The American work force, 1992–2005

Another look at the labor force

The labor force is projected to increase more rapidly than in the immediate past; growth rates for the various racial or Hispanic origin groups are expected to vary widely

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By 2005, the labor force, those working or looking for work, is expected to number 151 million, an increase of 24 million from 1992, according to the latest projections made by the Bureau of Labor Statistics.[1] This represents an increase of 19 percent, slightly less than the 21-percent increase over the previous 13-year period, 1979 to 1992, when the labor force grew by 22 million. For the first time in years, BLS projections show that the labor force increase in *numerical* terms will be larger in the projected period than in the corresponding historical period. (See table 1.)

The growth in the women's labor force is expected to slow down, but will still increase at a faster rate than that of men. Women are projected to represent a slightly greater portion of the labor force in 2005 than in 1992. The number of men in the labor force is projected to grow at a rate similar to their growth in the immediate past. The projected labor force growth will be affected by the aging of the baby-boom generation, those born between 1946 and 1964: in the 1992–2005 period, the labor force of those aged 45 to 64 is expected to grow most rapidly. The different race or Hispanic origin groups have shown—and are projected to continue to show—widely varied growth rates as a consequence of divergent rates of population growth.

This article describes the demographic labor force projections made by BLS for 128 age, sex, race, or Hispanic origin groups composing the future labor force.[2] Changes in the labor force are explored as the consequence of population or labor force participation rate changes. This article also examines dynamics of the changes resulting from persons entering, leaving, or staying in the labor force; these factors lead to changes in the composition of the labor force. Finally, the demographic consequences of changes in the composition of the labor force are reviewed.

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 alternatives, the work force in 2005 varies from 147 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 primarily on the middle or moderate projection—in which the labor force is expected to total 151 million—and represents a second look by BLS at the labor force of 2005.[4] The BLS projections are based on Bureau of the Census projections of population and BLS projections of labor force participation.[5]

Population

Population growth is considered first because it accounts for an important part of the future labor force growth.[6] The Census Bureau made popula-

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tion projections for four racial groups, each with a Hispanic origin and non-Hispanic origin component for a total of eight groups.[7]

Population growth is the result of natural increase and net immigration. *Natural increase* is the excess of births over deaths; *net immigration* is the excess of immigration over emigration. The population projections also reflect past changes in fertility, because such changes affect the current and projected age structure.

Natural increase. Fertility varies among the various racial population groups in the United States.[8] The consequences of higher fertility rates are higher population growth and a younger population (a lower median age or a larger share of the population at the younger ages). The opposite—an older population—occurs with low fertility rates.

The cohort fertility rates of the white non-Hispanic population imply that, in the long run, fewer births than deaths will occur. Although the other seven minority groups are projected to have declining fertility, each group would have significant natural increases. The black, Hispanic, and Asian and other groups will have a younger population than the non-Hispanic white group, and also will account for an increasing share of the population. Each of these three groups will represent a larger share of the younger population and, because their fertility rates are expected to decrease, a smaller, but increasing, share of older population groups.

Net immigration. The other component of population growth is net immigration, which BLS finds is the most problematic component of the population projection. For the three alternative labor force projections, two assumptions about immigration are used: the Census Bureau middle scenario is used for the low and moderate projections and the high net immigration scenario in the high projection.[9] The Census Bureau assumes for its middle series a net difference between immigration and emigration of 880,000 annually. (See table 2.)

About 70 percent of projected net immigration consists of Hispanics and Asian and Pacific Islanders. Although all racial and Hispanic groups have higher levels of immigration in the high net immigration scenario, the numbers shift toward European and African immigration. Because most people migrate to obtain work, BLS uses the high net immigration scenario with its high labor force growth scenario. The level and composition of the net immigration stream is a major uncertainty.[10]

Population composition. Past changes in fertility are reflected in the current shares of population by age. (See table 3.) In 1965, when the baby boom had just ended, 29 percent of the population was under 14 years old; about the same share was 45 and older. By 2005, those 45 and older are expected to be nearly 40 percent of the population. The share of those aged 65 to 84 has been rising since 1965, and is projected to continue.

Since the end of the baby boom in 1964, the share of children under age 18 has been dropping, and is projected to drop even lower by 2005. The population of the ages entering the labor force, 18 to 24, also are projected to drop in share, after attaining their greatest share in 1980. The group gen-

Table 1. **Civilian labor force by sex, age, race, and Hispanic origin, 1979 and 1992, and moderate growth projection to 2005**

