed by workers in the 65- to 74-year-old group. (See chart 3.)

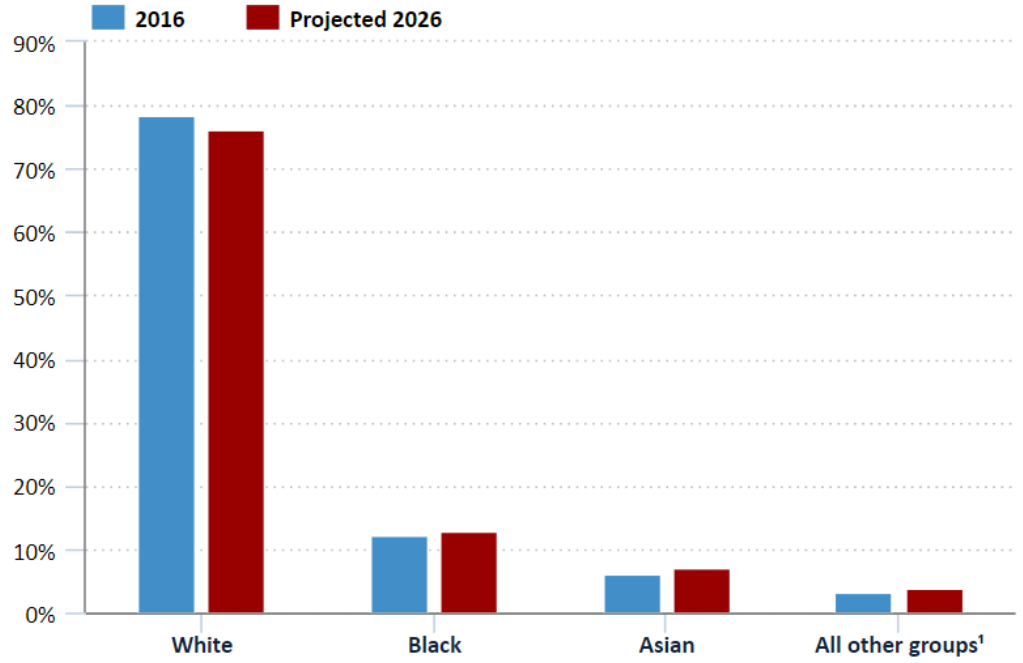


Labor force distribution by race

As chart 4 shows, Whites' share of the labor force is projected to decline somewhat, while shares of Blacks, Asians, and All other groups are projected to rise slightly over the 2016–26 decade.

Chart 4. Change in labor force distribution by race (and gender)

Percent distribution of labor force, 2016 and projected 2026



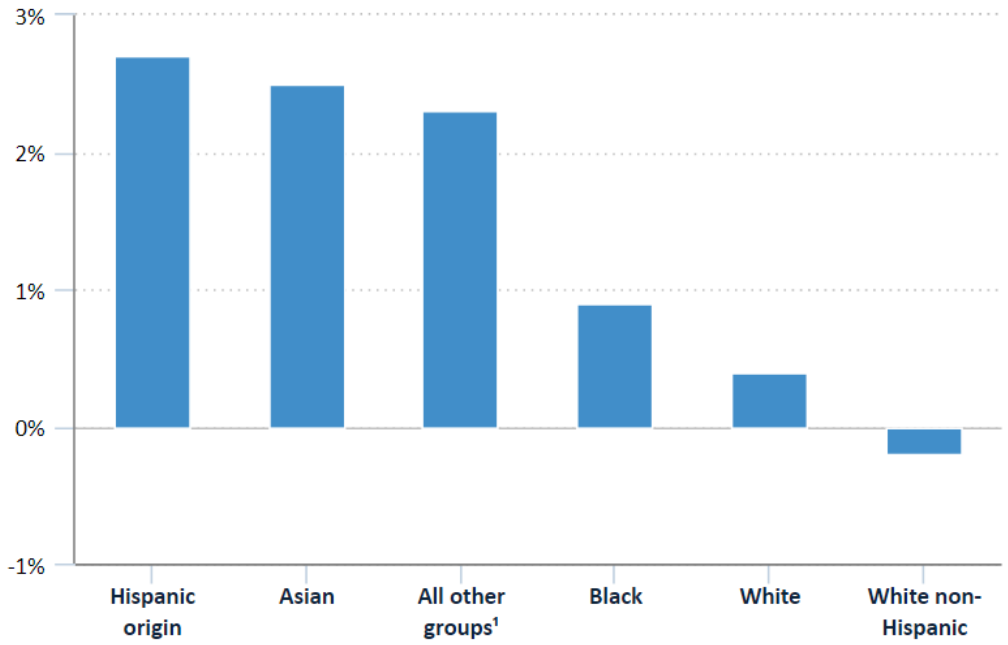
Note: Click on bars to break down race group by gender.
(1) "All other groups" category includes those classified as being of multiple racial origins and the race categories of American Indian and Alaska Native and Native Hawaiian and Other Pacific Islanders.
Source: U.S. Bureau of Labor Statistics.

