

Labor force

The labor force is the number of people aged 16 or older who are either working or looking for work. It does not include active-duty military personnel or institutionalized people, such as prison inmates. Quantifying this total supply of labor is a way of determining how big the economy can get.

The size of the labor force depends on two factors. The first is the size of the population, which is determined by rates of birth, immigration, and death. The second is the labor force participation rate—the percent of the population that is working or actively seeking employment.

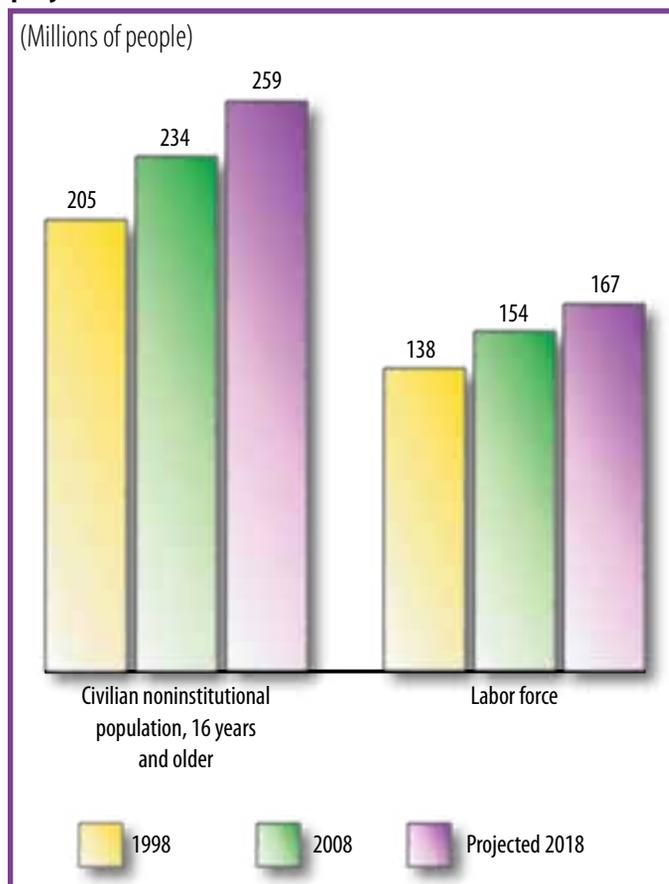
Labor force participation rates vary significantly between men and women and among different age, racial, and ethnic groups. Each group also has varying population growth rates. These variations change the composition of the labor force over time.

The charts that follow show how the labor force is projected to change among age groups, between men and women, among racial groups (Asians, blacks, whites, and others), and among ethnic groups (Hispanics and non-Hispanics of any race). These are the categories that the U.S. Census Bureau uses to produce the demographic data on which BLS projections are based.

Total labor force growth is expected to average about 8 percent between 2008 and 2018. This average is shown as a dotted vertical line in the chart on page 32.

