Employment outlook: 2006–16

Labor force projections to 2016: more workers in their golden years

As the U.S. population ages, the labor force will grow more slowly during the next decade; the older labor force is projected to grow more than 5 times faster than the overall labor force, which will become ever more racially and ethnically diverse

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For the past several decades, the U.S. labor force has consistently posted high growth rates. According to the Bureau of Labor Statistics (BLS), these elevated rates are likely to be replaced by a much lower growth rate over the 2006–16 decade, principally for two reasons: the baby-boom generation is aging and retiring, and the labor force participation rate of women appears to have peaked.

In the second half of the 20th century, labor force growth was especially rapid as the baby-boom generation reached working age and entered the labor market. At the same time, the labor force participation rate of women expanded rapidly. Both trends have run their course. However, due to significant increases in both the participation rate and the share of the older labor force, the growth of the older labor force in the next decade will be much higher than the labor force growth of the other age groups.[1]

The civilian labor force is projected to increase by nearly 13 million, reaching 164.2 million in 2016. This 0.8-percent annual growth rate is lower than the 1.2-percent annual growth rate registered during the previous 10-year period. (See table 1.) In addition, the labor force will continue to age: the 55-years-and-older workforce is expected to grow by 46.7 percent over the projection period, more than 5 times the growth projected for the aggregate labor force.

The BLS projects that the labor force participation rate of the U.S. population will be 65.5 percent in 2016. After increasing for more than 50 years, the proportion of the population that participates in the labor force reached an all-time high of 67.1 percent in 1997.[2] The participation rate continued its high growth until 2001, when the U.S. economy entered a recession, causing the rate to fall. Unlike its behavior during previous downturns, in which it would soon return to the prerecession level, the labor force participation rate continued to decline long after the 2001 recession was over. After dropping to 66.0 percent in 2004 and 2005, the participation rate had a small increase of 0.2 percentage point in 2006.

A number of factors are responsible for overall changes in the labor force participation rate. Three demographic factors are that participation rates vary by sex, different age groups behave differently in the labor market, and not all race and ethnic groups are attached to the labor market in the same fashion. In sum, the ever-changing dynamics of the age, sex, race, and ethnic groups within the population affects the overall labor force participation rate over time.

Although this article focuses mostly on demographic factors, the impact of other variables cannot be ignored. The education and skill levels of the population are an important determinant of the labor force participation rate, with more years of schooling highly correlated with higher levels of participation in

Table 1.	Civilian labor force, by age, sex, race, and ethnicity, 1986, 1996, 2006, and projected 2016																

[Numbers in thousands]

Group	Level				Change			Percent change			Annual growth rate			Percent distribution			
	1986	1996	2006	2016	1986–96	1996–2006	2006–16	1986–96	1996–2006	2006–16	1986–96	1996–2006	2006–16	1986	1996	2006	2016
Total, 16 years and older.........	117,834	133,943	151,428	164,232	16,109	17,485	12,804	13.7	13.1	8.5	1.3	1.2	0.8	100.0	100.0	100.0	100.0
Age, years:																	
16 to 24 ..	23,367	21,183	22,394	20,852	–2,184	1,211	–1,542	–9.3	5.7	–6.9	-1.0	.6	–.7	19.8	15.8	14.8	12.7
25 to 54 ..	79,563	96,786	103,566	106,026	17,223	6,780	2,460	21.6	7.0	2.4	2.0	.7	.2	67.5	72.3	68.4	64.6
55 and older	14,904	15,974	25,468	37,354	1,070	9,494	11,886	7.2	59.4	46.7	.7	4.8	3.9	12.6	11.9	16.8	22.7
Sex:																	
Men..........	65,422	72,087	81,255	87,781	6,665	9,168	6,526	10.2	12.7	8.0	1.0	1.2	.8	55.5	53.8	53.7	53.4
Women.....	52,413	61,857	70,173	76,450	9,444	8,316	6,277	18.0	13.4	8.9	1.7	1.3	.9	44.5	46.2	46.3	46.6
Race:																	
White	101,801	113,108	123,834	130,665	11,307	10,726	6,831	11.1	9.5	5.5	1.1	.9	.5	86.4	84.4	81.8	79.6
Black........	12,654	15,134	17,314	20,121	2,480	2,180	2,807	19.6	14.4	16.2	1.8	1.4	1.5	10.7	11.3	11.4	12.3
Asian........	3,379	5,701	6,727	8,741	2,322	1,026	2,014	68.7	18.0	29.9	5.4	1.7	2.7	2.9	4.3	4.4	5.3
All other groups[1] .	–	–	3,553	4,705	–	–	1,152	–	–	32.4	–	–	2.8	–	–	2.3	2.9
Ethnicity:																	
Hispanic origin	8,076	12,774	20,694	26,889	4,698	7,920	6,195	58.2	62.0	29.9	4.7	4.9	2.7	6.9	9.5	13.7	16.4
Other than Hispanic origin....	109,758	121,169	130,734	137,343	11,411	9,565	6,609	10.4	7.9	5.1	1.0	.8	.5	93.1	90.5	86.3	83.6
White non-Hispanic..	94,027	100,915	104,629	106,133	6,888	3,714	1,504	7.3	3.7	1.4	.7	.4	.1	79.8	75.3	69.1	64.6
Age of baby boomers..	22 to 40	32 to 50	42 to 60	52 to 70	...	...	...	...	...	...	...	...	...	...	...	...	...

[1] The "all other groups" category includes (1) those classified as being of multiple racial origin and (2) the race categories of (2a) American Indian and Alaska Native and (2b) Native Hawaiian and Other Pacific Islanders. Dash indicates no data collected for category.

the labor force. In addition, health is of paramount importance for the labor force participation rates of individuals and certain groups in the population.[3] Also, cyclical changes such as economic expansions and recessions can cause short-term variations in labor force participation rates. Finally, long-term changes in tastes, preferences, and technology can affect the decision to participate in the labor force.

Several trends evident in past labor force participation rates are expected to continue to have an impact on the U.S. workforce over the next decade. A summary of those factors which are expected to affect the trend of the participation rate in the future follows.

The labor force participation rate of youths decreased measurably before and after the recession of 2001. The labor force participation rate of the 16-to-24-year-old labor force has been on a declining trend since the end of the 1980s. Sixteen-to-24-year-olds are more vulnerable than other age groups during recessions. The first to be fired and the last to be hired, they tend to stay in school longer during economic downturns. In addition, school attendance, including attendance at summer school, has increased for the past two decades, decreasing the participation of the young in the labor force. Still, the participation rate of this age group has decreased both for those who are in school and for those who are not in school. The decline in labor force participation among youths—specifically, teens—may also include other factors, such as personal choice, rising family incomes, and competition for available jobs.[4] A projected continuation of the decrease in

the labor force participation rate of youths is one reason for the anticipated downward trend of the overall labor force participation rate.

The aging of the baby-boom generation and its movement from the prime-age to the older labor force will decrease the overall labor force participation rate. The age composition of the population and labor force is changing due to the increasing share of older age groups. The older age groups have significantly lower participation rates than the prime age groups, those between the ages of 25 and 54, which have strong attachments to the labor market. Once the baby boomers exit the last years of the prime age group and enter the 55-and-older age group, with participation rates roughly half that of the prime age group, the overall labor force participation rate will decline significantly.[5] The lower participation rate of the 55-and-older age group, coupled with the larger share of the older population in the future, is projected to decrease the overall participation rate.

The labor force participation rate of the older workforce has increased considerably since the late 1980s. The increase in the labor force participation of this group over the past several decades is expected to continue into the foreseeable future.

