

Overview of projections to 2022

Occupations and industries related to healthcare and construction are projected to experience the fastest job growth over the coming decade, as an aging population and expanding health insurance coverage change the preferences of consumers and a resurging housing market spurs long-awaited recovery in construction.

The *Monthly Labor Review* celebrates the release of the Bureau of Labor Statistics (BLS) biennial labor force, output, and employment projections for the 2012–2022 period. In the 2 years that have elapsed since the last set of BLS projections, economic recovery has taken hold. As the economy continues to improve in the wake of the Great Recession, the long-term patterns of growth and industry activity can be more readily observed. Because the projections cover a 10-year period, BLS does not attempt to predict fluctuations in the business cycle and assumes that the economy will have reached full employment by 2022, the target year for the projections.

In a full-employment economy, any existing unemployment is frictional, that is, attributable to the usual churn of workers who are transitioning between jobs, rather than a cyclical lack of demand for final goods and services.

In the coming decade, demographic changes are expected to have pervasive effects on the nation's economic outlook. As individuals age, their consumption patterns change and their demand for healthcare and related services rises. These trends are expected to play an important role in sectoral growth of output and employment. In addition, by expanding insurance coverage to millions of Americans, the Patient Protection and Affordable Care Act will place even greater demands on the healthcare system. Four articles detailing BLS projections for the U.S. labor force, macroeconomy, industry output and employment, and occupational employment explore how the nation's economy may shift in response to the changing needs of aging citizens and the provisions of the new healthcare legislation.

Highlights of the 2012–2022 projections include the following:

- Labor force growth will slow to 0.5 percent annually as participation rates decrease among younger and prime-age workers and as more baby boomers leave the labor force.¹



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- Slow gains in the labor force will limit the potential growth in gross domestic product (GDP); GDP is projected to increase at an annual rate of 2.6 percent.²
- Total employment is expected to grow by 1.0 percent annually, with the fastest job gains occurring in the construction sector and the health care and social assistance sector.³
- Occupations related to healthcare, healthcare support, construction, and personal care services are projected to add a combined 5.3 million jobs, an increase representing approximately one-third of all employment gains over the coming decade.⁴
- The number of jobs in occupations requiring a master's degree for entry is projected to grow by 18.4 percent, which is faster than the growth rate of any other educational category. Occupations requiring a high school diploma are expected to add the greatest number of new jobs, accounting for nearly 30 percent of all employment gains over the projection period.

Between 2012 and 2022, the influence of changing demographics is expected to be felt across all facets of the economy examined in the BLS projections. The dominant pattern of declining labor force participation is projected to continue, largely because of the substantial number of baby boomers moving into older age cohorts, in which participation is lower. Declining participation leads to slower labor force growth, which, in turn, constrains output growth in the entire economy. As demand for medical services increases as a result of population aging and expanding medical insurance coverage, the health care sector and its associated occupations are expected to see sizable gains in employment and output. The construction industry, as well as the occupations that support it, also will experience rapid growth in employment and output. Employment in the construction sector is expected to return to its long-term trend of increase, a rebound consistent with expectations about future population growth and the need to replace older structures. Although the projected growth in this sector appears rapid because of a low starting point occasioned by the Great Recession (the recession left the sector well below trend growth in 2011), construction employment and output are not expected to reach their prerecession levels.

The projections are the foundation of the BLS *Occupational Outlook Handbook (OOH)*. The *OOH*, which originated after World War II to help returning veterans find career opportunities, is the nation's most widely used career information resource. The projections are used by students, career counselors, educators, researchers, and policymakers to make decisions and gain insight into the direction of the economy.

NOTES

¹ For more information on the changing dynamics of the labor force, see Mitra Toossi, "[Labor force projections to 2022: the labor force participation rate continues to fall](#)," *Monthly Labor Review*, December 2013.

² A detailed analysis of the projections for the macroeconomy can be found in Maggie Woodward, "[The U.S. economy to 2022: settling into a new normal](#)," *Monthly Labor Review*, December 2013.

³ For further discussion of the patterns of employment and output growth by industry, see Richard Henderson, "[Industry employment and output projections to 2022](#)," *Monthly Labor Review*, December 2013.

⁴ For employment projections by occupation, see Emily Richards and David Terkanian, "[Occupational employment projections to 2022](#)," *Monthly Labor Review*, December 2013.

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