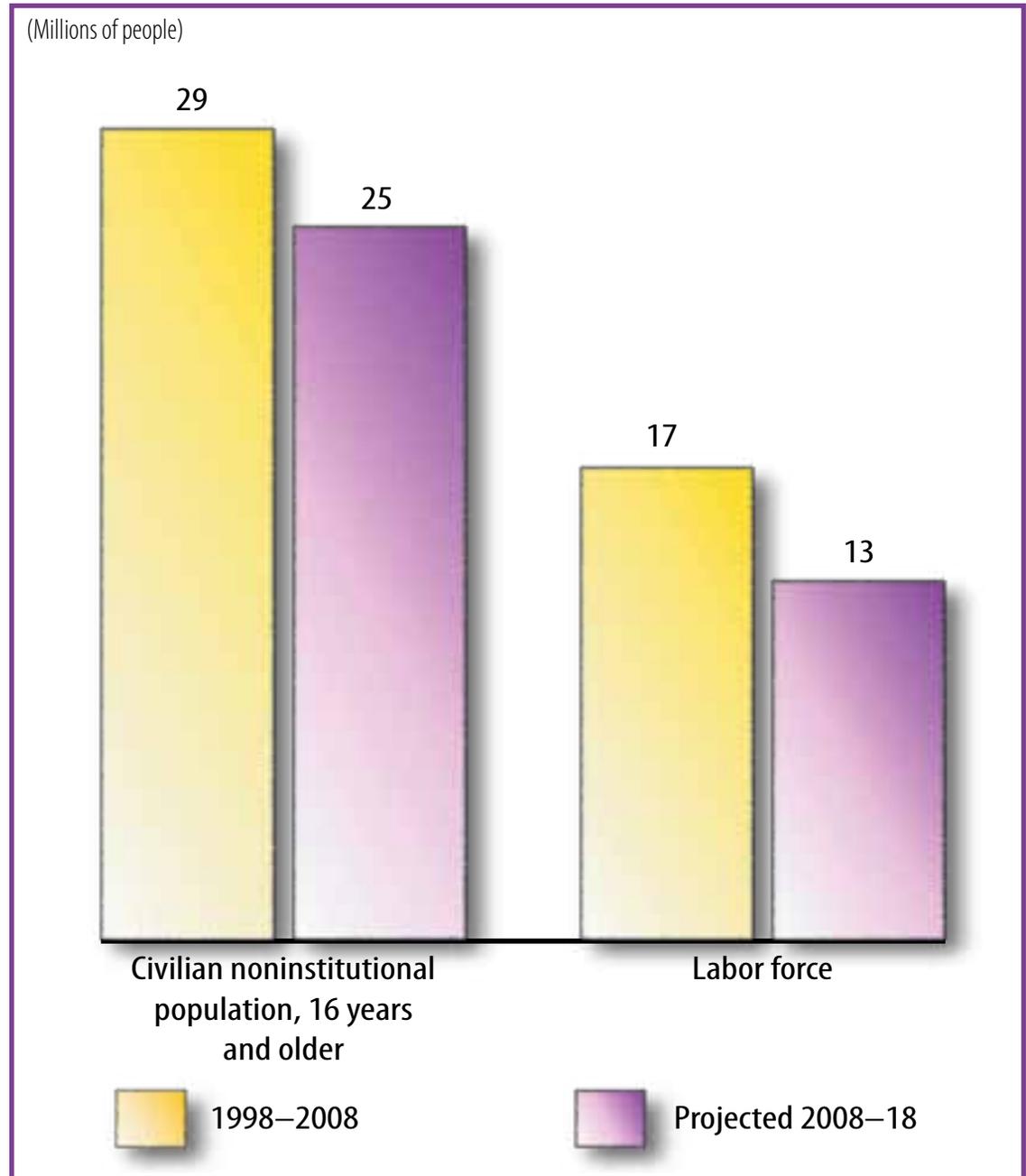
As in previous years, the labor force is projected to grow more slowly than the number of jobs, but this is not an indication of a labor shortage. Instead, this discrepancy reflects that these two measures are based on different concepts.

Population and labor force, 1998, 2008, and projected 2018



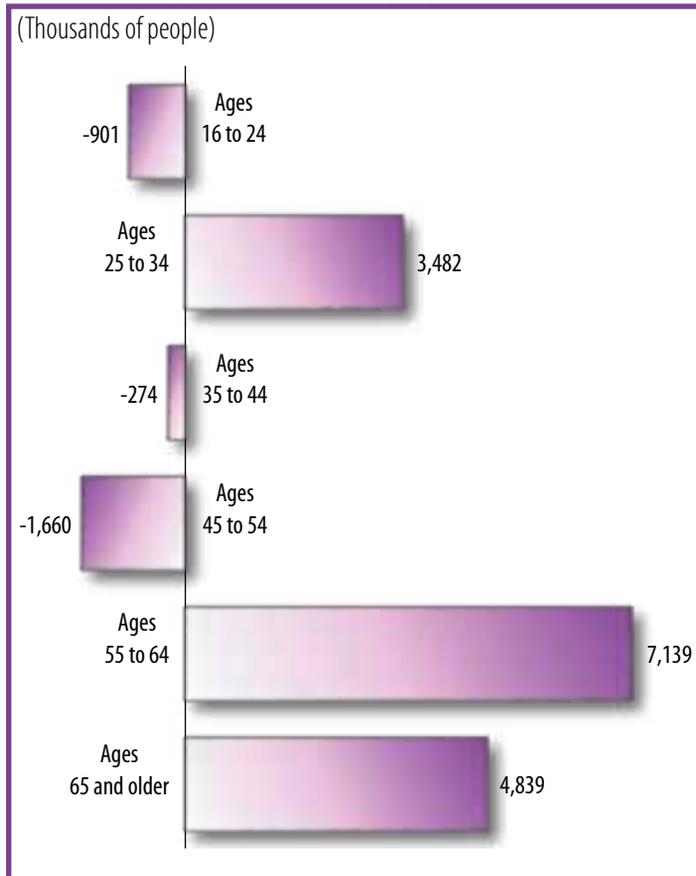
Both the population and the labor force are projected to continue growing slowly. By 2018, the number of people working or looking for work is expected to reach about 167 million. That number excludes people who are active-duty members of the U.S. Armed Forces, are in institutions, or are younger than 16 years of age.