Group	Level (thousands)			Change (thousands)		Percent change		Percent distribution			Annual growth rate (percent)	
	1979	1992	2005	1979–92	1992–2005	1979–92	1992–2005	1979	1992	2005	1979–92	1992–2005
Total, 16 years and older	104,962	126,982	150,516	22,020	23,534	21.0	18.5	100.0	100.0	100.0	1.5	1.3
16 to 24	25,407	20,454	24,127	−4,953	3,673	−19.5	18.0	24.2	16.1	16.0	−1.7	1.3
25 to 54	64,520	91,097	105,054	26,577	13,957	41.2	15.3	61.5	71.7	69.8	2.7	1.1
55 and older	15,034	15,432	21,335	398	5,903	2.6	38.3	14.3	12.2	14.2	.2	2.5
Men, 16 years and older	60,726	69,184	78,718	8,458	9,534	13.9	13.8	57.9	54.5	52.3	1.0	1.0
Women, 16 years and older	44,235	57,798	71,798	13,563	14,000	30.7	24.2	42.1	45.5	47.7	2.1	1.7
White, 16 years and older	91,923	108,526	124,847	16,603	16,321	18.1	15.0	87.6	85.5	82.9	1.3	1.1
Black, 16 years and older	10,678	13,891	17,395	3,213	3,504	30.1	25.2	10.2	10.9	11.6	2.0	1.7
Asian and other, 16 years and older[1]	2,361	4,565	8,274	2,204	3,709	93.4	81.2	2.2	3.6	5.5	5.2	4.7
Hispanic, 16 years and older	(2)	10,131	16,581	(2)	6,450	(2)	63.7	(2)	8.0	11.0	[3]4.3	3.9
Other than Hispanic, 16 years and older	(2)	116,851	133,935	(2)	17,084	(2)	14.6	(2)	92.0	89.0	[3]1.1	1.1
White, non-Hispanic	(2)	98,819	109,753	(2)	10,934	(2)	11.1	(2)	77.8	72.9	[3].9	.8

[1] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaska Natives. The historical data are derived by subtracting "black" from the "black and other" group; projections are made directly, not by subtraction.

[2] Data for Hispanic origin is not available before 1980.

[3] Data are for 1980–92.

erally considered to be in the ages of settling into their careers, ages 25 to 34, are projected to have a 5-percentage point drop in share over the 1990–2005 period. Similar to the 25- to 34-year-old age group, those 35 to 44 years old attained a peak share in 1990; their share is projected to drop only slightly by 2005. Most of the baby-boom generation will be among the 45- to 64-year-olds in 2005, and this age group will account for a quarter of the population. The civilian noninstitutional population is used for labor force projections (see table 5).

Labor force participation rate changes

Overall changes. The participation rate—the percent of the population in the labor force—is the second factor crucial to labor force growth. BLS projects overall labor force participation to continue to increase at about the same rate as during the 1979–92 period, but that rate masks differences among the labor force groups. The following tabulation shows rates of growth in labor force participation rates over the 1979–92 and 1992–2005 periods:

	Labor force growth rates	
	1979–92	*1992–2005*
Total	0.3	0.3
Men	–.2	–.1
Women	1.0	.7

Between 1979 and 1992, labor force participation rates increased from 63.7 percent to 66.3 percent, an annual growth rate of 0.3 percent. This increase varied over the period, with greater growth occurring during the 1979–85 period. Over the next 13 years, the rate of growth is projected to continue to grow at a 0.3-percent annual rate, an increase of 2.6 percentage points—with more of the increase projected for the first half of the period (1992–98) than for the latter half (1999–2005). The constant increase in labor force participation reflects two important developments: the aging of the population, with a lower labor force participation, and the expected slower increases in labor force participation of younger women.

BLS also projects a modest recovery in the participation rates of young people. Between 1989 and 1992, labor force participation of those aged 16 to 24 dropped 2.5 percentage points; 0.8 point is projected to be recovered between 1992 and 1995, as this largely cyclical drop is expected to end. After 1995, participation would continue to rise for these groups; yet the participation rates in 2005 for young men and women are not projected to return to their 1989 levels.

Women and men. The overall labor force participation is projected to increase at the same rate between 1992 and 2005 as it did in the 1979–92 period. Labor force participation growth in the 1979–92 period reflected the increasing propensity of women to work, and also the aging of baby-boomers, with low participation rates in the early years of their labor force activity, to a higher labor force participation rate in the middle years. Greater stability in baby-boomers' participation rates will occur in the period 1992–2005.

Labor force participation of women increased 6.9 percentage points over the period 1979–92, from 51 in 1979 to 58 percent in 1992. However, their participation increased more rapidly in the earlier subperiod—for example, by 3.6 percentage points in the 1979–85 period and by 2.5 percentage points in the 1986–92 period. Over the 1992–98 period, women's labor force participation is expected to increase by 2.9 percentage points, and over the 1999–2005 span to slow to 2.1 percentage points. This slower increase—5.4 percentage points over the entire period—reflects a slowdown in the rate at which women's labor force participation is projected to increase, particularly among young women, and the life cycle in which

Table 2. **Net immigrants by race and Hispanic origin for the middle and high net immigration projection scenarios**

[In thousands]

	Net immigration			Percent of net immigration	
	Middle scenario	High scenario	Percent difference	Middle scenario	High scenario
Total	880	1,370	55.7	100.0	100.0
Hispanic	322	496	54.0	36.6	36.2
Non-Hispanic Asian and Pacific Islander	304	427	40.5	34.5	31.2
Non-Hispanic white	193	350	81.3	21.9	25.5
Non-Hispanic black	61	97	59.0	6.9	7.1

SOURCE: *Population Projections of the United States, by Age, Sex Race, and Hispanic Origin: 1993–2050, Current Population Reports*, Series P-25, No. 1104 (Bureau of the Census, 1993).

