Outlook: 1990–2005

Labor force projections: the baby boom moves on

With the aging of the baby-boom generation, the growth of the labor force will slow, but its diversity will increase

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By 2005, the labor force—those working or looking for work—is projected by the Bureau of Labor Statistics to number 151 million, an increase of 26 million from 1990.[1] This figure represents a projected increase of 21 percent, a slowing from the increase of 33 percent over the previous 15-year period, 1975 to 1990, when the labor force grew by 31 million.

In addition to this slowing of labor force growth, important changes in the composition of the labor force are projected. The number of young people (aged 16 to 24 years) in the labor force is projected to grow by 2.8 million, an increase of 13 percent, considerably less than the overall growth rate of the labor force. (See table 1.) Still, this increase would represent a turnaround for young people over what they experienced during the 1975–90 period, when their numbers in the labor force dropped by 1.4 million. The Bureau also projects that the number of those aged 55 and over in the labor force will grow by 6.7 million, twice the rate of increase of the total labor force, as the younger population in the over-55 age group increases. As a group, baby-boomers are projected to continue adding members to the labor force through the turn of the century, although their share of the labor force peaked in 1985.

Other important changes in the composition of the labor force projected by BLS include a 26-percent increase in the women's labor force, somewhat more than the increase in the overall labor force. However, this rate of growth is slower than that between 1975 and 1990, when the number of women in the labor force grew by 51 percent. The number of men in the labor force is projected to increase by 11 million over the period 1990–2005, but this figure represents a change of just 16 percent, less than the overall growth of the labor force.

The Bureau also has projected changes in the composition of the labor force by race and Hispanic origin. The number of blacks in the labor force in 2005 is projected to increase 32 percent, compared with an increase of 46 percent over the 1975–90 period. For the "Asian and other" group (which also includes Pacific Islanders, native Americans, and Alaskan natives), the increase is projected to be 74 percent, a sharp drop from the 145-percent increase measured over the previous 15-year period. Those of Hispanic origin, who may be either black or white, are projected to grow 75 percent from their 1990 numbers.

Two major factors determine labor force growth: changes in population and changes in labor force participation rates. The BLS projections are based on Bureau of Census population projections and BLS projections of future trends in labor force participation.[2] It is informative to apportion the projected changes in the labor force between these two factors. The total labor force is projected to grow 1.3 percent yearly from 1990 to 2005. Of this growth, 1.0 percent is attributed to population increase and 0.3 percent

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The 1990 Census of Population and BLS projections

The Current Population Survey, source of the historical data on the labor force for these articles and the basis of the labor force projections, does not yet reflect the 1990 Census of Population.

As is by now well known, the count from the 1990 census was below the estimated 1990 population, and preliminary estimates of the undercount indicate that blacks and Hispanics were undercounted by about 5 percent. A decision on whether and how to adjust for the undercount in the intercensal estimates used in statistical series, including those from the Current Population Survey, is to be made later.

Thus, the data from 1980 through 1990 used in the labor force projections could be revised downward, to reflect the count in 1990, or adjusted upward, because of the undercount, or adjusted twice. However, it is unlikely that trends in labor force participation rates will be affected to any considerable degree, as both population and labor force figures will be adjusted in a comparable fashion.

But what about the population projections for 2005? When revised by the Bureau of the Census, projections of the population are likely to reflect the higher levels of net immigration allowed under recent laws, as well as more recent trends in undocumented immigration. The current projections of population for 2005 have a range of 30 million between the highest and lowest projections. Adjustments for undercount, net immigration, and changing births are unlikely to modify the middle projection for 2005 by that number. The effect of the population adjustments discussed above on the labor force of 2005 could be from 1 to 2 million higher or lower than the current moderate projection. The range of uncertainty for this one factor is smaller than the range of labor force projections for 2005, where other factors have been taken into account.

to labor force participation increase. These figures compare with their counterparts from the 1975–90 period, when the annual increase of 1.9 percent was attributed to 1.4 percent population growth and 0.5 percent participation increase. This apportionment for 1990–2005 is fairly consistent across demographic groups, with the exception of women, for whom participation increases are expected to account for 0.6-percent growth, compared with their projected overall 1.6-percent labor force increase.

Making projections is not an exact science; consequently, to indicate the range of uncertainty, BLS prepares alternative—low, moderate, and high—projections.[3] Under these, the work force in 2005 varies from 142 million to 156 million. This range reflects different assumptions about changes in labor force participation rates and in the likely level of immigration. This article focuses mainly on the middle or moderate projection and represents BLS's first look at the labor force of 2005.[4]

Population

Population is one of the two most important factors influencing labor force growth. A new immigration law was enacted in the fall of 1990.[5] This law raised the number of immigrants that will be allowed into the United States each year. To incorporate the higher immigration levels into its projections, BLS has used a projected population scenario of the Bureau of the Census in which net immigration (both documented and undocumented) is assumed to be 800,000 per year.[6]

Under the Census Bureau's high immigration, high fertility scenario, population growth is projected to slow over the 1990–2005 period, with the total population growing 0.9 percent annually. This rate represents a progressive slowing, 1.0 percent over the 1990–95 period, and 0.9 percent during each of the next two 5-year periods.

Important compositional changes in population that are expected to affect the demand for goods and services in the future are also a part of the Census Bureau projections. For example, the number of individuals under 15 years is projected to grow more slowly than the total population over the 1990–2005 period, with modestly higher growth in the 1990–95 period and significantly slower and decreasing growth over the 1995–2000 and 2000–05 periods. In addition, the oldest population, those 85 and over, is projected to increase at more than 3 times the rate of increase for the total population from 1990 to 2005. (Other articles in this issue discuss the expected impact of these changes on future demand for educational and medical services.)[7]

Participation rate changes

The second factor important to future labor force growth is participation rates (the percent of the population in the labor force). The Bureau pre-

pared labor force participation rate changes for 114 age, sex, race, or Hispanic-origin groups, which, combined with the population projections, yield the projected labor force of the future.

Overall labor force participation is projected by BLS to continue increasing, although at a slower rate than in 1975–90. (See table 2.) Between those years, labor force participation rates increased from 61.2 percent to 66.4 percent, a growth rate of 0.5 percent a year. Over the next 15 years, the rate of growth of labor force participation is projected to be only 0.3 percent annually, resulting in an increase of 2.6 percentage points. The slower increase in participation reflects two important developments: the aging of the population and the lower expected increases in labor force participation of younger women.

As the baby-boom generation moves through the years of peak labor force participation, there no longer will be increases in participation due to a large group of people shifting to ages with higher participation.[8] After 2005, with the baby-boom generation moving to ages older than those of peak labor force participation, the tendency will be for the overall labor force participation rate to remain steady or to drop.

Women and men. Because much of the baby-boom generation has already reached the ages at which labor force participation is highest, the overall labor force participation rate is projected to increase between 1990 and 2005, although more slowly than it did over the 1975–90 period. Labor force participation growth in the earlier period reflected not only the increasing propensity of women to work, but the passage of the baby-boomers from the early years of their labor force activity, with low participation rates, to the years of higher labor force participation. The period 1990–2005 will be a time of more stability in baby-boomers' participation rates.