Numeric growth in population and labor force, 1998-2008 and projected 2008-18



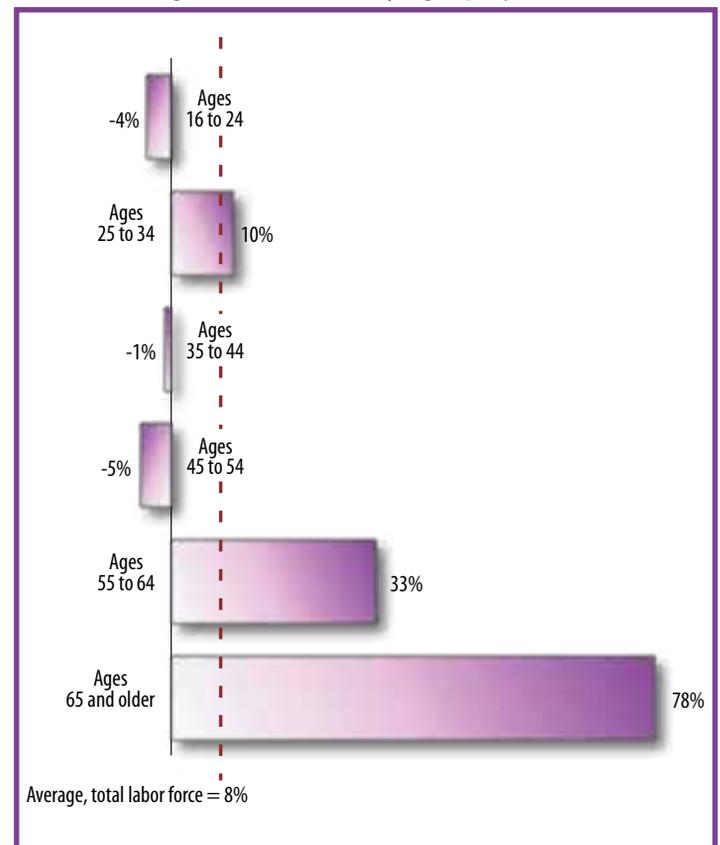
Between 2008 and 2018, both the population and the labor force are expected to grow less than they did during the previous decade.