The women's labor force participation rate peaked in 1999 after years of rapid growth. Since then, their participation rate has been declining. On the basis of the current trend, the labor force participation rate of women reached its peak at 60 percent in 1999, and the trend will be at best flat in the future.

The men's labor force participation rate has been steadily decreasing. The men's participation rate peaked at 86.6 percent in 1948.[6] The rate is expected to continue declining for the foreseeable future.

The labor force participation rate of Hispanics and Asians has increased substantially in the past several decades. The BLS projects that the two groups will maintain their strong participation rates during the 2006–16 period. This trend will continue to change the composition and diversity of the future labor force.

Major factors affecting labor force change

The BLS projects the future supply of labor by combining population projections with the projections of the labor force participation rate. Growth of the labor force is vital for the creation of goods and services in the economy and for the long-term growth of gross domestic product (GDP).[7] All other things equal (including productivity), slower labor force growth means slower growth in the level of goods and services an economy can provide.

Although population growth and the changes in the participation rates are both determinants of labor force growth, the growth of the population has the stronger impact. Of course, a decreasing labor force participation rate hinders the labor force from growing more rapidly.

Population projections

The Census Bureau's projection of the U.S. resident population is the basis for the BLS labor force projections. Resident population projections are provided by age, sex, race, and ethnic categories. The 2006–16 round of labor force projections uses the Census Bureau's most recent interim population projections.[8]

To take advantage of the latest published data, the Census Bureau's interim population projections have been benchmarked to the actual 2006 Current Population Survey (CPS) data.[9] The conversion from the resident population concept of the Census Bureau to the civilian noninstitutional population concept of the CPS takes place in three steps. First, the population of children younger than 16 years is taken out of the total resident population. Then, the population of the Armed Forces, broken down into different age, sex, race, and ethnic categories, is subtracted. Finally, the institutional population is subtracted from the civilian population for all the different categories.[10]

The civilian noninstitutional population is expected to continue to grow at 0.9 percent annually during the 2006–16 projection period, reaching 250.6 million in 2016. (See table 2.) This rate of growth is slower than the 1.3 percent posted during the previous decade.

The men's civilian noninstitutional population stood at 110.6 million in 2006 and is projected to reach 121.5 million in 2016. The women's civilian noninstitutional population was 118.2 million in 2006 and is expected to be 129.1 million in 2016.

The Census Bureau's projection of the resident population is based on the current size and composition of the population and on assumptions about future fertility, life expectancy, and net international migration. From the interplay among these components, different rates of population growth lead to different rates of labor force growth.

| Table 2. | Civilian noninstitutional population, by age, sex, race, and ethnicity, 1986, 1996, 2006, and projected 2016 |

[Numbers in thousands]

Group	Level				Change			Annual growth rate (percent)			Percent distribution			
	1986	1996	2006	2016	1986–96	1996–2006	2006–16	1986–96	1996–2006	2006–16	1986	1996	2006	2016
Total, 16 years and older..........	180,587	200,591	228,815	250,597	20,004	28,224	21,782	1.1	1.3	0.9	100.0	100.0	100.0	100.0
16 to 24.............	34,065	32,343	36,943	36,539	−1,722	4,600	−404	−.5	1.3	−.1	18.9	16.1	16.1	14.6
16 to 19...........	14,496	14,934	16,678	15,717	438	1,744	−961	.3	1.1	−.6	8.0	7.4	7.3	6.3
20 to 24...........	19,569	17,409	20,265	20,822	−2,160	2,856	557	−1.2	1.5	.3	10.8	8.7	8.9	8.3
25 to 54.............	97,013	115,505	124,884	126,806	18,492	9,379	1,922	1.8	.8	.2	53.7	57.6	54.6	50.6
25 to 34...........	41,731	40,252	39,230	43,684	−1,479	−1,022	4,454	−.4	−.3	1.1	23.1	20.1	17.1	17.4
35 to 44...........	32,550	43,086	42,753	40,401	10,536	−333	−2,352	2.8	−.1	−.6	18.0	21.5	18.7	16.1
45 to 54...........	22,732	32,167	42,901	42,721	9,435	10,734	−180	3.5	2.9	.0	12.6	16.0	18.7	17.0
55 and older......	49,508	52,741	66,988	87,250	3,233	14,247	20,262	.6	2.4	2.7	27.4	26.3	29.3	34.8
55 to 64...........	22,011	20,990	31,375	40,893	−1,021	10,385	9,518	−.5	4.1	2.7	12.2	10.5	13.7	16.3
65 to 74...........	17,039	18,244	18,685	27,371	1,205	441	8,686	.7	.2	3.9	9.4	9.1	8.2	10.9
75 and older....	10,458	13,507	16,928	18,986	3,049	3,421	2,058	2.6	2.3	1.2	5.8	6.7	7.4	7.6
Men, 16 years and older..........	85,798	96,206	110,605	121,454	10,408	14,399	10,849	1.2	1.4	.9	47.5	48.0	48.3	48.5
16 to 24.............	16,773	16,210	18,650	18,419	−563	2,440	−231	−.3	1.4	−.1	9.3	8.1	8.2	7.4
16 to 19...........	7,275	7,600	8,459	7,951	325	859	−508	.4	1.1	−.6	4.0	3.8	3.7	3.2
20 to 24...........	9,498	8,611	10,191	10,467	−887	1,580	276	−1.0	1.7	.3	5.3	4.3	4.5	4.2
25 to 54.............	47,342	56,671	61,640	62,937	9,329	4,969	1,297	1.8	.8	.2	26.2	28.3	26.9	25.1
25 to 34...........	20,498	19,775	19,568	21,859	−723	−207	2,291	−.4	−.1	1.1	11.4	9.9	8.6	8.7
35 to 44...........	15,858	21,222	21,082	20,044	5,364	−140	−1,038	3.0	−.1	−.5	8.8	10.6	9.2	8.0
45 to 54...........	10,986	15,674	20,991	21,034	4,688	5,317	43	3.6	3.0	.0	6.1	7.8	9.2	8.4
55 and older......	21,683	23,325	30,315	40,098	1,642	6,990	9,783	.7	2.7	2.8	12.0	11.6	13.2	16.0
55 to 64...........	10,336	9,997	15,095	19,767	−339	5,098	4,672	−.3	4.2	2.7	5.7	5.0	6.6	7.9
65 to 74...........	7,490	8,194	8,574	12,686	704	380	4,112	.9	.5	4.0	4.1	4.1	3.7	5.1
75 and older....	3,857	5,134	6,646	7,645	1,277	1,512	999	2.9	2.6	1.4	2.1	2.6	2.9	3.1
Women, 16 years and older..........	94,789	104,385	118,210	129,143	9,596	13,825	10,933	1.0	1.3	.9	52.5	52.0	51.7	51.5
16 to 24.............	17,293	16,132	18,292	18,122	−1,161	2,160	−170	−.7	1.3	−.1	9.6	8.0	8.0	7.2
16 to 19...........	7,221	7,335	8,218	7,766	114	883	−452	.2	1.1	−.6	4.0	3.7	3.6	3.1
20 to 24...........	10,072	8,798	10,074	10,356	−1,274	1,276	282	−1.3	1.4	.3	5.6	4.4	4.4	4.1
25 to 54.............	49,671	58,835	63,243	63,869	9,164	4,408	626	1.7	.7	.1	27.5	29.3	27.6	25.5
25 to 34...........	21,233	20,477	19,662	21,825	−756	−815	2,163	−.4	−.4	1.0	11.8	10.2	8.6	8.7
35 to 44...........	16,692	21,865	21,671	20,357	5,173	−194	−1,314	2.7	−.1	−.6	9.2	10.9	9.5	8.1
45 to 54...........	11,746	16,493	21,910	21,687	4,747	5,417	−223	3.5	2.9	−.1	6.5	8.2	9.6	8.7
55 and older......	27,825	29,418	36,675	47,152	1,593	7,257	10,477	.6	2.2	2.5	15.4	14.7	16.0	18.8
55 to 64...........	11,675	10,993	16,280	21,126	−682	5,287	4,846	−.6	4.0	2.6	6.5	5.5	7.1	8.4
65 to 74...........	9,482	10,050	10,111	14,686	568	61	4,575	.6	.1	3.8	5.3	5.0	4.4	5.9
75 and older....	6,668	8,375	10,284	11,340	1,707	1,909	1,056	2.3	2.1	1.0	3.7	4.2	4.5	4.5
White,16 years and older	155,432	168,317	186,264	199,493	12,885	17,947	13,229	.8	1.0	.7	86.1	83.9	81.4	79.6
Men...................	74,390	81,489	91,021	97,845	7,099	9,532	6,824	.9	1.1	.7	41.2	40.6	39.8	39.0
Women.............	81,042	86,828	95,243	101,648	5,786	8,415	6,405	.7	.9	.7	44.9	43.3	41.6	40.6
Black, 16 years and older..........	19,989	23,604	27,007	31,009	3,615	3,403	4,002	1.7	1.4	1.4	11.1	11.8	11.8	12.4
Men...................	8,956	10,575	12,130	14,044	1,619	1,555	1,914	1.7	1.4	1.5	5.0	5.3	5.3	5.6
Women.............	11,033	13,029	14,877	16,965	1,996	1,848	2,088	1.7	1.3	1.3	6.1	6.5	6.5	6.8
Asian, 16 years and older..........	5,166	8,671	10,155	13,268	3,505	1,484	3,113	5.3	1.6	2.7	2.9	4.3	4.4	5.3
Men...................	2,453	4,142	4,827	6,210	1,689	685	1,383	5.4	1.5	2.6	1.4	2.1	2.1	2.5
Women.............	2,713	4,529	5,328	7,058	1,816	799	1,730	5.3	1.6	2.9	1.5	2.3	2.3	2.8
All other groups[1] .	–	–	5,389	6,826	–	–	1,437	–	–	2.4	–	–	2.4	2.7
Men...................	–	–	2,627	3,472	–	–	845	–	–	2.8	–	–	1.1	1.4
Women.............	–	–	2,762	3,354	–	–	592	–	–	2.0	–	–	1.2	1.3