Over the 1975–90 period, overall labor force participation increased by 5.2 percentage points. However, growth over the period was not uniform. Participation rates grew most rapidly between 1975 and 1980, increasing by 2.6 percentage points. Between 1980 and 1985, participation rates increased by 1.0 percentage point, and the pace quickened to 1.6 percentage points in 1985–90. With the baby-boom cohort approaching the ages of lower participation and their children entering the labor force (at ages of low participation), the labor force participation rate is projected to grow unevenly during 1990–2005, increasing by 1.4 percent in 1990–95 and then tapering off to increases of 0.9 percent and 0.3 percent in the succeeding 5-year periods.

Women's labor force participation increased by more than 10 percentage points over the period 1975–90, from 46 percent to 58 percent. The Bureau projects that over the next 15 years, the proportion of women in the labor force will increase further, but only by 6 percentage points. This slower increase reflects a slowdown in the rate at which women's labor force participation

Table 1. **Civilian labor force by sex, age, race, and Hispanic origin, 1975 and 1990, and moderate growth projection to 2005**

[Numbers in thousands]

Group	Level			Change		Percent change		Percent distribution			Annual growth rate (percent)	
	1975	1990	2005	1975–90	1990–2005	1975–90	1990–2005	1975	1990	2005	1975–90	1990–2005
Total, 16 years and over	93,775	124,787	150,732	31,012	25,945	33.1	20.8	100.0	100.0	100.0	1.9	1.3
Men, 16 years and over	56,299	68,234	79,338	11,935	11,104	21.2	16.3	60.0	54.7	52.6	1.3	1.0
Women, 16 years and over	37,475	56,554	71,394	19,079	14,840	50.9	26.2	40.0	45.3	47.4	2.8	1.6
16 to 24	22,621	21,253	24,048	−1,368	2,795	−6.0	13.2	24.1	17.0	16.0	−.4	.8
25 to 54	56,851	88,140	104,562	31,289	16,422	55.0	18.6	60.6	70.6	69.4	3.0	1.1
55 and over	14,303	15,395	22,122	1,092	6,727	7.6	43.7	15.3	12.3	14.7	.5	2.4
White, 16 years and over	82,831	107,177	125,785	24,346	18,608	29.4	17.4	88.3	85.9	83.4	1.7	1.1
Black, 16 years and over	9,263	13,493	17,766	4,230	4,273	45.7	31.7	9.9	10.8	11.8	2.5	1.9
Asian and other, 16 years and over[1]	1,681	4,117	7,181	2,436	3,064	144.9	74.4	1.8	3.3	4.8	6.2	3.8
Hispanic, 16 years and over[2]	(3)	9,576	16,790	(3)	7,214	(3)	75.3	(3)	7.7	11.1	[4]5.9	3.8

[1] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives. The historic data are derived by subtracting "Black" from the "Black and other" group; projections are made directly.

[2] Persons of Hispanic origin may be of any race.

[3] Data on Hispanics were not available before 1980.

[4] 1976–90.

Table 2. **Civilian labor force participation rates by sex, age, race, and Hispanic origin, 1975 and 1990, and moderate growth projection to 2005**

[Percent]

Group	Participation			Annual growth rate	
	1975	1990	2005	1975–90	1990–2005
Total, 16 years and over	61.2	66.4	69.0	0.5	0.3
16 to 24	64.6	67.3	69.5	.3	.2
25 to 54	74.1	83.5	87.3	.8	.3
55 and over	34.6	30.2	34.6	–.9	.9
Men, 16 years and over	77.9	76.1	75.4	–.2	–.1
16 to 24	72.4	71.5	73.1	–.1	.1
25 to 54	94.4	93.5	92.4	–.1	–.1
55 and over	49.3	39.3	41.8	–1.5	.4
Women, 16 years and over	46.3	57.5	63.0	1.5	.6
16 to 24	57.2	63.1	66.0	.7	.3
25 to 54	55.1	74.1	82.3	2.0	.7
55 and over	23.1	23.0	28.7	0	1.5
White, 16 years and over	61.5	66.8	69.7	.6	.3
Black, 16 years and over	58.8	63.3	65.6	.5	.2
Asian and other, 16 years and over[1]	62.4	64.9	66.4	.3	.2
Hispanic, 16 years and over[2]	([3])	67.0	69.9	[4].7	.3

[1] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives.

[2] Persons of Hispanic origin may be of any race.

[3] Data on Hispanics were not available before 1980.

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is projected to increase, as well as the place in its life cycle that the baby-boom generation finds itself.

Women's participation in the labor force increased most rapidly in 1975–80, by 5.2 percentage points. Over both 1980–85 and 1985–90, their participation rose by 3.0 percentage points. In the 1990–95 period, women's labor force participation is still projected to increase, but only by 1.9 percentage points. Again, this reflects more modest increases in the participation of young women and the women of the baby boom nearing the ages of peak participation.

Despite the entry of the men of the baby boom into the labor force from 1975 to 1990, the overall labor force participation rate of men dropped 2 percentage points over the period. For the period 1990–2005, men's labor force participation is projected to drop 1 percentage point.

Men's labor force participation dropped most rapidly over the 1980–85 period, by 1.1 percentage points; between 1985 and 1990, the decrease was only 0.2 percentage point. The Bureau projects that for the first part of the 1990's, men's participation will rise by 0.2 percentage point, but then it will fall steadily, reflecting the fact that the baby-boom generation will be approaching the retirement years.

Race and Hispanic origin. The labor force participation rates of the three racial groups—whites, blacks, and Asians and others—and of persons of Hispanic origin are projected to increase over the period 1990–2005. Participation of Hispanics, whose rates were the highest of the four demographic groups in 1990, is projected to increase by 0.3 percent a year. Whites are also projected to increase their labor force participation by 0.3 percent a year. The participation rates of blacks and of Asians and others are projected to grow only slightly more slowly, by 0.2 percent a year for each group.

Both the growth rate and the level of participation of a racial group reflect not only changes in labor force participation at the levels of age and sex, but also a different age composition of the labor force. If a group has a significantly younger or older population, its overall participation rate will be lower, although the age-specific participation rates may be higher. The Hispanic population is concentrated in the working years, making its overall labor force participation rate higher. As table 3 shows, participation rates for women varied significantly as well. For example, Hispanic women had the lowest overall participation rate in 1990. Although projected to continue being the lowest in 1990–2005, their participation rates are nonetheless projected to increase significantly. In 1975, Asian and other women had the highest participation rates of all women; by 1990, both black and white women had higher rates, although rates had increased for all three groups. By 2005, white women are projected to have the highest labor force participation rates.

Age. In making its projections, BLS focuses on the long-run trend, and not on cyclical variations. For example, the projected change from 53.7 percent to 56.1 percent in the labor force participation rate for teenagers from 1990 to 2005 seems to show significant growth. However, with a participation rate of 55.9 percent for this group in the prerecession year of 1989, the change from then to 2005's 56.1 percent is only 0.2 point, effectively no change. Thus, the projection is actually that teenagers will return to their prerecession level of participation and, in effect, post only an insignificant gain from 1990 to 2005.

In reviewing the labor force participation rate projections, BLS gave two groups particular attention: women aged 20 to 39 and men aged 55 to 74. This special review examined near-term trends that might indicate a change in direction, or at least a change in growth rate, from the previous labor force behavior of these two groups.