Numeric change in labor force by age, projected 2008–18



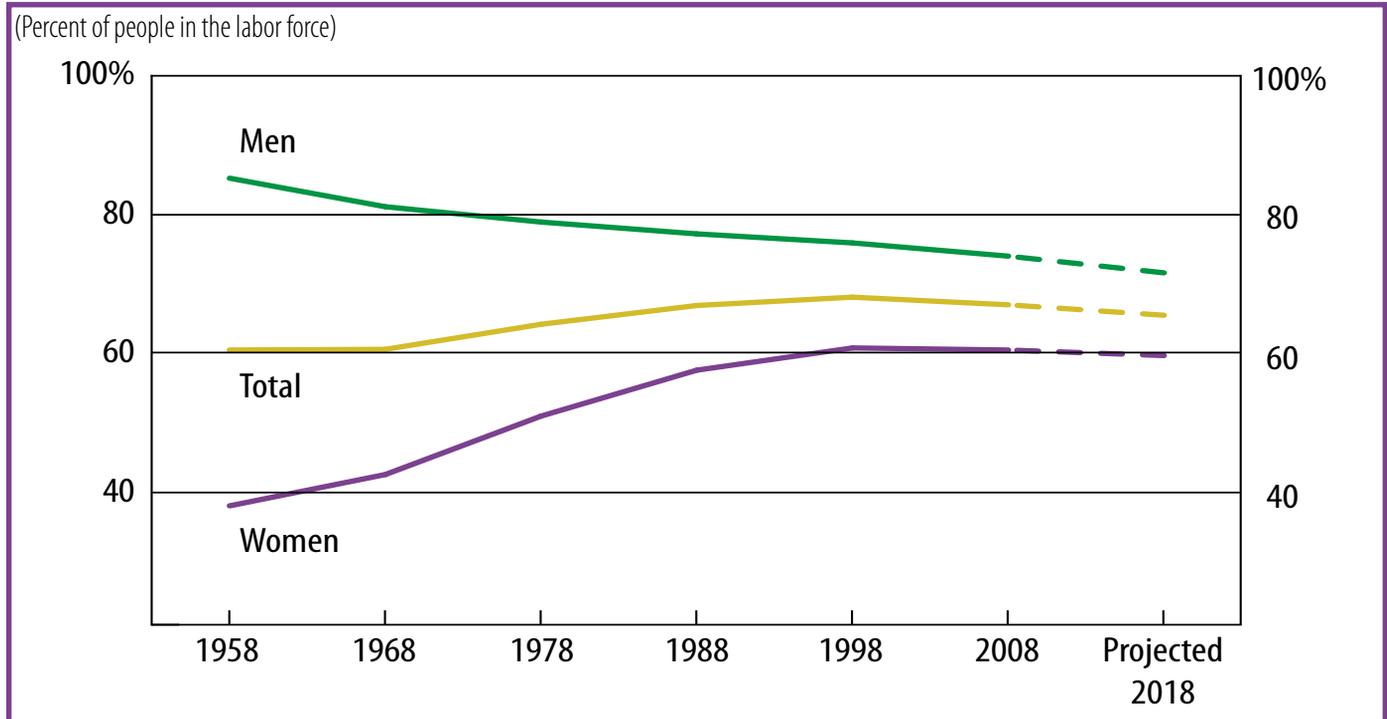
The baby-boom generation—those born between 1946 and 1964—is expected to remain in the labor force longer than previous generations. As this group ages, the number of people in the labor force aged 55 to 64 is expected to increase by more than 7 million during the projections decade, and the number of people aged 65 and older is projected to increase by almost 5 million. The numbers of 45- to 54-year-olds and 35- to 44-year-olds are expected to shrink as baby boomers age and shift into older groups.

Percent change in labor force by age, projected 2008–18



Thanks to advances in medicine, people now enjoy better health as they age and, as a result, are able to remain in the labor force longer than workers in previous generations did. And a variety of economic factors—an increase in the Social Security eligibility age, for example—create incentives for people to keep working. Because of such factors, the number of people in the labor force aged 65 and older is expected to grow about 10 times faster than the total labor force.

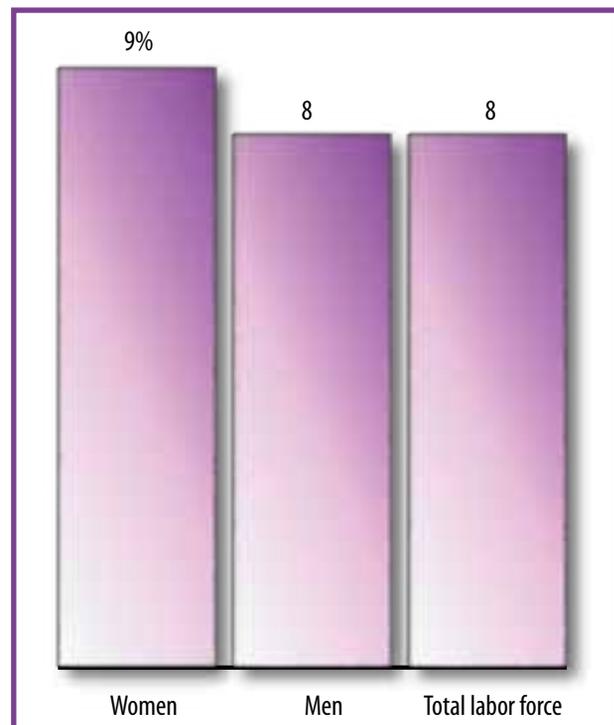
Labor force participation rates for men and women, 1958–2008 and projected 2018



The labor force participation rates for both men and women are expected to decline slightly over the projections decade. By 2018, about 71 percent of men and 59 percent of women are expected to be in the labor force.