See footnote at end of table.

| Table 2. | Continued—Civilian noninstitutional population, by age, sex, race, and ethnicity, 1986, 1996, 2006, and projected 2016 |

[Numbers in thousands]

Group	Level				Change			Annual growth rate (percent)			Percent distribution			
	1986	1996	2006	2016	1986–96	1996–2006	2006–16	1986–96	1996–2006	2006–16	1986	1996	2006	2016
Hispanic origin, 16 years and older...............	12,344	19,213	30,103	39,169	6,869	10,890	9,066	4.5	4.6	2.7	6.8	9.6	13.2	15.6
Men..................	6,105	9,604	15,473	19,995	3,499	5,869	4,522	4.6	4.9	2.6	3.4	4.8	6.8	8.0
Women..............	6,238	9,610	14,630	19,174	3,372	5,020	4,544	4.4	4.3	2.7	3.5	4.8	6.4	7.7
Other than Hispanic origin, 16 years and older.................	168,243	181,378	198,712	211,428	13,135	17,334	12,716	.8	.9	.6	93.2	90.4	86.8	84.4
Men.................	79,693	86,602	95,132	101,459	6,909	8,530	6,327	.8	.9	.6	44.1	43.2	41.6	40.5
Women............	88,551	94,775	103,580	109,969	6,224	8,805	6,389	.7	.9	.6	49.0	47.2	45.3	43.9
White non-Hispanic, 16 years and older................	143,566	150,024	158,308	163,224	6,458	8,284	4,916	.4	.5	.3	79.5	74.8	69.2	65.1
Men.................	68,587	72,319	76,597	79,267	3,732	4,278	2,670	.5	.6	.3	38.0	36.1	33.5	31.6
Women............	74,980	77,706	81,711	83,957	2,726	4,005	2,246	.4	.5	.3	41.5	38.7	35.7	33.5
Age of baby boomers............	22 to 40	32 to 50	42 to 60	52 to 70	…	…	…	…	…	…	…	…	…	…

[1] The "All other groups" category includes (1) those classified as being of multiple racial origin and (2) the race categories of (2a) American Indian and Alaska Native and (2b) Native Hawaiian and Other Pacific Islanders. Dash indicates no data collected for category.

Fertility.   Of the three factors affecting population growth, the fertility rate has the most significant impact on long-term population growth. However, as regards the 2006–16 labor force projection, it is not the fertility rate itself, but the *consequence* of *past* fertility rates, that has the most impact on labor force growth. The fertility rate is the average total number of children a woman will have in the future. In the Census Bureau projections, the level of child bearing is assumed to remain close to the present level, near the replacement rate of 2.1, with differences by race and ethnic origin diminishing over time. Compared with other developed countries, the United States has a high fertility rate, which can be partly explained by the number of young immigrants entering the country.

Mortality.   The Census Bureau projection of mortality is based on the average number of years a child born in a given year can expect to live. The mortality rate is projected to decline gradually from 2006 to 2016, with less variation by race and Hispanic origin than at present.

Immigration.   International migration has played a vital role in the composition and size of the U.S. population. Of all the assumptions about the future growth of the population, assumptions about migration affect the size and composition of the future population the most. Because they are greatly affected by public policy, these assumptions are also the most uncertain of all.[11] Immigration has had a significant impact on the demographic composition of the population over the past decades and will likely continue to do so in the future. The rapid growth of some of the racial and ethnic groups, such as Hispanics, will increase their share of the population. Over the 2006–16 period, overall net migration is expected to account for a sizable proportion of the net U.S. population growth.

Historic and future trends.   Beginning in the 20th century, several key demographic events had major impacts on the size, composition, and growth of the population:

• *High fertility rates* and *high immigration*, the latter

mainly from Europe, prior to the 1920s.

- The *"birth dearth"* of the late 1920s and early 1930s.

- The *"baby boom,"* a period of high birthrates starting in 1946 and lasting until 1964.

- The *"baby bust,"* reflecting a decline in birthrates after 1965 and through the 1970s.

- The *"baby-boom echo,"* reflecting a modest increase in births from the late 1970s through the early 1990s.

- *Immigration to the United States*, which increased substantially in the 1970s and is continuing today. The rise in the immigrant population has resulted in higher growth rates for the U.S. population. Also, because children born to immigrants in the United States are, by definition, natives, immigration has resulted in increased fertility rates for specific groups, again adding to the growth of the population.

As a result of declining fertility rates, increasing life expectancies, and longer and healthier lives, the population is getting older. The older age groups are projected to make up an increasing share of the population in the next decade.

Those aged 16 to 24 years represented 16.1 percent of the civilian noninstitutional population in 2006 and are projected to represent 14.6 percent of that population in 2016. The prime-aged population constituted 54.6 percent of the civilian noninstitutional population in 2006 and is projected to decrease to 50.6 percent in 2016. The older population increased its relative share of the civilian noninstitutional population from 26.3 percent in 1996 to 29.3 percent in 2006. The BLS projects that this group will account for nearly 35.0 percent of the civilian noninstitutional population in 2016. The 55- to 64-year age group is expected to increase its share to more than 16.0 percent during the next decade, a share comparable to that held by 16- to 24-year-olds in the 2006 civilian noninstitutional population. The 65- to 74-year age group is projected to increase its share to nearly 11 percent of the total civilian noninstitutional population in 2016.