Table 3. **Changes in distribution of population by age, 1965–2005**

[In percent]

Age	1965	1980	1990	2005
Total	100.0	100.0	100.0	100.0
Under age 5	10.5	7.2	7.6	6.6
5 to 13	18.5	13.7	12.8	12.5
14 to 17	7.3	7.1	5.3	5.9
18 to 24	10.2	13.2	10.7	9.8
25 to 34	11.4	16.5	17.3	12.3
35 to 44	12.6	11.4	15.1	14.8
45 to 64	20.1	19.6	18.6	24.9
65 to 84	9.4	10.3	11.3	11.0
85 and older	—	1.0	1.2	1.7

NOTE: Dash indicates data not available.

SOURCE: U.S. Bureau of the Census, *Current Population Reports*, Series P-25.

the baby-boom generation now finds itself. Note that every age group of women shown in table 4 has higher labor force participation rates in 2005 than in 1992.

The labor force participation rate for men dropped 2.2 percentage points in the 1979–92 period. For the period 1992–2005, participation is projected to drop 0.8 percentage point. Men's labor force participation dropped most rapidly over the 1979–85 period, 1.5 percentage points. But between 1986 and 1992 the decrease was only 0.7 percentage point. BLS projects that for the first part of the 1990's, participation of men will drop by only 0.1 percentage point, partly because the labor force rates of young men are expected to recover some of the decline in their participation. During the latter part of the projection period, labor force participation rates are expected to fall by 0.7 percentage point, as the oldest of the baby-boom generation approaches retirement. All men in the 25 and older age groups, except in the 55–64 age group, have lower labor force participation rates in 2005 than in 1992. (See table 4.)

Race and Hispanic origin. The labor force participation rates of the four racial groups—white

Table 4. **Civilian labor force and participation rates by sex, age, race, and Hispanic origin, 1979 and 1992, and moderate growth projection to 2005**

Group	Participation rate (thousands)			Level (thousands)			Change (thousands)		Percent change		Annual growth rate (percent)	
	1979	1992	2005	1979	1992	1992–2005	1979–92	1992–2005	1979–92	1992–2005	1979–92	1992–2005
Total, 16 years and older	63.7	66.3	68.8	104,962	126,982	150,516	22,020	23,534	21.0	18.5	1.5	1.3
Men, 16 years and older	77.8	75.6	74.7	60,726	69,184	78,718	8,458	9,534	13.9	13.8	1.0	1.0
16 to 19	61.5	41.1	55.5	5,111	3,547	4,624	–1,564	1,077	–30.6	30.4	–2.8	2.1
20 to 24	86.4	83.3	84.4	8,535	7,242	8,111	–1,293	869	–15.1	12.0	–1.3	.9
25 to 34	95.3	93.8	93.5	16,387	19,355	16,509	2,968	–2,846	18.1	–14.7	1.3	–1.2
35 to 44	95.7	93.8	93.5	11,531	18,162	19,645	6,631	1,483	57.5	8.2	3.6	.6
45 to 54	91.4	90.8	90.2	10,008	12,101	18,065	2,093	5,964	20.9	49.3	1.5	3.1
55 to 64	72.8	67.0	69.7	7,212	6,701	9,560	–511	2,859	–7.1	42.7	–.6	2.8
65 and over	19.9	16.1	14.7	1,943	2,077	2,203	134	126	6.9	6.1	.5	.5
Women, 16 years and older	50.9	57.8	63.2	44,235	57,798	71,798	13,563	14,000	30.7	24.2	2.1	1.7
16 to 19	54.2	49.2	52.4	4,527	3,204	4,222	–1,323	1,018	–29.2	31.8	–2.6	2.1
20 to 24	69.0	71.2	73.6	7,234	6,461	7,169	–773	708	–10.7	11.0	–.9	.8
25 to 34	63.9	74.1	80.7	11,551	15,748	14,839	4,197	–909	36.3	–5.8	2.4	–.5
35 to 44	63.6	76.8	86.2	8,154	15,441	18,643	7,287	3,202	89.4	20.7	5.0	1.5
45 to 54	58.3	72.7	82.8	6,889	10,290	17,354	3,401	7,064	49.4	68.6	3.1	4.1
55 to 64	41.7	46.6	52.4	4,719	5,169	7,825	450	2,656	9.5	51.4	.7	3.2
65 and older	8.3	8.3	8.8	1,161	1,485	1,747	324	262	27.9	17.6	1.9	1.3
White, 16 years and older	63.9	66.7	69.5	91,923	108,526	124,847	16,603	16,321	18.1	15.0	1.3	1.1
Men	78.6	76.4	75.3	53,856	59,830	66,007	5,974	6,177	11.1	10.3	.8	.8
Women	50.5	57.8	63.6	38,067	48,696	58,840	10,629	10,144	27.9	20.8	1.9	1.5
Black, 16 years and older	61.4	63.3	66.2	10,678	13,891	17,395	3,213	3,504	30.1	25.2	2.0	1.7
Men	71.3	69.7	70.5	5,559	6,892	8,355	1,333	1,463	24.0	21.2	1.7	1.5
Women	53.1	58.0	62.6	5,119	6,999	9,040	1,880	2,041	36.7	29.2	2.4	2.0
Asian and other, 16 years and older[1]	66.1	65.6	66.6	2,361	4,565	8,274	2,204	3,709	93.4	81.2	5.2	4.7
Men	76.6	74.6	74.1	1,311	2,462	4,355	1,151	1,893	87.8	76.9	5.0	4.5
Women	56.4	57.5	59.9	1,049	2,103	3,918	1,054	1,815	100.5	86.3	5.5	4.9
Hispanic, 16 years and older	(2)	66.5	68.4	(2)	10,131	16,581	(2)	6,450	(2)	63.7	[3]4.3	3.9
Men	(2)	80.5	79.5	(2)	6091	9,628	(2)	3,537	(2)	58.1	[3]4.0	3.6
Women	(2)	52.6	57.3	(2)	4040	6,953	(2)	2,913	(2)	72.1	[3]4.7	4.3
Other than Hispanic, 16 years and older	(2)	66.3	68.8	(2)	116,851	133,935	(2)	17,084	(2)	14.6	[3]1.2	1.1
Men	(2)	75.1	74.1	(2)	63,093	69,090	(2)	5,997	(2)	9.5	[3].8	.7
Women	(2)	58.2	64.0	(2)	53,758	64,846	(2)	11,088	(2)	20.6	[3]1.8	1.5
White non-Hispanic, 16 years and older	(2)	66.8	69.4	(2)	98,819	109,753	(2)	10,934	(2)	11.1	[3]1.0	.8
Men	(2)	75.9	74.7	(2)	53,997	57,218	(2)	3,221	(2)	6.0	[3].5	.4
Women	(2)	58.3	64.4	(2)	44,822	52,535	(2)	7,713	(2)	17.2	[3]1.6	1.2