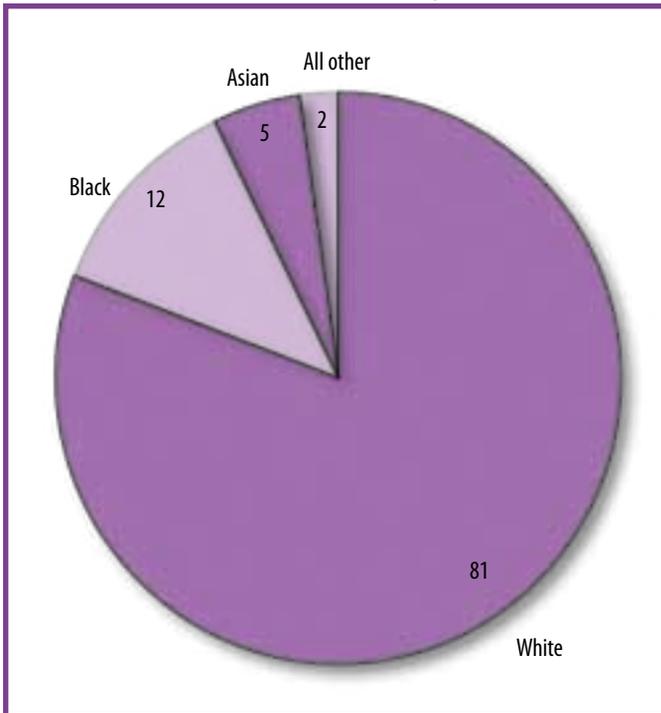
The aging of the population will be a factor driving down labor force participation rates. Despite working longer than previous generations, baby boomers will still have lower levels of labor force participation than those in younger age groups. The baby-boom generation is becoming a larger segment of the total population, driving down overall participation in the labor force.

Percent growth in labor force for men and women, projected 2008–18



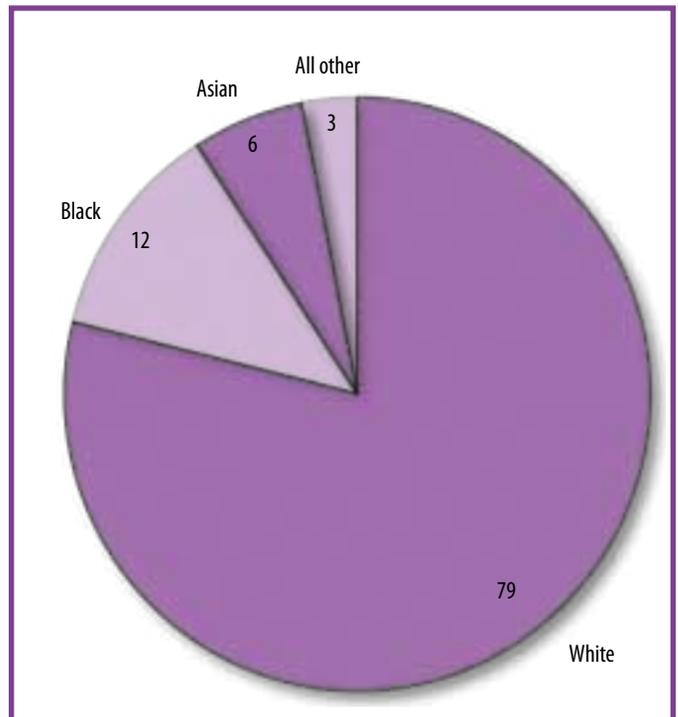
Between 2008 and 2018, the increase in the number of women in the labor force is expected to be greater than the increase in the number of men. But the rate of growth for both groups is expected to be about the same.