The 55-years-and-older age group will likely be the fastest-growing segment of the population, with a projected annual growth rate of 2.7 percent during the next decade. The fastest-growing age group within this category will likely be the 65- to 74-year-olds, with a projected growth rate of nearly 4.0 percent per year, followed by

the 55- to 64-year-olds, with an anticipated 2.7-percent annual growth rate. In 2016, baby boomers will be mostly out of the prime age group and will be between 52 and 70 years old.

Since the passage of the Immigration and Naturalization Act of 1965, immigration has been the major source of racial and ethnic diversity in the U.S. population. Hispanics and Asians have seen their shares of the population increase through immigration in the past several decades. These two groups, which have grown the fastest in the past, are projected to continue to grow at higher rates over the next 10 years. Much as in 2004–14, the growth rates of these groups are expected to be much faster than the rates for white non-Hispanics. Over the 2006–16 decade, the Asian and Hispanic civilian noninstitutional populations are each anticipated to grow at an annual rate of 2.7 percent. The black civilian noninstitutional population is projected to grow at an annual rate of 1.4 percent, while the white non-Hispanic population is expected to trail, with a projected annual growth rate of 0.3 percent.

Labor force participation rates

The aggregate labor force participation rate is the weighted sum of all the age-specific rates, in which the weights are the population distributions of each group. At 67.1 percent, the aggregate participation rate of the labor force was highest between 1997 and 2000. Every year after 2000, the rate declined gradually, from 66.8 percent in 2001 to 66.0 percent in 2004 and 2005. In 2006, it edged up by 0.2 percent. According to BLS projections, the overall participation rate will continue its gradual decrease, reaching 65.5 percent in 2016. (See table 3.)

Age, sex, race, and ethnicity are among the main factors responsible for the changes in the labor force participation rate. The remainder of this section discusses each in turn.

Participation rate by age: youths (16 to 24 years).   The youth labor market consists of teenagers and young adults, two groups that have experienced different labor force participation rates in the past. In one respect, however, both groups are the same: the long-term trends in their participation rates have been on a continual decline.

The 16- to 24-year age group had a participation rate of 68.6 percent in 1986. The rate decreased by 3.1 percentage points, to 65.5, by 1996. Ten years later, in 2006, it again declined, this time by nearly 5 percentage points, to 60.6 percent.

Among youths, the 16- to 19-year age group's participation rate declined from 52.3 percent in 1996 to 43.7

Table 3. Civilian labor force participation rates, by age, sex, race, and ethnicity, 1986, 1996, 2006, and projected 2016

[In percent]

Group	Participation rate				Percentage-point change			Annual growth rate		
	1986	1996	2006	2016	1986–96	1996–2006	2006–16	1986–96	1996–2006	2006–16
Total, 16 years and older	65.3	66.8	66.2	65.5	1.5	–0.6	–0.7	0.2	–0.1	–0.1
16 to 24	68.6	65.5	60.6	57.1	–3.1	–4.9	–3.5	–.5	–.8	–.6
16 to 19	54.7	52.3	43.7	37.5	–2.4	–8.6	–6.2	–.4	–1.8	–1.5
20 to 24	78.9	76.8	74.6	71.8	–2.1	–2.2	–2.8	–.3	–.3	–.4
25 to 54	82.0	83.8	82.9	83.6	1.8	–.9	.7	.2	–.1	.1
25 to 34	82.9	84.1	83.0	85.4	1.2	–1.1	2.4	.1	–.1	.3
35 to 44	83.7	84.6	83.8	83.3	.9	–.8	–.5	.1	–.1	–.1
45 to 54	78.0	82.1	81.9	82.1	4.1	–.2	.2	.5	.0	.0
55 and older	30.1	30.3	38.0	42.8	.2	7.7	4.8	.1	2.3	1.2
55 to 64	54.0	57.9	63.7	66.7	3.9	5.8	3.0	.7	1.0	.5
65 to 74	15.2	17.5	23.6	29.5	2.3	6.1	5.9	1.4	3.0	2.3
75 and older	4.0	4.7	6.4	10.5	.7	1.7	4.1	1.6	3.1	5.1
Men, 16 years and older	76.3	74.9	73.5	72.3	–1.4	–1.4	–1.2	–.2	–.2	–.2
16 to 24	73.0	68.8	63.3	59.3	–4.2	–5.5	–4.0	–.6	–.8	–.7
16 to 19	56.4	53.2	43.7	36.8	–3.2	–9.5	–6.9	–6	–1.9	–1.7
20 to 24	85.8	82.5	79.6	76.4	–3.3	–2.9	–3.2	–.4	–.4	–.4
25 to 54	93.8	91.8	90.6	91.3	–2.0	–1.2	.7	–.2	–.1	.1
25 to 34	94.6	93.2	91.7	95.7	–1.4	–1.5	4.0	–.1	–.2	.4
35 to 44	94.8	92.4	92.1	91.7	–2.4	–.3	–.4	–.3	.0	.0
45 to 54	91.0	89.1	88.1	86.6	–1.9	–1.0	–1.5	–.2	–.1	–.2
55 and older	40.4	38.3	44.9	48.3	–2.1	6.6	3.4	–.5	1.6	.7
55 to 64	67.3	67.0	69.6	70.1	–.3	2.6	.5	.0	.4	.1
65 to 74	20.5	22.9	28.8	34.6	2.4	5.9	5.8	1.1	2.3	1.8
75 and older	6.7	7.3	9.5	14.7	.6	2.2	5.2	.9	2.7	4.5
Women, 16 years and older	55.3	59.3	59.4	59.2	4.0	.1	–.2	.7	.0	.0
16 to 24	64.3	62.2	57.9	54.8	–2.1	–4.3	–3.1	–3	–.7	–.5
16 to 19	53.0	51.3	43.7	38.3	–1.7	–7.6	–5.4	–.3	–1.6	–1.3
20 to 24	72.4	71.3	69.5	67.2	–1.1	–1.8	–2.3	–.2	–3	–.3
25 to 54	70.8	76.1	75.5	76.0	5.3	–.6	.5	.7	–.1	.1
25 to 34	71.6	75.2	74.4	75.0	3.6	–.8	.6	.5	–.1	.1
35 to 44	73.1	77.5	75.9	75.1	4.4	–1.6	–.8	.6	–.2	–.1
45 to 54	65.9	75.4	76.0	77.8	9.5	.6	1.8	1.4	.1	.2
55 and older	22.1	23.9	32.3	38.1	1.8	8.4	5.8	.8	3.1	1.7
55 to 64	42.3	49.6	58.2	63.5	7.3	8.6	5.3	1.6	1.6	.9
65 to 74	11.0	13.1	19.2	25.1	2.1	6.1	5.9	1.8	3.9	2.7
75 and older	2.4	3.1	4.4	7.6	.7	1.3	3.2	2.6	3.6	5.7
White, 16 years and older	65.5	67.2	66.3	65.5	1.7	–.9	–.8	.3	–.1	–.1
Men	76.9	75.8	74.1	72.9	–1.1	–1.7	–1.2	–.1	–.2	–.2
Women	55.0	59.1	58.9	58.4	4.1	–.2	–.5	.7	.0	–.1
Black, 16 years and older	63.3	64.1	63.8	64.9	.8	–.3	1.1	.1	.0	.2
Men	71.2	68.7	66.7	67.1	–2.5	–2.0	.4	–.4	–.3	.1
Women	56.9	60.4	61.5	63.1	3.5	1.1	1.6	.6	.2	.3
Asian, 16 years and older	65.5	65.8	65.9	65.9	.3	.1	.0	.0	.0	.0
Men	75.0	73.4	75.0	74.1	–1.6	1.6	–.9	–.2	.2	–.1
Women	57.0	58.8	57.6	58.7	1.8	–1.2	1.1	.3	–.2	.2
All other race groups[1]	–	–	67.0	68.9	–	–	1.9	–	–	.3
Men	–	–	74.0	71.4	–	–	–2.6	–	–	–.4
Women	–	–	60.3	66.4	–	–	6.1	–	–	1.0
Hispanic origin, 16 years and older	65.4	66.5	68.6	68.6	1.1	2.1	.0	.2	.3	.0
Men	81.0	79.6	80.4	79.0	–1.4	.8	–1.4	–.2	.1	–.2
Women	50.1	53.4	56.1	57.8	3.3	2.7	1.7	.6	.5	.3
Other than Hispanic origin, 16 years and older	65.2	66.8	65.8	65.0	1.6	–1.0	–.8	.2	–.2	–.1
Men	75.9	74.4	72.3	70.9	–1.5	–2.1	–1.3	–.2	–.3	–.2
Women	55.7	59.9	59.8	59.4	4.2	.0	–.4	.7	.0	–.1
White non-Hispanic, 16 years and older	65.5	67.3	65.9	65.0	1.8	–1.4	–.9	.3	–.2	–.1
Men	76.5	75.3	73.0	71.6	–1.2	–2.3	–1.4	–.2	–.3	–.2
Women	55.4	59.8	59.3	58.8	4.4	–.5	–.5	.8	–.1	–.1