[1] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaska Natives. The historical data are derived by subtracting "black" from the "black and other" group; projections are made directly, not by subtraction.

[2] Data for Hispanic origin is not available before 1980.

[3] Data are for 1980–92.

Table 5. **Civilian noninstitutional population by sex, age, race, and Hispanic origin, 1979 and 1992, and moderate growth projection to 2005**

Group	Level (thousands)			Change (thousands)		Annual growth rate (percent)		Percent		
	1979	1992	2005	1979–92	1992–2005	1979–92	1992–2005	1979	1992	2005
Total, 16 years and older	164,863	191,576	218,861	26,713	27,285	1.2	1.0	100.0	100.0	100.0
16 to 24	37,011	30,931	35,739	–6,080	4,808	–1.4	1.1	22.4	16.1	16.3
25 to 54	82,876	108,847	119,653	25,971	10,806	2.1	.7	50.3	56.8	54.7
55 and older	44,977	51,798	63,469	6,821	11,671	1.1	1.6	27.3	27.0	29.0
Men, 16 years and older	78,020	91,541	105,340	13,521	13,799	1.2	1.1	47.3	47.8	48.1
16 to 24	18,183	15,347	17,941	–2,836	2,594	–1.3	1.2	11.0	8.0	8.2
25 to 54	40,183	53,330	58,682	13,147	5,352	2.2	.7	24.4	27.8	26.8
55 and older	19,653	22,864	28,717	3,211	5,853	1.2	1.8	11.9	11.9	13.1
Women, 16 years and older	86,843	100,035	113,521	13,192	13,486	1.1	1.0	52.7	52.2	51.9
16 to 24	18,827	15,584	17,798	–3,243	2,214	–1.4	1.0	11.4	8.1	8.1
25 to 54	42,693	55,517	60,971	12,824	5,454	2.0	.7	25.9	29.0	27.9
55 and older	25,324	28,934	34,751	3,610	5,817	1.0	1.4	15.4	15.1	15.9
White, 16 years and older	143,894	162,658	179,763	18,764	17,105	.9	.8	87.3	84.9	82.1
Black, 16 years and older	17,397	21,958	26,288	4,561	4,330	1.8	1.4	10.6	11.5	12.0
Asian and other, 16 years and older[1]	3,572	6,961	12,420	3,389	5,459	5.3	4.6	2.2	3.6	5.7
Hispanic, 16 years and over	(2)	15,244	24,240	(2)	8,996	(2)	3.6	(2)	8.0	11.1
Other than Hispanic, 16 years and older	(2)	176,332	194,620	(2)	18,288	(2)	.8	(2)	92.0	88.9
White, non-Hispanic	(2)	148,015	158,078	(2)	10,063	(2)	.5	(2)	77.3	72.2

[1] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaska Natives. The historical data are derived by subtracting "black" from the "black and other" group; projections are made directly, not by subtraction.

[2] Data for Hispanic origin is not available before 1980.

non-Hispanic, black, Hispanic (of all races), and Asian and other (including American Indians and Alaskan natives)—are projected to increase over the period 1992–2005. Labor force participation rates for blacks and white non-Hispanics are projected to increase by 0.3 percent a year (the black rate of growth would be slightly higher). Hispanic participation is projected to increase by 0.2 percent a year. The participation rates of Asians and others are projected to grow even more slowly, by 0.1 percent a year.

The growth and level of labor force participation of a racial group reflect changes in labor force participation by age and sex, and also changes in the age composition of their population. If one group has a significantly younger or older population than another, its overall participation rate may be lower, although their age-specific participation rates may be higher. The Hispanic population is concentrated in the working years (ages 25 to 54), making the overall labor force participation rate highest for men. Participation rates for women also varied significantly. For example, Hispanic women had the lowest overall participation rate in 1992. Their participation rates are projected to increase significantly by 2005, but will still be the lowest of all racial groups. In 1979, Asian and other women had the highest participation rates among women; by 1992, non-Hispanic women, black and white, had higher rates, although rates had increased for all three groups. By 2005, white non-Hispanic women are projected to have the highest rates.