(1) *Young women.* The Bureau examined the likelihood of a slowdown in participation rate increases for young women, given the increases in births that have occurred in the past decade. There were more than 4 million births in each of 1989 and 1990, the first time the 4 million mark has been reached since the end of the baby boom.[9]

The review of the labor force patterns of younger women revealed that participation rates for women aged 20 to 24 increased 6.4 percentage points over the period 1970–75, the greatest increase of the 1970–90 period. Between 1975 and 1985, young women's participation continued to increase, but more slowly. For the 1985–90 period, their labor force participation actually decreased, but by only 0.2 percentage point. Given the state of the economy in 1990, it is difficult to separate the cyclical change from the long-term trend. The Bureau projects an increase of 2.0 percentage points in younger women's participation rates from 1990 to 2005, a smaller rise than in any 5-year period before 1985. This increase is in part a reflection of the state of the economy in 1990 and in part an expectation that some of the decline from 1989 to 1990 (a percentage point) will be recovered in the near future. Young women's participation is projected to increase by only 0.7 percentage point between 1995 and 2000 and then by 1.0 percentage point from 2000 to 2005. The Bureau projects labor force participation rates for two age groups (20 and 21; and 22 to 24) and for three racial groups, so the participation rate for 2005 is a composite of six projections. The increased participation of younger women in the period 2000–05 is a reflection of the aging of the children of the baby boom.

For the group of women aged 25 to 29, labor force participation is likely to be related to the presence of young children and the birth of second or later children. (Half of all mothers have their first child by age 25.) The participation of women aged 25 to 29 increased by 12 percentage points from 1970 to 1975 and then continued to increase, although not nearly as rapidly. By the period 1985–90, the increase was down to just 2.4 percentage points. The Bureau projects participation to continue to increase for women in this age group, but more slowly. By 2000–05, participation would increase by just 1.8 percentage points.

For the group of women aged 30 to 34, participation increased most rapidly between 1975 and 1980. This is the same cohort of women that increased its participation by 12 percentage points during the previous 5 years. Much of the overall pattern of change in labor force participation can be regarded as the aging of this group of women. Between 1980 and 1985, these women increased their participation by another 7 percentage points. Thus, in 15 years, an additional third of this group of women entered the labor force, and the group as a whole is likely to exhibit higher growth in labor force participation over its entire working life.

As one writer points out, the cohort of women who worked during World War II had a higher labor force participation rate than before the war, and this higher rate persisted after the war.[10] The group of women born in the 1940's also has had sharply higher labor force participation rates than their slightly older counterparts, and this difference has persisted as they have aged. The next younger group of women, although having even higher participation rates, has not exhibited such strong growth. A consequence of this is that, as the birth cohort of the 1940's enters an age group, the labor force participation growth of that age group accelerates; as they leave it, the growth in participation of the group slows dramatically.

The following tabulation gives the percentage changes in labor force participation rates of young women over 5-year periods, historical from 1970 to 1990 and projected from 1990 to 2005:

	Age, in years			
Period	*20–24*	*25–29*	*30–34*	*35–39*
Historical:				
1970–75	6.4	12.1	7.2	5.8
1975–80	4.8	9.4	12.2	9.9
1980–85	2.9	4.7	6.2	6.8
1985–90	–.2	2.4	3.1	3.8
Projected:				
1990–95	2.0	2.7	2.8	3.8
1995–2000 ..	.7	1.5	2.2	2.4
2000–05	1.0	1.1	1.8	1.8

The labor force participation rate of women 30 to 34 years of age grew most rapidly between 1975 and 1980; after that, participation continued to increase, but more slowly. The Bureau projects this pattern of slower growth to continue through 2005. Since 1975, participation for women in this age group has grown by 22 percentage points, the most for any group of women categorized by age. This rate of growth is much higher than the 15-year change of 8 points for women aged 20 to 24 and significantly higher than the change of 16 points for women aged 25 to 29. It is only slightly higher than the change of 20 percentage points for women aged 35 to 39.

This last group of women aged 35 to 39 is projected to have its greatest increase in participation, 8 percentage points, over the period

Table 3. **Civilian labor force and participation rates by sex, age, race, and Hispanic origin, 1975 and 1990, and moderate growth projection to 2005**

Group	Participation rate (percent)			Level (thousands)			Change (thousands)		Percent change		Annual growth rate (percent)	
	1975	1990	2005	1975	1990	2005	1975–90	1990–2005	1975–90	1990–2005	1975–90	1990–2005
Total, 16 years and over	61.2	66.4	69.0	93,775	124,787	150,732	31,012	25,945	33.1	20.8	1.9	1.3
Men, 16 years and over	77.9	76.1	75.4	56,299	68,234	79,338	11,935	11,104	21.2	16.3	1.3	1.0
16 to 19	59.1	55.6	57.7	4,805	3,866	4,575	–939	709	–19.5	18.3	–1.4	1.1
20 to 24	84.5	84.3	86.1	7,565	7,291	7,989	–274	698	–3.6	9.6	–.2	.6
25 to 34	95.3	94.2	93.6	14,192	19,813	16,955	5,621	–2,858	39.6	–14.4	2.2	–1.0
35 to 44	95.6	94.4	93.4	10,398	17,268	19,237	6,870	1,969	66.1	11.4	3.4	.7
45 to 54	92.1	90.7	90.3	10,401	11,177	18,588	776	7,411	7.5	66.3	.5	3.4
55 to 64	75.6	67.7	67.9	7,023	6,785	9,692	–238	2,907	–3.4	42.8	–.2	2.4
65 and over	21.6	16.4	16.0	1,914	2,033	2,302	119	269	6.2	13.2	.4	.8
65 to 74	27.4	21.4	22.5	1,616	1,727	1,860	111	133	6.9	7.7	.4	.5
75 and over	10.1	7.1	7.2	298	307	442	9	135	3.0	44.0	.2	2.5
Women, 16 years and over	46.3	57.5	63.0	37,475	56,554	71,394	19,079	14,840	50.9	26.2	2.8	1.6
16 to 19	49.1	51.8	54.3	4,065	3,544	4,218	–521	674	–12.8	19.0	–.9	1.2
20 to 24	64.1	71.6	75.3	6,185	6,552	7,266	367	714	5.9	10.9	.4	.7
25 to 34	54.9	73.6	79.7	8,673	15,990	14,724	7,317	–1,266	84.4	–7.9	4.2	–.5
35 to 44	55.8	76.5	85.3	6,505	14,576	17,829	8,071	3,253	124.1	22.3	5.5	1.4
45 to 54	54.6	71.2	81.5	6,683	9,316	17,229	2,633	7,913	39.4	84.9	2.2	4.2
55 to 64	40.9	45.3	54.3	4,323	5,075	8,372	752	3,297	17.4	65.0	1.1	3.4
65 and over	8.2	8.7	8.8	1,042	1,502	1,756	460	254	44.1	16.9	2.5	1.0
65 to 74	11.3	13.1	15.1	893	1,306	1,492	413	186	46.2	14.2	2.6	.9
75 and over	3.1	2.7	2.6	149	196	264	47	68	31.5	34.7	1.8	2.0
White, 16 years and over	61.5	66.8	69.7	82,831	107,177	125,785	24,346	18,608	29.4	17.4	1.7	1.1
Men	78.7	76.9	76.2	50,324	59,298	66,851	8,974	7,553	17.8	12.7	1.1	.8
Women	45.9	57.5	63.5	32,508	47,879	58,934	15,371	11,055	47.3	23.1	2.6	1.4
Black, 16 years and over	58.8	63.3	65.6	9,263	13,493	17,766	4,230	4,273	45.7	31.7	2.5	1.9
Men	71.0	70.1	70.2	5,016	6,708	8,704	1,692	1,996	33.7	29.8	2.0	1.8
Women	48.9	57.8	61.7	4,247	6,785	9,062	2,538	2,277	59.8	33.6	3.2	1.9
Asian and other, 16 years and over[1]	62.4	64.9	66.4	1,643	4,116	7,181	2,473	3,065	150.5	74.5	6.3	3.8
Men	74.8	74.2	75.0	931	2,226	3,783	1,295	1,557	139.1	69.9	6.0	3.6
Women	51.3	56.7	58.9	712	1,890	3,398	1,178	1,508	165.4	79.8	6.7	4.0
Hispanic, 16 years and over[2]	(3)	67.0	69.9	(3)	9,576	16,790	(3)	7,214	(3)	75.3	[4]5.9	3.8
Men	(3)	81.2	81.6	(3)	5,755	9,902	(3)	4,147	(3)	72.1	[4]5.8	3.7
Women	(3)	53.0	58.0	(3)	3,821	6,888	(3)	3,067	(3)	80.3	[4]6.2	4.0