[1] The "All other groups" category includes (1) those classified as being of mutiple racial origin and (2) the race categories of (2a) American Indian and Alaska Native and (2b) Native Hawaiian and Other Pacific Islanders. Dash indicates no data collected for category.

percent in 2006, a considerable decrease of 8.6 percentage points. The rate for 20- to 24-year-olds also declined, but not as sharply, moving from 76.8 percent in 1996 to 74.6 percent in 2006. The difference in the two groups' rates of nearly 31 percentage points in 2006 was the result of differing shares of those enrolled in school and those not enrolled in school.

Two factors have played a major role in youths' falling labor force participation rates. First, increasing school attendance at all levels, especially secondary schools and colleges, has resulted in decreases in the participation rate of the student portion of the youth population.[12] Second, business cycle downturns have contributed to the declining participation rate of the *non*student segment of the youth labor force. In general, having too little experience makes youths vulnerable during recessions, and they usually are the first group to be fired and the last to be hired.

The BLS projects that the downward trend in the participation rates of 16- to 19-year-olds and 20- to 24-year-olds will continue. As a result, the participation rate of the former group is expected to decline further, to 37.5 percent, and the participation rate of the latter group is anticipated to decline as well, to 71.8 percent. Because of these declining rates, the participation rate of the overall group of 16- to 24-year-olds is projected to decrease to 57.1 percent in 2016.

Participation rate by age: prime-aged workers (25 to 54 years). Historically, all age groups within the prime-working-age group have the strongest attachment to the labor market. Over the 1986–2006 period, the overall labor force participation rate of this group fluctuated between a low of 82 percent and a high of nearly 84 percent. This trend is projected to continue, with the rate standing at an expected 83.6 percent in 2016. The most active age group in the prime-aged group is the 25- to 34-year-olds, whose participation rate was 83.0 percent in 2006 and is projected to increase to 85.4 percent in 2016.

Both men and women have contributed to the strong labor force participation rate of the prime-aged group in the past. The activity rate of 25-to 54-year-old men was 90.6 percent in 2006 and is projected to increase to 91.3 percent in 2016. The participation rate of 25-to 54-year-old women was 75.5 percent in 2006 and is expected to rise to 76.0 percent in the next decade.

Participation rate by age: older age group (55 years and older). This group is the only one among all the age groups that has experienced strong growth in its participation rate in the labor market during the last two decades.

The labor force participation rate of the group was relatively flat in the 1970s and much of the 1980s. By 1986, however, as well as in 1996, the activity rate of the group was about 30.0 percent. A decade later, in 2006, the rate was a significantly higher 38.0 percent. The BLS projects that the labor force participation rate of this age group will continue to exhibit strong growth, reaching nearly 42.8 percent in 2016. The two age groups of 65- to 74-year-olds and those 75 years and older had significantly strong growth in their participation rates during the 1996–2006 timeframe. Both subgroups are projected to continue to show a strong presence in the future labor force.

The increase in the participation rate of the mature worker can be traced to a number of reasons:

- Older individuals are leading healthier and much longer lives than in the past. Both the likelihood of working and the opportunity to work longer years increase with longer, healthier lives.

- Today's older individuals are more educated than their counterparts of the past. Higher education levels result in higher participation in the labor market.

- The trend away from defined benefit pension plans and toward defined contribution plans[13] acts as an incentive for the older workforce to stay in the labor market for longer intervals. Defined benefit pension plans encourage early retirement, before the plan's normal retirement age. By contrast, defined contribution plans are based on an individual's contribution, the employer's contribution, and the investment returns on those contributions. Also, defined contribution plans are indifferent to the worker's retirement age. Hence, workers have more of an incentive to remain working and continue contributing to those plans, putting off their retirement so that they can reap greater rewards in the future.

- In 2000, the full retirement age for Social Security benefits began a scheduled increase. The recent changes in Social Security laws delayed the eligible age for full retirement benefits for certain birth dates and decreased the benefits for early retirement. These changes are intended to discourage workers from retiring earlier and to encourage the continuation of their labor market activity.

- The high cost of health insurance and a decrease in health benefits, especially at older ages, has obliged

many mature workers to remain working in order to keep their employer-based health insurance or to go back to work after retirement in order to obtain health insurance through their work.[14]

In the 1970s and 1980s, the entry of young baby boomers into the labor market in large numbers and their subsequent staying on as prime-age workers made for rapid growth in the labor force. The retirement of older workers made room for the employment of these younger workers. Now, as the growth of the labor force slows, the increase in the labor force participation rate of older workers may keep labor force growth from slowing even further in the future.

Participation rate by sex.   The participation rates of men and women have historically followed different trends. Until 1999, the men's participation rate was continually decreasing, while the women's rate was continually increasing. The men's rate was higher not only in the aggregate, but also for every detailed age group, up until 2006. That year, the labor force participation rates of 16- to 19-year-old men and women were the same: 43.7. The labor force participation of 16- to 19-year-old women is projected to surpass that of men of the same age by 2016.

Men.   Continuing its decreasing trend, the men's participation rate registered 74.9 percent in 1996 and 73.5 percent in 2006. The rate is expected to decline further, to 72.3 percent in 2016. (See chart 1.)

Men 16 to 24 years old also experienced significant reductions in their participation rates, from 68.8 percent in 1996 to 63.3 percent in 2006. The rate for this group of men is expected to decline yet further, to 59.3 percent by 2016.

The participation rate of 25- to 54-year-old men has been relatively flat, registering 91.8 percent in 1996 and 90.6 percent in 2006. The rate is projected to increase to 91.3 percent in 2016.

The participation rate of men 55 years and older has been accelerating since 1998. In 1996, their rate stood at 38.3 percent. Over the next 10 years, it increased by 6.6 percentage points, to 44.9 percent in 2006. The rate is expected to continue increasing, until it reaches 48.3 percent in 2016.

Women.   Continuing its historical increase, the labor force participation rate of women registered 55.3 percent in 1986, 59.3 percent in 1996, and 59.4 percent in 2006. The trend, however, appears to have reached its peak, and the rapid increase of the 1970–90 era is over. The rate is projected to fall slightly, to 59.2 percent in 2016. (See chart 2.)