Labor force dynamics

Three groups set the dynamics of the labor force from 1992 to 2005: *entrants*, or those who will be in the labor force in 2005 but who were not in it in 1992; *leavers*, those who will exit the labor force after 1992 and before 2005; and *stayers*, those who were in the labor force in 1992 and will remain through 2005.[11] To the extent that the demographic composition of labor force entrants between 1992 and 2005 is different from the composition of those now in the labor force, the 2005 labor force will be different from today's labor force. But the labor force also is affected by the demographic composition of those leaving. Thus, the labor force of 2005 may be regarded as consisting of the labor force of 1992, plus the entrants, less the leavers. If the 2005 labor force is different from the 1992 labor force, that will be because the three groups—entrants, leavers, and stayers—differ significantly.

BLS projects that between 1992 and 2005, 51 million workers will enter the labor force and 28 million will have left since 1992. (See table 6.) These figures compare with 44.6 million entrants and 22.6 million leavers over the 1979–92 period.

The entrants in both periods are almost equally women and men, as is the population 16 to 24 years old. The leavers are more likely to be men, as is true of the older labor force.

According to BLS projections, by 2005, 25.1 million men will have joined the 1992 labor force of 69.2 million, and 15.5 million men will have left the labor force, resulting in a labor force in 2005 of 78.7 million men. Similarly, 26.2 million women are expected to enter the labor force over the period 1992–2005, while 12.2 million women are projected to leave. The relatively fewer women leaving the labor force would raise the share of the labor force represented by women from 45.5 percent in 1992 to 47.7 percent in 2005.

BLS is projecting that the number of entrants over the 1992–2005 period will be 14 percent greater than the 22.8 million who entered during the 1979–92 period. The number projected to leave the labor force would increase even more—by 22 percent. Slightly more men than women entered the labor force, 51 percent, compared with 49 percent, in the 1979–92 period. This is reversed in the 1992–2005 period, as women are expected to account for 51 percent of the entrants.

Table 6. **Civilian labor force, 1992 and projected to 2005, and projected entrants and leavers, 1992–2005**

Group	Labor force 1992	Entrants 1992–2005	Leavers 1992–2005	Labor force 2005
Numbers (In thousands)				
Total	126,982	51,240	27,706	150,516
Men	69,184	25,058	15,524	78,718
Women	57,798	26,181	12,181	71,798
White, non-Hispanic	98,817	33,384	22,448	109,753
Men	53,995	16,107	12,884	57,218
Women	44,822	17,278	9,564	52,535
Black, non-Hispanic	13,694	6,096	3,160	16,630
Men	6,786	3,120	1,395	8,511
Women	6,908	2,976	1,765	8,119
Hispanic origin	10,131	7,801	1,352	16,581
Men	6,091	4,339	802	9,628
Women	4,040	3,462	550	6,953
Asian and other, non-Hispanic	4,340	3,958	746	7,552
Men	2,312	1,492	443	3,361
Women	2,028	2,466	303	4,191
Share (percent)				
Total	100.0	100.0	100.0	100.0
Men	54.5	48.9	56.0	52.3
Women	45.5	51.1	44.0	47.7
White, non-Hispanic	77.8	65.2	81.0	72.9
Men	42.5	31.4	46.5	38.0
Women	35.3	33.7	34.5	34.9
Black, non-Hispanic	10.8	11.9	11.4	11.0
Men	5.3	6.1	5.0	5.7
Women	5.4	5.8	6.4	5.4
Hispanic origin	8.0	15.2	4.9	11.0
Men	4.8	8.5	2.9	6.4
Women	3.2	6.8	2.0	4.6
Asian and other, non-Hispanic	3.4	7.7	2.7	5.0
Men	1.8	2.9	1.6	2.2
Women	1.6	4.8	1.1	2.8

Race and Hispanic origin. The largest share of the 1992 labor force—78 percent—comprised non-Hispanic whites. Two-thirds of the population expected to enter the labor force between 1992 and 2005 are projected to be non-Hispanic whites. This proportion is smaller than their share of the work force, reflecting this group's lower population growth. As a result of the 33.4 million non-Hispanic whites entering the labor force, and the 22.4 million leaving over the 1992–2005 period, the share of non-Hispanic whites in the labor force is projected to be 73 percent in 2005, a drop of 5 percentage points.

The white, non-Hispanic labor force is projected to grow 0.9 percent per year, more slowly than the overall labor force. The slower growth reflects little migration of this demographic group to the United States and lower birth rates in the past, compared with other population groups. This results in relatively fewer labor force entrants and relatively more labor force leavers, which in turn reflects the aging of the white male labor force. White, non-Hispanic women are projected to increase their participation more than any other group, but this faster growth rate is not enough to offset the growth in the non-Hispanic population of only 0.51 percent yearly.

Blacks, the second largest group in the 1992 labor force, made up 10.8 percent of the labor force. This number reflects a minor adjustment to place Hispanic blacks with Hispanics rather than with non-Hispanic blacks. Blacks are projected to add 6.1 million workers to the labor force between 1992 and 2005—12 percent of all new entrants during the period. Even with the 3.2 million black non-Hispanics projected to leave the labor force over the period, the group will increase in number, and by 2005 is expected to reach 11 percent.