[1] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives. The historic data are derived by subtracting "Black" from the "Black and other" group; projections are made directly.

[2] Persons of Hispanic origin may be of any race.

[3] Data on Hispanics were not available before 1980.

[4] 1976–90.

1990–2005. These women's participation increased most rapidly between 1975 and 1980, but has risen more slowly in each successive 5-year period. However, since 1980, their participation has increased more than that of younger women.

In analyzing and projecting labor force participation trends, BLS has tended to look at the participation rates of an age group through time. It is also useful to follow a cohort (a group born in the same period) through time. A third methodology is to examine cross-sectional patterns. According to this methodology, we analyze the set of labor force participation rates by age for women in 1975, 1990, and 2005. In 1975, the age group with highest labor force participation rate was those aged 20 to 24. Participation dropped sharply through ages 30 to 34, before increasing again. By 1990, participation was higher for ages 25 to 29 than 20 to 24. Although that same year, the rates for women aged 30 to 34 were slightly lower than for the 25–29 group, rates were essentially constant through ages 25 to 34. The Bureau anticipates that labor force participation rates for each successive age group of women will rise through ages 40 to 44 before falling. The participation rates of women's groups 40 years and older are projected to grow more rapidly than the rates of their younger counterparts, for the reasons discussed previously.

(2) *Older men.* The second labor force group requiring close study was men aged 55 and over.[11] Labor force participation rates for this group have generally been declining since 1970. For the four subgroups of interest within this broad age grouping—ages 55 to 59, 60 to 64, 65 to 69, and 70 to 74—the years 1970–75 were a period of substantial decline in labor force participation rates. After 1975, the pattern of labor force participation drops continued for men aged 55 to 59, but then, each successive period saw less of a drop than the previous period for this group, and between 1985 and 1990, the rate actually increased 0.2 percentage point. The Bureau projects that the group's participation will drop again over the period 1990–2005, but only by a percentage point. Given the recession of 1990 and the rapid early retirements in the late 1970's and early 1980's, this projection reflects a judgment on the part of the Bureau to continue the pattern of lower participation during the preretirement years, but not as low as before.

Participation of men aged 60 to 64 dropped 9.5 percentage points between 1970 and 1975 and a further 10 points over the 1975–90 period, with almost no change between 1985 and 1990. The Bureau projects labor force participation for this age group to drop by 2.2 percentage points over the next 15 years, with the rate of change less during the early part of the period.

Men aged 65 to 69, whose participation decreased by 10 percentage points between 1970 and 1975, cut their rate of decline in the next 5-year period by a third, to a 3.2-percentage-point drop. During the 1980–85 period, their labor force participation rate fell 4.1 percentage points, and during the 1985–90 period, it increased 1.6 percentage points. The Bureau projects that the participation of this group will continue to increase, at 0.6 percentage point per 5-year period. That is, the labor force behavior of men in the years of retirement is projected to be different from the behavior of younger men in the preretirement years. Only 26 percent of men aged 65 to 69 were in the labor force in 1990. Under the BLS projection, this number would rise to 28 percent by 2005. At the same time, the participation of men aged 60 to 64 is projected to drop from 56 percent to 53 percent, remaining well above the rates of men aged 65 to 69.

The participation rate of men aged 70 to 74 decreased by 6 percentage points between 1970 and 1975. It then dropped another 3 percentage points from 1975 to 1980. During the 1980–85 period, it fell yet another 3 percentage points, but during 1985–90, participation increased, although by less than a percentage point. The Bureau projects that participation of this group will remain at the 1990 level through the period 1990–2005. The following tabulation gives the

Table 4. **Civilian noninstitutional population by sex, age, race, and Hispanic origin, 1975 and 1990, and moderate growth projection to 2005**

[Numbers in thousands]

Group	Level			Change		Annual growth rate (percent)		Percent distribution		
	1975	1990	2005	1975–90	1990–2005	1975–90	1990–2005	1975	1990	2005
Total, 16 years and over	153,153	188,049	218,428	34,896	30,379	1.4	1.0	100.0	100.0	100.0
16 to 24	35,013	31,593	34,608	−3,420	3,015	−.7	.6	22.9	16.8	15.8
25 to 54	76,771	105,498	119,806	28,727	14,308	2.1	.9	50.1	56.1	54.8
55 and over	41,369	50,956	64,014	9,587	13,058	1.4	1.5	27.0	27.1	29.3
Men, 16 years and over	72,291	89,650	105,187	17,359	15,537	1.4	1.1	47.2	47.7	48.2
16 to 24	17,084	15,594	17,199	−1,490	1,605	−.6	.7	11.2	8.3	7.9
25 to 54	37,071	51,641	59,287	14,570	7,646	2.2	.9	24.2	27.5	27.1
55 and over	18,138	22,415	28,701	4,277	6,286	1.4	1.7	11.8	11.9	13.1
Women, 16 years and over	80,860	98,399	113,241	17,539	14,842	1.3	.9	52.8	52.3	51.8
16 to 24	17,929	15,999	17,409	−1,930	1,410	−.8	.6	11.7	8.5	8.0
25 to 54	39,700	53,856	60,519	14,156	6,663	2.1	.8	25.9	28.6	27.7
55 and over	23,231	28,541	35,313	5,310	6,772	1.4	1.4	15.2	15.2	16.2
White, 16 years and over	134,790	160,415	180,513	25,625	20,098	1.2	.8	88.0	85.3	82.6
Black, 16 years and over	15,751	21,300	27,101	5,549	5,801	2.0	1.6	10.3	11.3	12.4
Asian and other, 16 years and over[1]	2,632	6,338	10,814	3,706	4,476	6.0	3.6	1.7	3.4	5.0
Hispanic, 16 years and over[2]	(3)	14,297	24,010	(3)	9,713	(3)	3.5	(3)	7.6	11.0

[1] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives.