Women 16 to 24 years old had a labor force participation rate of 64.3 percent in 1986. The rate fell to 62.2 percent in 1996 and then to 57.9 percent in 2006. This decline is projected to continue, so that, in 2016, the rate is anticipated to be 54.8 percent.

Women aged 25 to 54 years experienced a slight decrease in their labor force participation rate, from 76.1 percent in 1996 to 75.5 percent in 2006. The rate is projected to be 76.0 percent in 2016.

The only statistically significant change in the participation rate of women occurred among those 55 years and older. The participation rate of this age group was 22.1 percent in 1986 and 23.9 percent in 1996. Then, over the next decade, it rose by 8.4 percentage points, registering 32.3 percent in 2006. This rapid increase is projected to continue, but at a lesser pace of 5.8 percentage points, from 2006 to 2016, reaching 38.1 percent the latter year.

Since the seventies, the strong expansion of the labor force participation rate of women has compensated for the declining activity rate of men, pushing the overall labor force participation rate upward on an increasing trend. The women's participation rate having reached its peak is another reason that the overall labor force participation rate is expected to decline gradually in the future.

Participation rate by race and Hispanic origin.   The change in the labor force participation rate over the past couple of decades has been different among the various race groups, as well as for the Hispanic ethnic group.

Whites.   Among whites, the labor force participation rate increased by 1.7 percentage points from 1986, reaching 67.2 percent in 1996. By 2006, the rate had fallen to 66.3 percent. The rate is projected to decrease further, to 65.5 percent in 2016, the same as it was in 1986.

Blacks.   The labor force participation rate of blacks, which was 63.3 percent in 1986, rose to 64.1 percent in 1996. By 2006, it had decreased to 63.8 percent. BLS projects that the rate will increase during the next decade, reaching 64.9 percent in 2016.

Asians.   The labor force participation rate of Asians was 65.5 percent in 1986, the same as that for whites. The rate increased to 65.9 percent in 2006, and BLS projects that it will be the same in 2016.

White non-Hispanics.   Among white non-Hispanics, the

Chart 1. **Labor force participation rates of men, 1986–2006 and projected 2016**

Percent

Percent

100

100

25–54 years

80

Total

80

16–24 years

60

60

55 years and older

40

40

20

20

0

0

1986　　　　1996　　　　2006　　　　2016
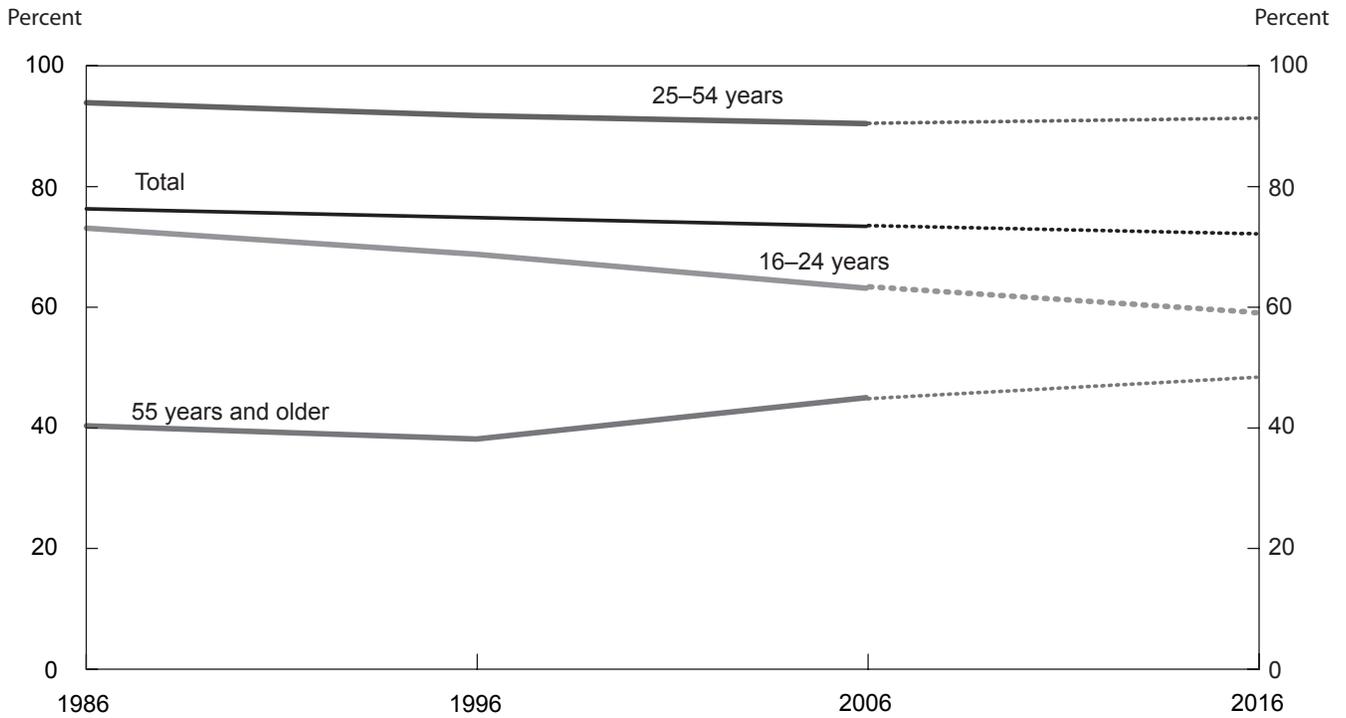
Chart 2. **Labor force participation rates of women, 1986–2006 and projected 2016**

Percent

Percent

100

100

80

25–54 years

80

16–24 years

60

60

Total

40

40

55 years and older

20

20

0

0

1986　　　　1996　　　　2006　　　　2016
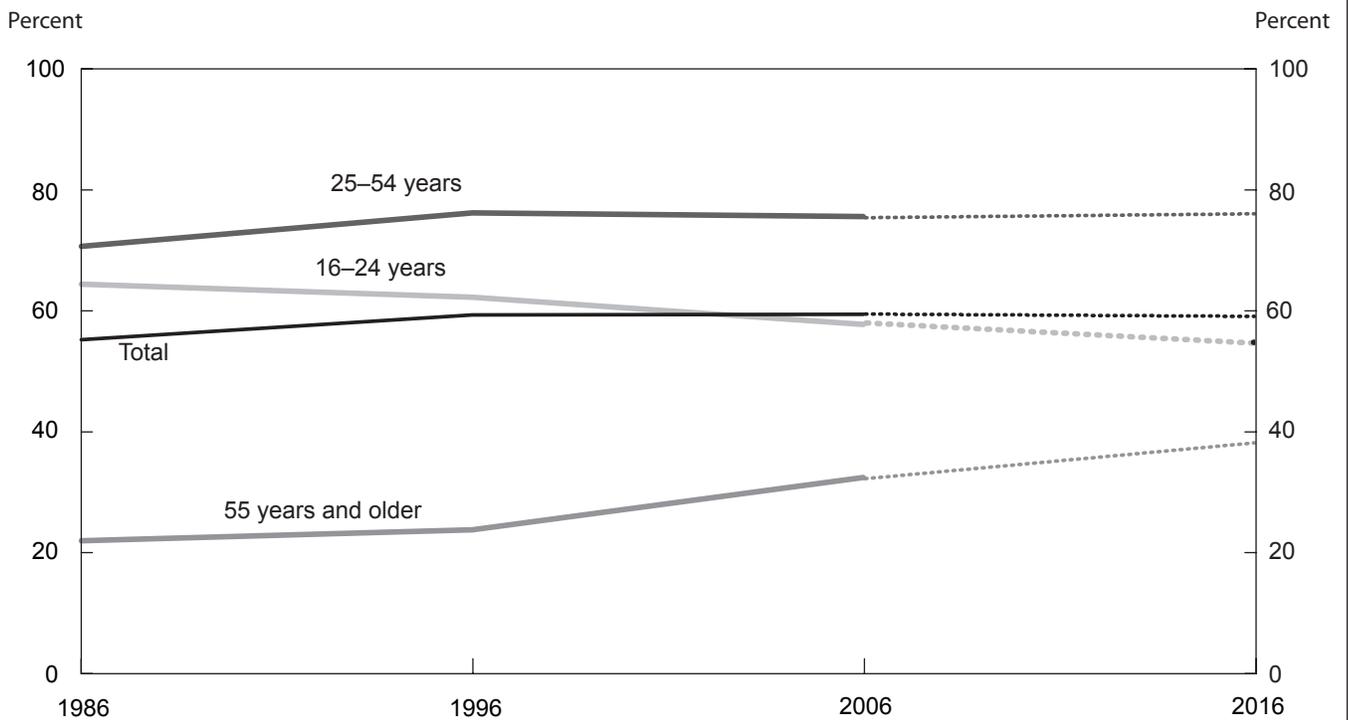
labor force participation rate, 65.5 percent in 1986, increased by 1.8 percentage points and reached 67.3 percent in 1996. By 2006, the white non-Hispanic labor force participation rate had fallen to 65.9 percent. The rate of this group is projected to decline further, to 65.0 percent in 2016.