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 the Hispanic or Asian and other groups. The relatively faster growth of blacks is attributable to growth in their population resulting from higher birth rates, from immigration, and from a high labor force participation of black women.

In 1992, Hispanics (of all races) were the third largest labor force group, with 10.1 million workers, representing 8.0 percent of the labor force. Because of their higher levels of immigration, some 7.8 million Hispanics are projected to enter the labor force during the 1992–2005 period, a number greater than that for black entrants for the same

period. Only 1.4 million Hispanics are projected to leave the labor force, so the number of Hispanics in the labor force is projected to grow by more than 6 million. By 2005, the Hispanic labor force is projected to be nearly the same size as the black, non-Hispanic labor force.[12]

The Hispanic labor force is projected to grow 3.9 percent annually, increasing by 16.6 million in 2005. The Hispanic share of the labor force is expected to increase more than that of any other demographic group because of overall population growth—from higher births and increased immigration—and by increases in the participation rate of Hispanic women.

Currently, the smallest racial group in the labor force is Asians and other. About 4.0 million members of this group will enter the labor force during the 1992–2005 period, about the size of its 1992 labor force. Because relatively few workers of this group are projected to leave the labor force over the period, the group is projected to increase by 81 percent.

The number of Asians and others in the labor force is projected to grow 4.7 percent annually. Increases in the number of Asians and others in the labor force reflect their continued high immigration. Growth in labor force participation represents 0.12 percentage point of the 4.68 percent increase; the remaining increase results from population growth.

Table 7. **Three projections of the civilian labor force by sex, age, race and Hispanic origin, 2005**

	Participation rate (percent)			Level (thousands)		
	High	Moderate	Low	High	Moderate	Low
Total	70.1	68.8	67.3	156,454	150,516	147,252
Men	75.8	74.7	73.6	81,062	78,718	77,558
Women	65.0	63.2	61.4	75,391	71,798	69,694
Aged 16 to 24	69.1	67.5	65.6	25,315	24,127	23,436
Aged 25 to 54	88.9	87.8	86.4	108,726	105,054	103,348
Aged 55 years and over	34.9	33.6	32.3	22,413	21,335	20,469
White, 16 years and older	70.5	69.5	68.1	128,961	124,847	122,478
Black, 16 years and older	68.2	66.2	64.0	18,022	17,395	16,820
Asian and other, 16 years and older[1]	68.9	66.6	64.0	9,470	8,274	7,954
Hispanic, 16 years and older	70.9	68.4	66.0	18,286	16,581	16,006
Other than Hispanic, 16 years and older	70.0	68.8	61.5	138,168	133,935	119,632
White, non-Hispanic	70.5	69.4	68.3	112,357	109,753	107,906

[1] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaska Natives. The historical data are derived by subtracting "black" from the "black and other" group.

Alternative projections

The world of 2005 may be significantly different from that described above in the moderate projections. Therefore, BLS has developed two alternative projections of the labor force in 2005—a high-growth scenario and a low-growth scenario. (See table 7.) The range in the labor force between the low and high projections is 9 million. The range is greater for women than for men, 6 million versus 4 million, reflecting greater uncertainty about women's labor force participation. Labor force participation rates of the high-growth and low-growth scenarios differ from those in the moderate-growth scenario. In addition, the high-growth alternative assumes that population growth will follow the Census Bureau high net immigration growth path; the low growth uses the middle immigration path used for the moderate projections.[13]

In the high-growth alternative, the labor force would be 156 million by 2005, 6 million more than in the moderate scenario. In this alternative, 70 percent of the population 16 and older would be in the labor force, 90 percent of those aged 25 to 54 would be in the labor force, as would nearly 75 percent of youth. This higher growth of the labor force reflects not only increased participation rates, but also higher net immigration, 1.2 million annually.

Under the assumptions used to develop the low-growth projection, the labor force would include 147 million in 2005, 3 million fewer than in the moderate-growth projection. Two-thirds of the population would be in the labor force. The slower growth in population would yield proportionately fewer people in the peak working years age group, which would depress the labor force participation rate.

Demographic implications

A look at the age composition of the labor force is timely in view of the fact that the population is moving through a period in which fewer persons were at the traditional age of entering the labor force, and the baby-boom generation is approaching retirement.

Median age. The age of the labor force can be measured in various ways. One is median age. As the baby-boom generation entered the labor force, the median age of the labor force would be expected to decrease; once in the labor force, these groups can only age, so the median age would rise. As expected, this has occurred. 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), it dropped steadily until 1980, and 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 return to the level reached in 1962. (See table 8.)

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, then leaving for some time after childbirth. The ages of the male and female labor force are projected to converge with the higher participation of older women and the slowing in participation of younger women.

Historically, white participants in the labor force have been older than the rest of the labor force. This trend is projected to continue, with the difference reaching 0.4 year in 2005. Compared with whites, black and Hispanic groups are younger, reflecting their higher birth rates, and as a result, claim a somewhat larger share of their respective populations. Black participants in the labor force have been about 1.5 to 2.5 years younger than the overall labor force; this age gap is projected to continue to 2005. The group of Asians and other participants in the labor force have been slightly younger than the overall labor force, but this group is expected to become 2 years younger by 2005. Hispanic participants generally have been younger, due to their higher fertility rate. This group is projected to continue having a lower median age than the overall labor force, but it is projected to increase in age from a median of 33.9 years in 1992 to 35.8 years in 2005, reflecting the aging of earlier immigrants.