[2] Persons of Hispanic origin may be of any race.

[3] Data on Hispanics were not available before 1980.

changes in labor force participation rates from 1970 to 2005 for men aged 55 years and over:

Period	55 and over	55–59	60–64	65–69	70–74
	Age, in years				
Historical:					
1970–75	–6.4	–5.1	–9.5	–9.9	–5.9
1975–80	–3.7	–2.7	–4.7	–3.2	–2.9
1980–85	–4.6	–2.1	–5.2	–4.1	–3.3
1985–90	–1.7	.2	–.1	1.6	.6
Projected:					
1990–95	–0.9	–.3	–.8	.6	0
1995–2000	1.2	–.3	–.5	.7	.2
2000–05	2.2	–.4	–.9	.6	–.1

For the combined group of men aged 55 and over, participation dropped most rapidly over the 1970–75 period. Since then, their labor force participation rates have continued to drop, with the slowest decrease occurring in the most recent period, 1985–90. The Bureau projects decreases in participation to continue through 1995, with the drop from 1990 to 1995 projected to be yet 1 more percentage point. After that, participation is projected to increase. Participation rates for men 55 and over are projected to be 2.5 percentage points higher in 2005 than in 1990 (–0.9 + 1.2 + 2.2 = 2.5), as the younger ages within this combined group, with higher participation rates, pull up the group's overall rate. Again, population changes weigh more heavily for this group than projected changes in participation rates.

Labor force levels

The labor force is projected to top 150 million in 2005 in the moderate of the three alternatives developed by BLS. (See tables 1 and 3.) This increase of 26 million persons over the 1990 figure represents a slowdown in the growth rate of the labor force, a reflection of the baby boom having completed its entry therein. The children of the baby boom will begin entering the labor force in increasing numbers by the middle of the period 1990–2005. As mentioned earlier, this slowdown in labor force growth results both from a projected decline in the growth of the working age population as a smaller birth cohort enters the work force and from a projected diminution in the rate of increase in the labor force participation of younger women.

Over the past 15 years, the labor force grew most rapidly between 1975 and 1980. Since then, it has slowed its rate of increase. For example, during the 1985–90 period, the labor force grew 1.6 percent yearly. For each of the next three 5-year periods, the labor force is projected to grow even more slowly than the 1.6-percent figure.

It is worthwhile to examine the labor force by broad age groups. The size of the youth labor force, ages 16 to 24, dropped between 1975 and 1990 as the baby-boom generation aged. As the children (or echo) of baby-boomers begin entering the labor force, the size of the younger labor force is expected to increase starting about 1995. In 1970, there were 18 million persons aged 16 to 24 in the labor force. That number rose sharply until 1980, when 25 million 16- to 24-year-old youth were working or seeking work. The group declined most rapidly in size over the 1985–90 period, but is projected to begin growing after 1995. However, the growth rate between 2000 and 2005 still is projected to be only one-third the growth rate of the early 1970's. With this growth, the youth labor force is projected to reach 24 million by 2005. In 1970, the youth labor force was more than a fifth of the total labor force. By 1980, its share reached a quarter of the labor force. Although growth continued through 1985, the youth share of the labor force actually dropped, as other age groups were increasing faster. The youth share is projected to continue declining through 2000, when it will stabilize at 16 percent.

The older labor force, aged 55 and over, grew slowly between 1975 and 1990, due to both falling participation rates of men and its changing composition. However, the older labor force is projected to increase substantially between 1990 and 2005, as the participation rate of older men is projected to rise and as the population aged 55 to 64 increases sharply. The rise in the participation rate is largely an effect of changing composition, in that more men will be in the younger part of the 55-to-64 age group, the segment of the older age group that has higher participation. The population aged 65 to 74, with most of the rest of the older labor force, will not increase between 1990 and 2000, but will begin to increase after 2000.

The older labor force dropped in size slightly between 1970 and 1975 and then again between 1980 and 1985. Since 1985, it has grown modestly. This growth is projected to accelerate, reaching a rate of 4 percent a year between 2000 and 2005, when the total older labor force is expected to reach 22 million. In 1970, the older labor force was 18 percent of the overall labor force. With the baby-boom generation entering the labor force at that time and the older labor force declining or growing slowly, the share of the older labor force began to drop. It is projected to continue dropping through 1995, when it is expected to begin a modest increase, reaching 15 percent in 2005.

The number of workers aged 25 to 54 is projected to grow at just under the growth rate of

the total labor force. In 1990, the entire baby-boom generation was in the 25-to-54 age group; in 2001, the first members will begin reaching an age that puts them in the 55-and-over age group. The years before 1990 posted substantive overall labor force growth as the baby-boom generation moved into the 25-to-54 age range. The numbers in this broad group are large, and the group increased by 31 million between 1975 and 1990; it is projected to increase by another 16 million in the next 15 years. In terms of labor force share, this group increased 10 percentage points over the 1975–90 period, growing from 61 percent to 71 percent of the labor force. With its slower labor force growth anticipated between 1990 and 2005, the share of 25- to 54-year-olds should drop to 69 percent.

By 2005, the younger members of the baby-boom generation will be in their forties. Between 1975 and 1990, when they were in their thirties, the segment of the labor force 25 to 34 years of age increased by 12.9 million. Between 1990 and 2005, this age group is projected to drop by 4.1 million. Similarly, the labor force 35 to 44 years of age grew by 14.9 million from 1975 to 1990; its growth is projected to be 5.2 million in the period 1990–2005, with all of the increase taking place in the 40- to 44-year-old age group. The number of those 45 to 54 grew modestly during the 1975–90 period, by 3.4 million. By 2005, this group should be 15.3 million larger.

Race and Hispanic origin. The Hispanic labor force is projected to grow 3.8 percent yearly, increasing its numbers to 17 million in 2005. Hispanics are projected to be 11.1 percent of the labor force in 2005, up from 7.7 percent in 1990. This increase in share is the most substantial of any demographic group. It is driven by the overall population growth of the group, from both higher births and increased immigration, as well as by projected increases in the participation rate of Hispanic women.

The number of Asians and others in the labor force is also projected to grow 3.8 percent annually. However, their numbers and share start at a much lower level than those for Hispanics. By 2005, Asians and others should comprise 4.8 percent of the labor force, up from 3.3 percent in 1990. Increases in the number of Asians and others in the labor force reflect projected increases in participation by women and continued high immigration.

The black labor force is projected to grow more rapidly than the overall labor force. However, its growth is expected to be slower than that of either the Hispanic or the "Asian and other" group. Their projected numbers in the labor force in 2005, 18 million, make blacks still the largest minority group therein. At 11.8 percent, their share would be up 1 percentage point from 1990. The relatively faster growth of blacks in the labor force is attributable to population growth from higher birth rates and from immigration and to higher participation by black women.

The white labor force is projected to grow more slowly than the overall labor force. Consequently, whites' share of the labor force will decrease from 86 percent to 83 percent by 2005. The slower growth in the white labor force reflects static immigration and lower birth rates than other population groups are projected to have, as well as decreasing participation by men. The last is itself a reflection of the aging of the white male labor force; white women are projected to increase their participation more than any other group.