Hispanics.   From 1986 to 2006, Hispanics experienced the largest increase in their labor force participation rate. At 65.4 percent in 1986, the rate increased by a significant 1.1 percentage points, to 66.5 percent in 1996. Then, during the 1996–2006 period, Hispanics increased their participation rate by another 2.1 percentage points, to 68.6 percent. The labor force participation rate of Hispanics is projected to continue to be strong over the next decade.

Among the different racial and ethnic groups, Hispanics will have one of the highest labor force participation rates in 2016. Large numbers of immigrants coming to the United States today and into the foreseeable future are Hispanics. Because immigrants generally come in search of better job opportunities and higher wages, they have high labor force participation rates. Both factors—the huge numbers of Hispanics entering the country in search of better and higher paying jobs and their higher participation rates—make for a higher growth rate of the Hispanic labor force in the 2006–16 decade.

Projected changes in the labor force

In 1980, the baby boomers were between 16 and 34 years old and were entering the labor market in large numbers. As a result, the U.S. labor force experienced a significant annual growth rate of 1.3 percent during the 1986–96 decade. (See table 4.) In addition, over the same time span, the women's labor force participation rate expanded significantly, causing the overall participation rate, as well as the overall labor force, to rise dramatically. In the next decade, from 1996 to 2006, the annual growth rate of the labor force declined to 1.2 percent. BLS labor force projections point to a significantly lower labor force growth of 0.8 percent per year for the 2006–16 period.

Labor force growth is derived from a combination of changes in the overall labor force participation rate and changes in population. As a result of the aging of the population, population growth has slowed down in the past decade. In addition, the labor force participation rate has decreased in recent years. The result is that, although the rate of growth of the population for the 2006–16 period is projected to be 0.9 percent, because of the decrease in the labor force participation rate, the labor force is projected to grow at a slower rate (0.8 percent) than the working-age population.

The labor force increased from 117.8 million in 1986 to 133.9 million in 1996, an increase of 16.1 million. During the 1996–2006 period, the labor force rose by another 17.5 million, reaching 151.4 million in 2006. Over the next 10 years, on the basis of population projections from the Census Bureau, it is expected that the workforce will increase by nearly 13 million, to reach 164.2 million in 2016.

Age.   The youth labor force declined from 23.4 million in 1986 to 22.4 million in 2006. The BLS projects that, by 2016, the youth labor force will decrease further, to 20.9 million, a level much lower than any registered at any time during the previous three decades.

The prime-aged labor force was 79.6 million in 1986 and 96.8 million in 1996, an increase of more than 17 million. Over the 1996–2016 period, 6.8 million workers were added to this group, for a total of 103.6 million. It is projected that over the next decade the prime-aged labor force will increase by 2.5 million more, reaching 106.0 million. This age group's share of the total labor force has been on a declining trend since 1996. Prime-aged workers accounted for 72.3 percent of the labor force in 1996 and 68.4 percent in 2006; their share is projected to decrease to 64.6 percent in 2016. The annual growth rate of the group is expected to be 0.2 percent during the next decade.

As a result of the relatively rapid growth of the older population and considerable increases in their labor force participation rates, the labor force of the 55-years-and-older age group has been growing significantly in the past two decades. The labor force will continue to age, with the number of workers in the 55-years-and-older group projected to grow by 46.7 percentage points, more than 5 times the 8.5-percentage-point growth projected for the overall labor force. The number of workers in the older age group is anticipated to grow by nearly 12 million during the 2006–16 period, the fastest growth among all age groups and an increase representing a 3.9-percent annual growth rate.

Within the 55-years-and-older group, 55- to 64-year-olds are expected to add 7.3 million workers to their numbers during the 2006–16 decade. Nearly 20 million in the 2006 labor force, they are projected to number more than 27 million in the labor force of 2016. As a result, the annual labor force growth rate of this age group will be 3.2 percent over the next decade. Similarly growing, the 65- to 74-year age group is expected to increase its number in the labor force from 4.4 million in 2006 to more than 8.0

| Table 4. | Civilian labor force, by age, sex, race, and ethnicity, 1986, 1996, 2006, and projected 2016 |

[Numbers in thousands]