Percent distribution of labor force by race, 2008



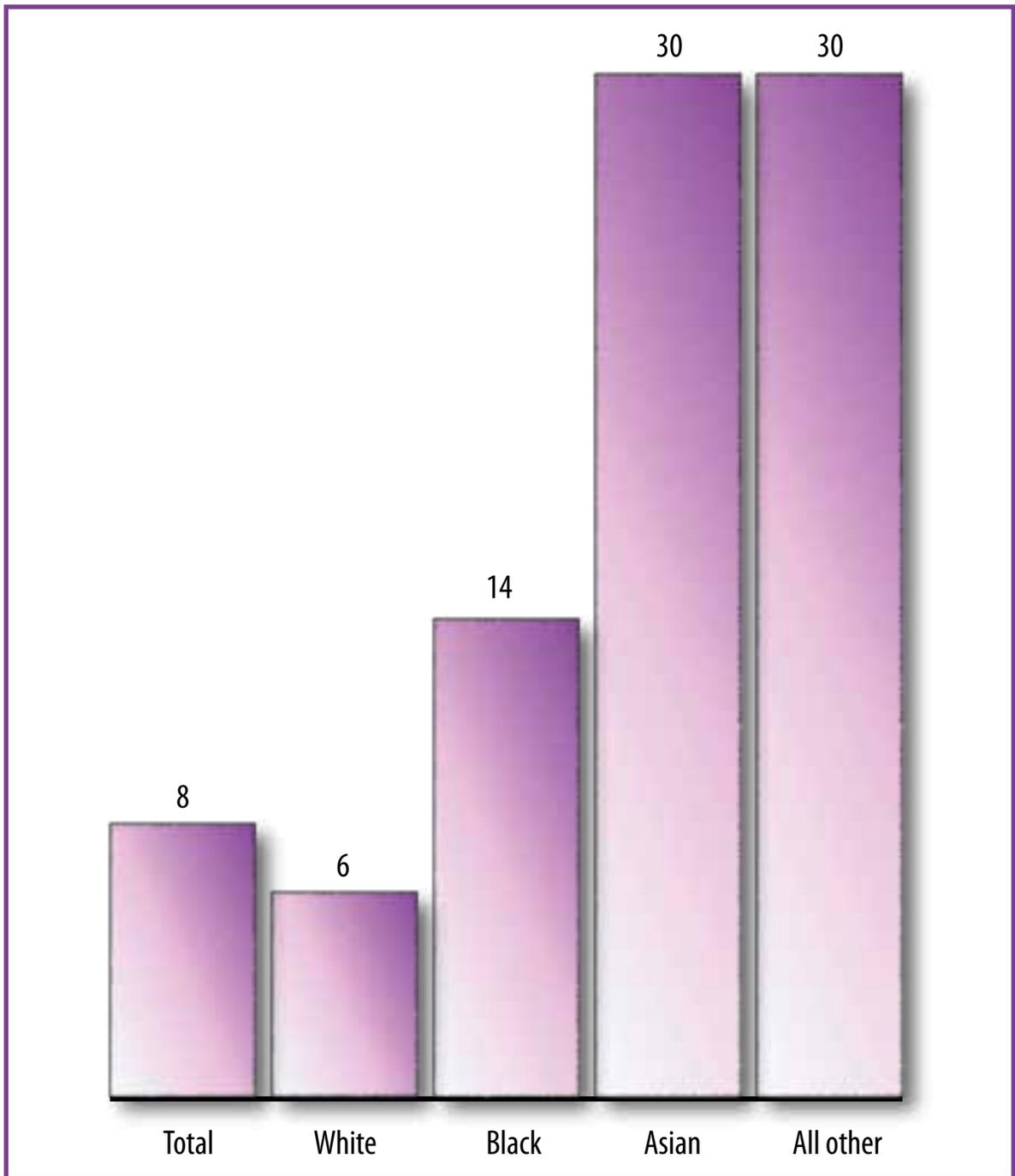
Whites made up 81 percent of the labor force in 2008.

Percent distribution of labor force by race, projected 2018



Although whites will continue to be the largest racial category in the labor force, other racial groups are projected to make up 21 percent of the labor force by 2018.