Women and men. The labor forces of men and of women have been growing at different rates for years. For example, between 1970 and 1975, when young men of the baby boom were entering the labor force, the male labor force grew at a rate of 1.9 percent a year. However, over the same period, the female labor force grew by 3.5 percent yearly. During the period of greatest labor force growth, 1975–80, the female labor force grew twice as fast as the male labor force, although male baby-boomers were still entering the labor force. During the 1980–85 period, the rate of growth of the male labor force dropped to half its former rate, from 1.8 to 0.9 percent annually. The drop for women was almost as drastic, from 4.0 percent to 2.3 percent. During the last 5 years, 1985–90, the rate of growth of the male labor force has increased to 1.2 percent annually. At the same time, the rate of growth of the female labor force has dropped to 2.1 percent yearly, still above that of men. The Bureau projects that the differential in growth rates between the two groups will persist. Between 1990 and 1995, the rates are projected to be almost the same as the 1985–90 growth rates, with the men's labor force increasing 1.1 percent yearly and the women's increasing 1.8 percent yearly. By the period 2000–05, the rates of growth would be 0.9 percent for men and 1.3 percent for women. The women's labor force is projected to be 71.4 million in 2005, the men's 79.3 million. Thus, despite the higher growth rate in the women's labor force, women are still projected to make up a smaller share of the labor force than are men in 2005.

For much of the recent past, the greatest additions in labor force numbers have come from white women. For example, between 1975 and 1990, 15 million out of the total 31 million

added to the labor force were white women, almost half the increment. Over the 1990–2005 period, the labor force of white women is projected to grow by 11 million, or 43 percent of the 26 million by which the overall labor force is projected to increase. During the 1975–80 period, when the labor force was growing most rapidly, white women contributed more than half of the additions, as they did between 1980 and 1985. More recently, their share of the growth in the labor force has dropped, and it is projected to continue dropping. Table 3 shows that this slowdown is not due to a smaller participation rate increase than that of other groups. The white population is projected to grow more slowly than any of the other population groups. (See table 4.) Whites also have the oldest population and labor force, as measured by median age. The positioning of the white members of the baby-boom generation in the labor force is the cause of the slower growth of the white labor force relative to the other racial or Hispanic-origin groups.

Tracking the baby boom. Given its significant and continuing influence on the labor force, it is necessary to examine the progress of the baby-boom generation through the working years. The following tabulation shows the age of the baby-boom cohort in four separate years:

Year	*Youngest*	*Oldest*
1970	6	24
1980	16	34
1990	26	44
2005	41	59

In 1970, when most baby-boomers were too young even to be in the labor force, the baby-boom generation still made up a fifth of the labor force. In 1985, the share of the labor force held by the baby-boom cohort peaked at more than 55 percent. By 1990, their share was beginning to decline, although they were still more than one-half the labor force. By 2005, the baby-boom cohort is projected to be less than half the labor force. The following tabulation shows the baby-boom's numbers in the labor force, in millions, and their share of the labor force, in percent, by year:

Year	*Millions*	*Share*
Historical:		
1970	17.8	21.6
1975	35.3	37.7
1980	54.5	51.0
1985	63.6	55.1
1990	67.6	54.2
Projected:		
1995	70.2	52.3
2000	70.4	49.2
2005	67.6	44.8

These numbers illustrate the impact the baby boom has had on the size and composition of the labor force. Although the number of baby-boomers in the labor force is projected to peak around 2000, their share of the labor force, as mentioned, peaked earlier, around 1985. As the baby-boom generation aged, successively older groups of the labor force grew—and at a more rapid rate. As baby-boomers moved from ages with typically lower labor force participation to ages with higher participation, the rate of growth of the labor force accelerated. Other things remaining equal, as the baby-boom generation moves to age groups with lower participation, the rate of growth of the labor force should slow.

Labor force dynamics

Three groups play a major role in the dynamics of the labor force from 1990 to 2005: *entrants*, that is, those who will be in the labor force in 2005 but who were not in 1990; *leavers*, that is, those who were in the labor force in 1990 but will not be in 2005; and *stayers*, that is, those who will be in the labor force in both 1990 and 2005.[12] To the extent that the demographic composition of entrants between 1990 and 2005 is different from the composition of those currently in the labor force, the labor force of 2005 will be different from today's labor force. But the makeup of the labor force is also affected by the demographic composition of those leaving. Thus, the labor force of 2005 may be regarded as consisting of the labor force of 1990, plus the entrants less the leavers. If the labor force will be different in 2005 from what it is in 1990, that will be because the three groups of entrants, leavers, and stayers differ in significant ways.

The Bureau projects that between 1990 and 2005, 55.8 million people will enter the labor force and 29.9 million people in the labor force in 1990 will have left the labor force. (See table 5.) These figures compare with 55.9 million entrants and 24.9 million leavers over the 1975–90 period. The entrants in both periods are almost equally women and men, as is the population of labor force entrance age. The leavers, on the other hand, are more likely to be men, as is true of the older labor force. With 28.2 million men joining the 1990 labor force of 68.2 million and 17.1 million men leaving by 2005, the labor force of 2005 is projected to have 79.3 million men. Similarly, 27.6 million women are expected to enter the labor force over the period 1990–2005, while 12.8 million women are projected to leave. The relatively fewer women leaving the labor force over the period would raise the share of the labor force represented by

women from 45.3 percent in 1990 to 47.4 percent in 2005.

The primary difference in net growth between the 1975–90 and 1990–2005 periods is the number of persons projected to leave the labor force. The Bureau estimates that only 24.9 million left the labor force from 1975 to 1990, some 5 million fewer than the number projected to leave from 1990 to 2005. Men, who were 65 percent of those who left in 1975–90, are projected to constitute 57 percent of those leaving in 1990–2005. However, in numbers, the two sets of leavers are quite comparable: 16.2 million in the earlier period versus 17.1 million men projected to leave in the later period. By contrast, the number of women projected to leave the labor force from 1990 to 2005, 12.8 million, is almost half again as much as the 8.7 million women who left in 1975–90. The following tabulation gives the number and percent of entrants and leavers during the period 1975–90:

	Entrants	*Leavers*
Total	55,915	24,901
Men	28,135	16,199
Women	27,780	8,702
Share:		
Men	50.3	65.1
Women	49.7	34.9

Most of the 1990 labor force was non-Hispanic whites (79 percent). Two-thirds of those expected to enter the labor force between 1990 and 2005 are projected to be non-Hispanic whites as well. This proportion is smaller than their share of the work force, reflecting the lower population growth of the group. As a result of the 36.4 million non-Hispanic whites entering and 24.4 million leaving the labor force over the period 1990–2005, the non-Hispanic white share is projected to be 73 percent in 2005, a drop of 5.5 percentage points over the period.

Blacks were the second largest group in the 1990 labor force. With Hispanic blacks removed, they were still 10.7 percent of the labor force. They are projected to add 7.2 million workers between 1990 and 2005, 13 percent of entrants during the period. Even with the 3.1 million black non-Hispanics projected to leave the labor force over the period, the group will increase both its numbers and share.