Labor force growth by race and ethnic group

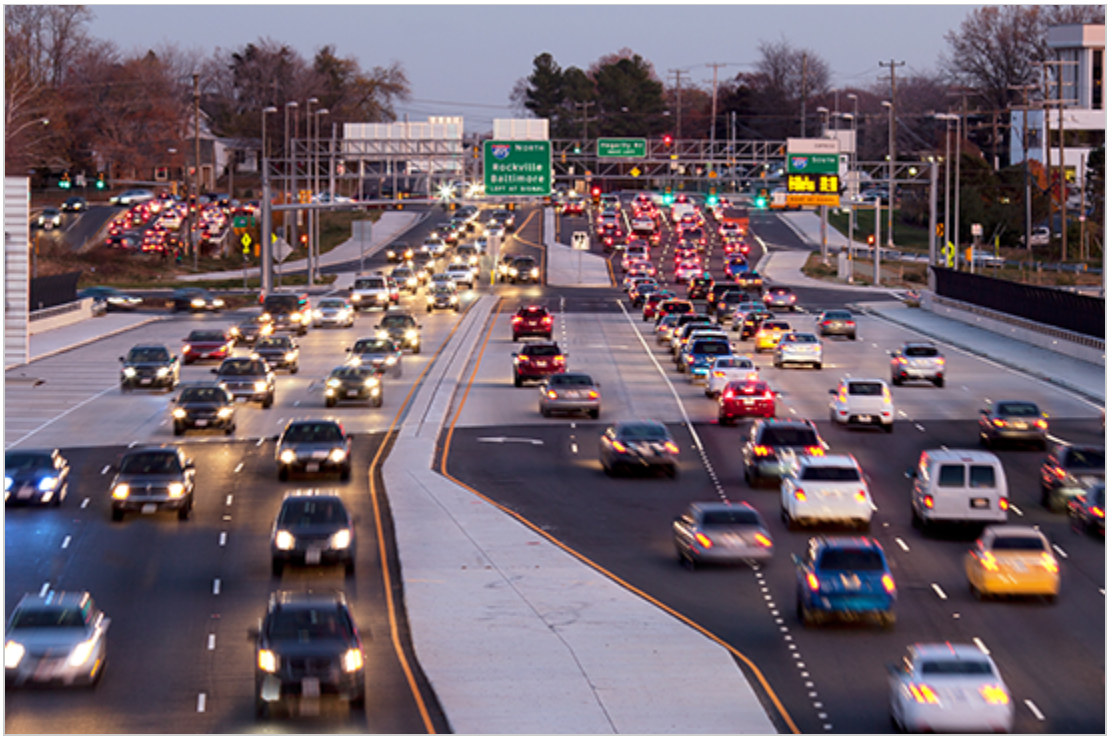
Among race and ethnic groups, the Hispanic origin group is projected to have the fastest rate of growth in the labor force. (See chart 5.)

Chart 5. Percent change in labor force by race and ethnic group (and gender)

Annual growth rate in labor force, projected 2016–26



Note: Click on bars to break down race or ethnic group by gender.
(1) "All other groups" category includes those classified as being of multiple racial origins and the race categories of American Indian and Alaska Native and Native Hawaiian and Other Pacific Islanders.
Source: U.S. Bureau of Labor Statistics.



How BLS develops the projections

Every 2 years, BLS releases projections of the labor force, the overall economy, industry employment, and occupational employment. Economists in the BLS Office of Occupational Statistics and Employment Projections develop these data in a number of steps, first analyzing broad trends in the labor force and overall economy and then examining several hundred industries and occupations.

Population and labor force

Using population projections from the U.S. Census Bureau, BLS analyzed how much the U.S. population and labor force are expected to grow over the 2016–26 decade. BLS then produced projections of the labor force—the civilian, noninstitutional population ages 16 and older that is working or actively seeking work—by looking at historical trends in labor force participation for each age, gender, and race or ethnic group.

Overall economy

BLS then created a model of an economy that is operating at full potential, given the labor force and several other factors. Using this framework, BLS estimated the dollar value of each industry's total output of goods or services. Some of these goods and services are sold to other industries; for example, corn is used in making cereal. Other output, such as the cereal itself or grocery delivery services, is sold directly to consumers.

Industry employment

BLS also studied trends in productivity—the amount of output produced per hour of work. Because of technological advances, for example, some industries are able to increase output without increasing the number of hours worked by employees. BLS used this information to translate projected output into the number of jobs that each industry needs to produce its goods and provide its services.

Occupational employment

Next, BLS projected how jobs in industries are expected to be distributed across detailed occupations, using 2016 employment data from the BLS Occupational Employment Statistics survey and information from other sources for sectors not covered by the survey.

BLS then analyzed how the distribution obtained is likely to change over the 2016–26 decade, studying trends in technology, changing skill requirements, and other factors. And because employment trends in most occupations are closely tied to trends in particular industries, BLS used this information to project employment by occupation, to 2026.

SUGGESTED CITATION:

"Projections of the labor force, 2016–26," *Career Outlook,* U.S. Bureau of Labor Statistics, November 2017.

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