Table 8. **Median age of the labor force, by sex, race, and Hispanic origin, 1962–2005**

Group	1962	1970	1979	1992	1995	2000	2005
Total	40.5	39.0	34.7	37.2	37.8	39.2	40.5
Men	40.5	39.4	35.3	37.3	37.8	39.2	40.4
Women	40.4	38.3	33.9	37.2	37.8	39.3	40.5
White	40.9	39.3	34.9	37.5	38.0	39.6	40.9
Black[1]	38.3	36.6	33.3	35.6	36.3	37.7	38.8
Asian and other races[2]	([3])	([3])	33.1	30.5	36.9	37.6	38.3
Hispanic origin[4]	([5])	([5])	([5])	33.9	34.1	35.3	35.8

[1] For 1962 and 1970: black and other.
[2] The "Asian and other race" group includes Asians and Pacific Islanders and American Indians and Alaska Natives. The historic data are derived by subtracting "black" from the "black and other" group.
[3] Data not available before 1972.
[4] Persons of Hispanic origin may be of any race.
[5] Data by Hispanic origin is not available before 1980.

Table 9. **Women of childbearing age in the labor force, 1948–2005**

[In thousands]

	1948	1961	1987	1992	2000	2005
Population, women, 16 and older	17,335	23,806	53,658	57,798	66,555	71,798
Population, women, 16 to 44	12,286	14,371	39,466	40,854	44,059	44,872
As a percent						
Of women	70.9	60.4	73.6	70.7	66.2	62.5
Of the labor force	20.3	20.4	32.9	32.2	31.1	29.8
Of the 16 to 44 labor force	31.1	33.7	45.5	45.8	47.1	47.9

Age composition of the population. One theme of this article is that the composition of the population affects the structure of the labor force. We can examine the effect of the changing age structure of the population by holding it constant, that is, using a standard population and applying various rates of labor force participation. An analysis of these data indicates that between 1979 and 1992, population changes did not significantly affect the overall labor force participation rates. However, the projected changes in the age structure of the population result in lower labor force participation. This is true for men and women. The projected age structure of non-Hispanic whites and Asians and others leads to lower overall labor force participation in 2005 than in 1979 or 1992. The projected age structures of Hispanics and blacks are more conducive to higher labor force participation in 2005 than in 1992.

Women of childbearing age. One topic discussed in these projections is the proportion of women in their childbearing years who are in the labor force and may need day care. The history of the labor force participation of women over the past half century indicates that young women participate in the labor force more than older women. Because the childbearing years are defined as ages 15 to 44, a high proportion of the female labor force also is of childbearing age. However, this is changing slowly. (See table 9.)

When the Current Population Survey began in 1948 women of childbearing age were 71 percent of the female labor force. At its lowest point, the share was 60 percent in 1961 during the end of the baby-boom period. By 1987, women of childbearing age were 74 percent of the female labor force, the highest attained. The share has since dropped and is projected to continue to decline.[14] Other measures indicate the importance of this group to the labor force as a whole. They were a fifth of the labor force as recently as 1961; currently, they are almost a third of the labor force. Women are a rising share of the labor force of 16- to 44-year-olds, and this is projected to continue. The labor force participation of this group of women is an additional uncertainty in projections: whatever happens, the general direction of these proportions are likely to prevail.

Tracking the baby boom. In 1970, when most of the baby-boomers were too young even to be in the labor force, the baby-boom generation, those born between 1946 and 1964, still made up a fifth of the

Table 10. **Economic dependency ratio, 1975–92 and projected 1995–2005, by age**

[Per 100 in the labor force]

Group	1975	1980	1985	1990	1992	1995	2000	2005
Total population	126.3	108.9	103.3	98.3	98.4	96.4	92.8	89.7
Under 16	61.4	50.7	47.3	45.8	47.7	46.3	44.9	43.0
16 to 64	44.2	37.4	34.2	30.5	28.8	27.7	26.2	25.3
65 and older	20.7	20.8	21.8	22.1	21.9	22.4	21.7	21.4

NOTE: The economic dependency ratio is the total population not in the labor force per 100 of those in the labor force.

labor force. By 1985, the share of the labor force held by the baby-boom cohort peaked at more than 55 percent. By 1992, their share was beginning to decline, although they were still more than one-half of the labor force. By 2005, the baby-boom cohort is projected to be less than half of the labor force.

Although the number of baby-boomers in the labor force is projected to peak around the year 2000, their share of the labor force peaked earlier, around 1985. As the baby-boom generation ages, older groups increased their share of the labor force—and did so more rapidly. The rate of growth of the labor force accelerated as baby-boomers moved from ages with typically lower labor force participation to ages with higher participation. 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.

Economic dependency. A measure of dependency is the number of those in the total population (including Armed Forces overseas and children) not in the labor force per 100 of those in the labor force, by broad age group. (See table 10.) For every 100 persons in the 1992 labor force, about 98 were not, of which about 46 were children, 30 were 16 to 64 years of age, and 22 were older than 64.