Percent growth in labor force by race, projected 2008–18

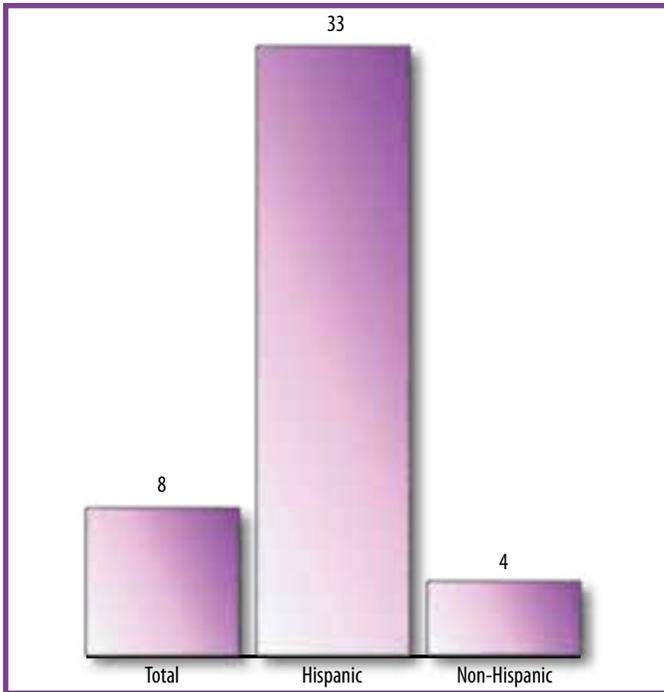


Although Asians will remain a small part of the labor force, they—along with the “all other races” category—will have the fastest rate of labor force growth between 2008 and 2018. This growth is due to increased immigration and both groups’ very high labor force participation rates.

The “all other races” category includes American Indians and Alaska Natives, Native Hawaiians and other Pacific Islanders, multiracial individuals, and any other people who do not identify themselves as white, black, or Asian.

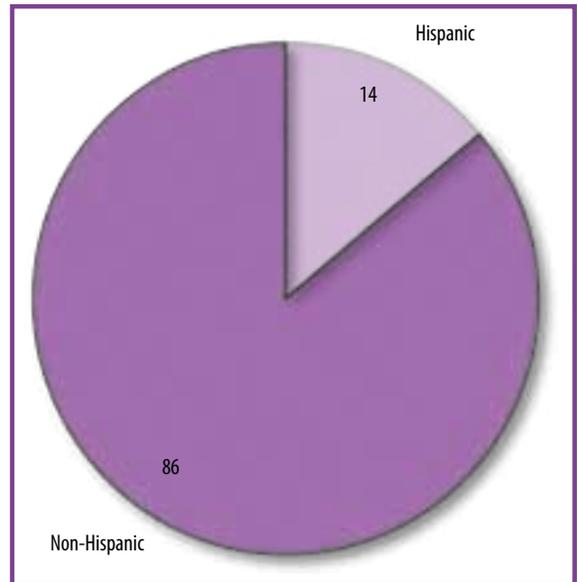
Labor force

Percent growth in labor force by ethnic origin, projected 2008–18



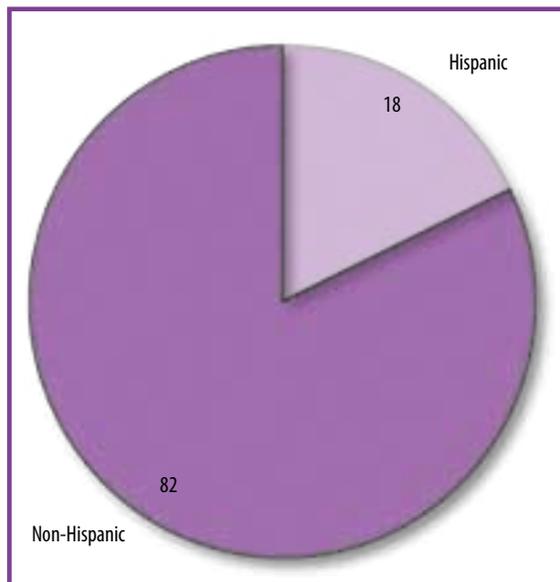
The Hispanic labor force is growing faster than any other ethnic group because of overall population growth—from higher births and increased immigration—and because of significantly higher labor force participation rates. The growth rate of 33 percent for the Hispanic labor force is about 8 times that of non-Hispanic workers over the projections decade...

Percent distribution of labor force by ethnic origin, 2008



...increasing the Hispanic share of the labor force from 14 percent in 2008...

Percent distribution of labor force by ethnic origin, projected 2018



...to 18 percent in 2018.