In 1990, Hispanics of all races were the third largest labor force group, with 9.6 million workers representing 7.7 percent of the labor force. Because of their high levels of immigration, some 8.8 million Hispanics are projected to enter the labor force during 1990–2005, a number greater than the black entrants for the same period. Only 1.6 million Hispanics are projected to leave the labor force over the period, so the number of Hispanics in the labor force will grow by more than 7 million. Even with this growth, the Hispanic labor force is projected to be slightly smaller than the black labor force in 2005.

The group of Asians and others is currently the smallest racial group in the labor force. It is projected to have 3.4 million workers join the labor force during 1990–2005, a number close to the size of its 1990 labor force. Because few members of this group are projected to leave the labor force over the period, the group is projected to increase by 74 percent.

Table 5. **Civilian labor force, 1990 and projected to 2005, and projected entrants and leavers, 1990–2005**

Group	Labor force, 1990	Entrants, 1990–2005	Leavers, 1990–2005	Labor force, 2005
Number [thousands]				
Total	124,786	55,798	29,851	150,732
Men	68,232	28,197	17,090	79,339
Women	56,554	27,601	12,761	71,394
White, non-Hispanic	98,013	36,425	24,423	110,015
Men	53,784	17,965	14,204	57,545
Women	44,229	18,460	10,219	52,470
Black	13,340	7,250	3,144	17,447
Men	6,628	3,461	1,553	8,537
Women	6,712	3,789	1,591	8,910
Hispanic	9,577	8,768	1,556	16,789
Men	5,756	5,085	939	9,902
Women	3,822	3,683	617	6,888
Asian and other	3,855	3,354	728	6,482
Men	2,064	1,686	395	3,356
Women	1,791	1,668	333	3,126
Share [percent]				
Total	100.0	100.0	100.0	100.0
Men	54.7	50.5	57.3	52.6
Women	45.3	49.5	42.7	47.4
White, non-Hispanic	78.5	65.3	81.8	73.0
Men	43.1	32.2	47.6	38.2
Women	35.4	33.1	34.2	34.8
Black	10.7	13.0	10.5	11.6
Men	5.3	6.2	5.2	5.7
Women	5.4	6.8	5.3	5.9
Hispanic	7.7	15.7	5.2	11.1
Men	4.6	9.1	3.1	6.6
Women	3.1	6.6	2.1	4.6
Asian and other	3.1	6.0	2.4	4.3
Men	1.7	3.0	1.3	2.2
Women	1.4	3.0	1.1	2.1

NOTE: Unlike other tables, the columns in this table are additive. For a discussion of how the numbers of entrants and leavers were calculated, see the text.

Table 6. **Three projections of the civilian labor force by sex, age, race, and Hispanic origin, 2005**

Group	Participation rate (percent)			Level (thousands)		
	High	Moderate	Low	High	Moderate	Low
Total	71.5	69.0	66.1	156,169	150,732	141,774
16 to 24 years	72.6	69.5	65.8	25,138	24,048	22,153
25 to 54 years	89.4	87.3	85.1	107,105	104,562	99,553
55 years and over	37.4	34.5	31.5	23,926	22,122	20,068
Men	77.3	75.4	72.9	81,360	79,338	75,184
Women	66.1	63.0	59.8	74,809	71,394	66,590
White	72.3	69.7	66.7	130,453	125,785	118,370
Black	67.7	65.6	63.2	18,341	17,766	16,940
Asian and other[1]	68.2	66.4	64.3	7,375	7,181	6,464
Hispanic[2]	74.6	69.9	67.3	17,906	16,790	16,163

[1] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives. The historic data are derived by subtracting "Black" from the "Black and other" group; projections are made directly.

[2] Persons of Hispanic origin may be of any race.

Alternative projections. The world of 2005 may well be significantly different from that described in the moderate projections. To give the reader some feeling for the uncertainty involved, BLS develops two alternative labor force projections. (See table 6.) The range in numbers in the labor force from the low to the high projection for 2005 is 14 million. The range is greater for women than for men, 8 million versus 6 million, reflecting a greater uncertainty about women's labor force participation in the future. Both the high and the low alternatives have labor force participation rates that differ from those projected in the moderate growth scenario. In addition, the low-growth alternative assumes that population growth will follow the Census Bureau middle growth path, rather than the high immigration path used for the moderate and high projections.

With the higher participation projected in the high growth alternative, the labor force would be 156 million by 2005, 5 million more than in the moderate scenario. Almost three-quarters of the population 16 and over would be in the labor force in this alternative. Ninety percent of those 25 to 54 years old would be in the labor force, as would almost three-quarters of youth.

Under the assumptions used in developing the low-growth projection, there would be 142 million in the labor force, 9 million fewer than in the moderate growth projection. Two-thirds of the population would be in the labor force in the low growth alternative. The lower labor force growth in this projected alternative is an indication not only of lower labor force participation, but also slower population growth. The slower growth in population would result in proportionately fewer people in the peak working years, which would depress the labor force participation rate.

Implications

Median age and other age measures. The age of the labor force may be measured in various ways. Two of these measures are the median age of the labor force and the labor force shares of younger (16 to 24) and older (55 and over) workers. As the baby-boom generation enters the labor force, we would expect to find the median age of the labor force decreasing. Then, once in the labor force, groups can only age, so we should see the median rising. The median age of the labor force was 40.5 years in 1962, the highest level attained before the baby-boomers entered the labor force. The median age dropped steadily until 1980. Since then, it has been rising. With the labor force participation rates of older men no longer projected to drop as rapidly as in the past, the median age of the labor force in 2005 is projected to exceed slightly the level reached in 1962. (See table 7.)

For much of the 1962–90 period, the male labor force has been older than the female labor force. This age difference reflected a pattern of women entering the labor force and then leaving for some time after childbirth. With the higher participation of older women and with the slowing in participation rate increases of younger women, the ages of the male and female labor force are projected again to approach each other.

Historically, the white labor force has been older than the rest of the labor force. This trend is projected to continue, with the difference reaching 0.4 year in 2005. The black and Hispanic groups are younger than whites, reflecting higher birth rates, which result in their youth holding a somewhat larger share of their respective populations. The black labor force has been about 1.5 to 2.5 years younger than the overall labor force; this age gap is projected to continue. Generally, the group of Asians and others in the labor force has been slightly younger than the overall labor force. The group is projected to become 2 years younger than the overall labor force median age by 2005. The Hispanic labor force also has been, on the whole, younger, due to higher fertility. The Hispanic labor force is projected to continue having a lower median age than the overall labor force, but it is also projected to age, growing from a median of 33.2 years in 1990 to 35.6 years in 2005. This trend reflects the aging of earlier immigrants.

The other way to look at the age structure of the labor force is to track the relative size of the

younger and older segments of the labor force. The older labor force was 15 percent of the 1975 labor force. With the entry of the baby-boom generation, the older share dropped to 12 percent by 1990. As the baby-boom generation progresses beyond age 55, and with increased participation by women 55 years and over and little decrease in participation by men 55 years and over, the share of the older segment of the labor force is projected to increase to 15 percent again by 2005. Thus, although the median age of the labor force is projected to be the highest ever by 2005, the older labor force will have a share no greater than its share in 1975. Taken together, the two statements imply that the preponderance of the labor force will be 40 to 54 years of age in 2005. Thus, any rapid aging of the labor force will have to await the period 2005–20.