In 1987, for the first time ever, more Americans were in the labor force than were not. This status is projected to prevail throughout the entire projection period, with the proportion of those not working to those who are working reaching a low of 90 per 100 workers in 2005. Upon examining this ratio (the economic dependency ratio), for various age groups, what first becomes apparent is that a large portion of this ratio is attributable to children. As the number of births dropped and the baby boom moved to ages older than 16, the total economic dependency ratio dropped. Most of the 28 percentage-point drop for the total population between 1975 and 1992 was because of the decline in the number of births. The portion of the ratio attributed to children is projected to continue dropping, despite higher fertility. The remainder of the expected drop is attributable to higher labor force participation for women aged 16 to 64. The ratio for the 16 to 64 age group dropped 15 points, from 44.2 in 1975 to 28.8 in 1990. This ratio is projected to drop further, but because most of the increases in women's participation already has taken place, the ratio is projected to drop only an additional 3.5 percentage points by 2005.

The only part of the dependency ratio that has not been steadily decreasing is the portion attributable to older persons. In 1975, this was by far the smallest part of the dependency ratio, and by 2005, is expected to still be the smallest proportion. However, between 1975 and 1990, the older persons' dependency ratio grew 1.4 percentage points; between 1992 and 1995, it is projected to rise slightly, before falling again in 2005 to 21.4 older retired persons per 100 workers, a level below that of 1985. □

Footnotes

[1] The civilian labor force consists of employed and unemployed persons actively seeking work, but does not include any Armed Forces personnel. Data for this series is 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 demographic composition of the 1980 Census of Population, and it is these data upon which the labor force projections are based.

[2] The race and Hispanic-origin categories correspond to those promulgated in the Office of Management and Budget Directive No. 15, 1978. For a discussion of these categories, see Juanita Tamayo Lott, "Do United States Racial/Ethnic Categories Still Fit?" *Population Today*, January 1993, pp. 6–7, and 9.

[3] For the most recent evaluation of BLS labor force projections, see Howard N Fullerton, Jr., "An evaluation of labor force projections to 1990," *Monthly Labor Review*, August 1992, pp. 3–14.

[4] The projections presented here replace those described by Howard N Fullerton, Jr., in "Labor force projections: the baby boom moves on," *Monthly Labor Review*, November 1991, pp. 31–44.

[5] To understand the relative importance of population change and labor force participation rate changes, the projected changes in the labor force may be apportioned between them. The overall labor force is projected to grow 1.32 percent annually from 1992 to 2005. Of this growth, 1.03 percent is attributed to the population increase and 0.28 percent to the labor force participation increase. These figures compare with their counterparts from the 1979–92 period, when the

annual increase of 1.48 percent was attributed to 1.16 percent population growth and a participation increase of 0.31 percent. Nearly four-fifths of labor force growth may be attributed to population growth. Although increases in population and labor force participation are projected to be smaller than in the past, the slowing is much less for participation rate changes. Women's participation increases are expected to account for 0.70-percent growth, compared with their projected overall 1.68-percent labor force increase. The BLS projection of a drop in labor force participation among men will be more than offset by increases in their population, so their labor force is projected to grow.

[6] "Population Projections of the United States, by Age, Sex, Race, and Hispanic Origin: 1993 to 2050," *Current Population Reports*, Series P-25, No. 1104 (Washington, Bureau of the Census, 1993). The population projections are based on estimates derived from the 1990 Census of Population and reflect findings from the 1990 Census of Population.

[7] For a discussion of the first post-1990 census population projections, see "Population Projections of the United States, by Age, Sex, Race, and Hispanic Origin: 1992 to 2050," *Current Population Reports*, Series P-25, No. 1092 (Washington, Bureau of the Census, 1992); see also Dennis A. Ahlburg, "The Census Bureau's new projections of the U S. population," *Population and Development Review*, March 1993, pp. 159–73. Ahlburg compares the 1992 projection with Census Bureau projections released in 1989 and with projections prepared by Ahlburg and James W. Vaupel and by Peter Pflaumer.

[8] For example, the following fertility rates applied in 1990 or are projected to apply in 2050, expressed in births per thousand women:

	1990	*2050*
White, non-Hispanic	1,840	1,840
Black	2,470	2,452
American Indian and Aslaskan Native	2,778	2,718
Asian and Pacific Islander	2,514	2,134
Hispanic	2,900	2,473

[9] For an analysis of the effect of different assumptions embodied in the population projections on various age groups in different time periods, see John Long, "Relative effects of fertility, mortality, and immigration of projections of age structure," in Wolfgang Lutz, ed., *Future Demographic Trends in Europe and North America* (Academic Press, New York, 1991), pp. 503–22.

[10] Ronald E. Kutscher, "Historical trends, 1950–92, and current uncertainties," pp. 3–10.

[11] Entrants and leavers are computed by comparing the labor force numbers for birth cohorts at two points. 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 numbers likely to enter and leave the labor force over the period covered by the two points, 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. For a further discussion of the methods, see Howard N Fullerton, Jr., "Labor-Force Change Exaggerated," *Population Today*, May 1993, pp. 6–7, 9.

[12] In table 5, all racial and Hispanic origin groups have been adjusted to place Hispanics together. This is different than how numbers are presented in the other tables, specifically table 1.

[13] See Ronald E. Kutscher, "Historical trends".

[14] Women's share of the labor force is often combined with birth expectations data to indicate the demand for day care. More than 90 percent of young women currently expect to have a baby. There is some controversy about the meaning of birth expectations data, but all disputants agree that they do not mean that all 90 percent would have a child the same year.