Economic dependency ratio. The following tabulation gives the number of those in the total population (including Armed Forces overseas, as well as children) not in the labor force per hundred of those in the labor force, by broad age group:

Year	*Total*	*Under 16*	*16–64*	*65 and over*
Historical:				
1975	126.3	61.4	44.2	20.7
1980	108.9	50.7	37.4	20.8
1985	103.3	47.3	34.2	21.8
1990	98.3	45.8	30.5	22.1
Projected:				
1995	94.9	45.5	27.3	22.2
2000	91.5	43.9	26.1	21.6
2005	89.7	42.4	26.0	21.3

For example, in 1990, for every 100 persons in the labor force, there were about 98 who were not, of which about 46 were children, 30 were 16 to 64 years of age, and 22 were over age 64.

In 1987, for the first time ever, more Americans were in the labor force than not. This condition is projected to prevail throughout the entire projection period, with the proportion of those not working to workers reaching a low of 90 per hundred workers in 2005.

Upon examining the ratio (called the *economic dependency ratio*) for the age groups shown, what first becomes apparent is the large portion of this ratio that is attributable to children. As the number of births dropped and the baby boom moved to ages above 16, the total dependency ratio dropped. Most of the 28-percentage-point drop for the total population between 1975 and 1990 was because of the decline in the number of children born. The portion of the ratio attributed to children is projected to continue dropping, despite higher fertility, but the drop, 3.3 points, is modest. The rest of the drop is attributable to higher labor force participation on the part of women aged 16 to 64. The ratio for the 16-to-64 age group as a whole dropped from 44.2 in 1975 to 30.5 in 1990, almost 15 points. This ratio is projected to drop further, but with most of the increases in women's participation having already taken place, the ratio is projected to drop only 4.5 additional percentage points by 2005.

The only part of the dependency ratio that has not been steadily decreasing is that portion attributable to older persons. In 1975, this was by far the smallest part, and even by 2005, it will still be the smallest proportion of the dependent population. However, between 1975 and 1990, it grew by 1.4 percentage points. It is projected to rise slightly between 1990 and 1995 before falling again to 21.3 older retired persons per hundred workers, a level below that of 1985. □

Table 7. **Median ages of the labor force, by sex, race, and Hispanic origin, selected historical years and projected years 1995, 2000, and 2005**

[Age in years]

Group	1962	1970	1975	1980	1985	1990	1995	2000	2005
Total	40.5	39.0	35.8	34.3	35.2	36.6	38.0	39.4	40.6
Men	40.5	39.4	36.5	35.1	35.6	36.7	38.0	39.4	40.5
Women	40.4	38.3	34.8	33.9	34.7	36.4	38.0	39.5	40.6
White	40.9	39.3	35.6	34.8	35.4	36.8	38.3	39.8	41.0
Black[1]	38.3	36.6	34.1	33.3	33.8	34.9	36.2	37.4	38.3
Asian and other[2]	([3])	([3])	([3])	33.8	34.9	36.5	37.2	38.0	38.6
Hispanic origin[4]	([5])	([5])	([5])	30.7	32.4	33.2	34.2	35.0	35.6

[1] For 1962 and 1970: Black and other.

[2] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives. The historic data are derived by subtracting "Black" from the "Black and other" group; projections are made directly.

[3] Because data for blacks were not tabulated separately before 1972, data for the "Asian and other" group were not available before that year.

[4] Persons of Hispanic origin may be of any race.

[5] Data on Hispanics were not available before 1980.

Footnotes

ACKNOWLEDGMENT: Alan Eck, an economist in the Office of Employment Projections, provided the calculations of the projected numbers of entrants and leavers for this article.

[1] The civilian labor force consists of employed and unemployed persons and does not include any Armed Forces personnel. Data for this series is gathered from the Current Population Survey, conducted by the Bureau of the Census for the Bureau of Labor Statistics. Estimates from the Current Population Survey reflect the 1980 Census of Population, and it is these estimates upon which numbers for the 1990 labor force are based.

[2] "Projections of the Population of the United States, 1987 to 2080," *Current Population Reports*, Series P-25, No. 1018 (Washington, Bureau of the Census, 1989). Both

the projections of population and the projections of labor force trends are based on estimates derived from the 1980 Census of Population and thus do not reflect any findings from the 1990 Census of Population.

[3] For the most recent evaluation of BLS labor force projections, see Howard N Fullerton, Jr., "An evaluation of labor force projections to 1985," *Monthly Labor Review*, November 1988, pp. 7–17. For recent comments on the accuracy of the labor force projections, see Stephen K. McNees, "How fast can we grow?" *New England Economic Review*, January-February 1991, pp. 3–14.

[4] The projections presented here replace those described by Howard N Fullerton, Jr., in "New labor force projections, spanning 1988 to 2000," *Monthly Labor Review*, November 1989, pp. 3–12.

[5] The Immigration Act of 1990.

[6] To understand the effect of changing the scenario, BLS calculated the number in the labor force using the middle population scenario together with the moderate labor force projection scenario. Under the assumption of lower net immigration that characterizes the middle population projection, the labor force would be 147 million, 3.2 million fewer than under the high net immigration scenario BLS decided to use. The difference in workers between the two projections is solely due to immigrants.

[7] See Max Carey and James Franklin, "Industry output and job growth continues slow into the next century," pp. 45–63, and George Silvestri and John Lukasiewicz, "Projections of occupational employment, 1990 to 2005," pp. 64–94.

[8] The baby-boom generation consists of those born from 1946 through 1964.

[9] For a review of family labor force patterns, see Howard V. Hayghe, "Family members in the work force," *Monthly Labor Review*, March 1990, pp. 14–19. A discussion of changes in day care is in Darrel Patrick Wash and Liesel E. Brand, "Child day care services: industry at a crossroads," *Monthly Labor Review*, December 1990, pp. 17–24; and Ronald E. Kutscher, "The changing work force and some implications," in Ellen Ernst Kossek, ed., *Child Care Challenges for Employers* (Horsham, PA, LRP Publications, 1991), pp. 15–34.

[10] J. Gregory Robinson, *A Cohort Analysis of Trends in the Labor Force Participation of Men and Women in the United States, 1890 to 1985* (Philadelphia, University of Pennsylvania, 1988).

[11] For a review of recent labor force trends of older men, see Jon R. Moen, "Fewer older men in the U.S. work force: technological, behavioral, and legislative contributions to the decline," *Economic Review*, November-December 1990, pp. 16–31; Murray Gendell and Jacob S. Siegel, "Trends in the age at retirement among men and women in the United States, 1950–2000 (Washington, Department of Demography, Georgetown University, 1991); and Ronald E. Kutscher and Howard N Fullerton, Jr., "The Aging Labor Force," in I. Bluestone, R. J. Montgomery, and J. D. Owen, eds., *The Aging of the American Workforce* (Detroit, Wayne State University Press, 1990), pp. 37–54.

[12] Entrants and leavers are computed by comparing the labor force numbers for birth cohorts at two points in time. If the labor force numbers at the second point are larger, the difference is termed the entrants. If the labor force numbers at the second point are smaller, the difference is the leavers. These concepts understate the actual numbers likely to enter and leave the labor force over the period covered by the two points in time, but are still a valid comparison. As with measures of geographic mobility, which also do not measure all the changes over a period, we do not call these net entrants and leavers.