Group	Level				Change			Percent change			Annual growth rate (percent)			Percent distribution			
	1986	1996	2006	2016	1986–96	1996 2006	2006–16	1986–96	1996–2006	2006–16	1986–96	1996–2006	2006–16	1986	1996	2006	2016
Total, 16 years and older.........	117,834	133,943	151,428	164,232	16,109	17,485	12,804	13.7	13.1	8.5	1.3	1.2	0.8	100.0	100.0	100.0	100.0
16 to 24....	23,367	21,183	22,394	20,852	–2,184	1,211	–1,542	–9.3	5.7	–6.9	–1.0	.6	–.7	19.8	15.8	14.8	12.7
16 to 19..	7,926	7,806	7,281	5,896	–120	–525	–1,385	–1.5	–6.7	–19.0	–.2	–.7	–2.1	6.7	5.8	4.8	3.6
20 to 24..	15,441	13,377	15,113	14,955	–2,064	1,736	–158	–13.4	13.0	–1.0	–1.4	1.2	–.1	13.1	10.0	10.0	9.1
25 to 54....	79,563	96,786	103,566	106,026	17,223	6,780	2,460	21.6	7.0	2.4	2.0	.7	.2	67.5	72.3	68.4	64.6
25 to 34..	34,591	33,833	32,573	37,289	–758	–1,260	4,716	–2.2	–3.7	14.5	–.2	–.4	1.4	29.4	25.3	21.5	22.7
35 to 44..	27,232	36,556	35,848	33,654	9,324	–708	–2,194	34.2	–1.9	–6.1	3.0	–.2	–.6	23.1	27.3	23.7	20.5
45 to 54..	17,739	26,397	35,146	35,083	8,658	8,749	–63	48.8	33.1	–.2	4.1	2.9	.0	15.1	19.7	23.2	21.4
55 and older.......	14,904	15,974	25,468	37,354	1,070	9,494	11,886	7.2	59.4	46.7	.7	4.8	3.9	12.6	11.9	16.8	22.7
55 to 64..	11,894	12,146	19,984	27,288	252	7,838	7,304	2.1	64.5	36.5	.2	5.1	3.2	10.1	9.1	13.2	16.6
65 to 74..	2,594	3,194	4,404	8,076	600	1,210	3,672	23.1	37.9	83.4	2.1	3.3	6.3	2.2	2.4	2.9	4.9
75 and older.......	417	634	1,080	1,990	217	446	910	52.0	70.3	84.3	4.3	5.5	6.3	.4	.5	.7	1.2
Men, 16 years and older.........	65,422	72,087	81,255	87,781	6,665	9,168	6,526	10.2	12.7	8.0	1.0	1.2	.8	55.5	53.8	53.7	53.4
16 to 24....	12,250	11,147	11,810	10,915	–1,103	663	–895	–9.0	5.9	–7.6	–.9	.6	–.8	10.4	8.3	7.8	6.6
16 to 19..	4,102	4,043	3,693	2,923	–59	–350	–770	–1.4	–8.7	–20.9	–.1	–.9	–2.3	3.5	3.0	2.4	1.8
20 to 24..	8,148	7,104	8,116	7,992	–1,044	1,012	–124	–12.8	14.2	–1.5	–1.4	1.3	–.2	6.9	5.3	5.4	4.9
25 to 54..	44,406	51,999	55,840	57,491	7,593	3,841	1,651	17.1	7.4	3.0	1.6	.7	.3	37.7	38.8	36.9	35.0
25 to 34..	19,383	18,430	17,944	20,913	–953	–486	2,969	–4.9	–2.6	16.5	–.5	–.3	1.5	16.4	13.8	11.8	12.7
35 to 44..	15,029	19,602	19,407	18,373	4,573	–195	–1,034	30.4	–1.0	–5.3	2.7	–.1	–.5	12.8	14.6	12.8	11.2
45 to 54..	9,994	13,967	18,489	18,205	3,973	4,522	–284	39.8	32.4	–1.5	3.4	2.8	–.2	8.5	10.4	12.2	11.1
55 and older.......	8,765	8,941	13,605	19,376	176	4,664	5,771	2.0	52.2	42.4	.2	4.3	3.6	7.4	6.7	9.0	11.8
55 to 64..	6,954	6,693	10,509	13,865	–261	3,816	3,356	–3.8	57.0	31.9	–.4	4.6	2.8	5.9	5.0	6.9	8.4
65 to 74..	1,552	1,872	2,466	4,387	320	594	1,921	20.6	31.7	77.9	1.9	2.8	5.9	1.3	1.4	1.6	2.7
75 and older.......	260	375	630	1,124	115	255	494	44.2	68.0	78.4	3.7	5.3	6.0	.2	.3	.4	.7
Women, 16 years and older.........	52,413	61,856	70,173	76,450	9,443	8,317	6,277	18.0	13.4	8.9	1.7	1.3	.9	44.5	46.2	46.3	46.6
16 to 24....	11,117	10,036	10,584	9,937	–1,081	548	–647	–9.7	5.5	–6.1	–1.0	.5	–.6	9.4	7.5	7.0	6.1
16 to 19..	3,824	3,763	3,588	2,974	–61	–175	–614	–1.6	–4.7	–17.1	–.2	–.5	–1.9	3.2	2.8	2.4	1.8
20 to 24..	7,293	6,273	6,997	6,963	–1,020	724	–34	–14.0	11.5	–.5	–1.5	1.1	.0	6.2	4.7	4.6	4.2
25 to 54..	35,158	44,787	47,726	48,534	9,629	2,939	808	27.4	6.6	1.7	2.5	.6	.2	29.8	33.4	31.5	29.6
25 to 34..	15,208	15,403	14,628	16,376	195	–775	1,748	1.3	–5.0	11.9	.1	–.5	1.1	12.9	11.5	9.7	10.0
35 to 44..	12,204	16,954	16,441	15,281	4,750	–513	–1,160	38.9	–3.0	–7.1	3.3	–.3	–.7	10.4	12.7	10.9	9.3
45 to 54..	7,746	12,430	16,656	16,877	4,684	4,226	221	60.5	34.0	1.3	4.8	3.0	.1	6.6	9.3	11.0	10.3
55 and older.......	6,139	7,033	11,863	17,979	894	4,830	6,116	14.6	68.7	51.6	1.4	5.4	4.2	5.2	5.3	7.8	10.9
55 to 64..	4,940	5,452	9,475	13,423	512	4,023	3,948	10.4	73.8	41.7	1.0	5.7	3.5	4.2	4.1	6.3	8.2
65 to 74..	1,042	1,321	1,937	3,689	279	616	1,752	26.8	46.6	90.4	2.4	3.9	6.7	.9	1.0	1.3	2.2
75 and older.......	159	260	451	867	101	191	416	63.5	73.5	92.2	5.0	5.7	6.8	.1	.2	.3	.5
White	101,801	113,108	123,834	130,665	11,307	10,726	6,831	11.1	9.5	5.5	1.1	.9	.5	86.4	84.4	81.8	79.6
Men..........	57,217	61,783	67,613	71,283	4,566	5,830	3,670	8.0	9.4	5.4	.8	.9	.5	48.6	46.1	44.7	43.4
Women.....	44,584	51,325	56,221	59,382	6,741	4,896	3,161	15.1	9.5	5.6	1.4	.9	.5	37.8	38.3	37.1	36.2
Black	12,654	15,134	17,314	20,121	2,480	2,180	2,807	19.6	14.4	16.2	1.8	1.4	1.5	10.7	11.3	11.4	12.3
Men..........	6,373	7,264	8,128	9,420	891	864	1,292	14.0	11.9	15.9	1.3	1.1	1.5	5.4	5.4	5.4	5.7
Women.....	6,281	7,869	9,186	10,701	1,588	1,317	1,515	25.3	16.7	16.5	2.3	1.6	1.5	5.3	5.9	6.1	6.5

See footnote at end of table.

Table 4.

Table 4.   Continued—Civilian labor force, by age, sex, race, and ethnicity, 1986, 1996, 2006, and projected 2016

[Numbers in thousands]

Group	Level				Change			Percent change			Annual growth rate (percent)			Percent distribution			
	1986	1996	2006	2016	1986–96	1996–2006	2006–16	1986–96	1996–2006	2006–16	1986–96	1996–2006	2006–16	1986	1996	2006	2016
Asian	3,379	5,701	6,727	8,741	2,322	1,026	2,014	68.7	18.0	29.9	5.4	1.7	2.7	2.9	4.3	4.4	5.3
Men..........	1,831	3,039	3,621	4,600	1,208	582	979	66.0	19.2	27.0	5.2	1.8	2.4	1.6	2.3	2.4	2.8
Women.....	1,548	2,662	3,106	4,141	1,114	444	1,035	72.0	16.7	33.3	5.6	1.6	2.9	1.3	2.0	2.1	2.5
All other groups[1]	–	–	3,553	4,705	–	–	1,152	–	–	32.4	–	–	2.8	–	–	2.3	2.9
Men..........	–	–	1,893	2,478	–	–	585	–	–	30.9	–	–	2.7	–	–	1.3	1.5
Women.....	–	–	1,660	2,227	–	–	567	–	–	34.2	–	–	3.0	–	–	1.1	1.4
Hispanic origin	8,076	12,774	20,694	26,889	4,698	7,920	6,195	58.2	62.0	29.9	4.7	4.9	2.7	6.9	9.5	13.7	16.4
Men..........	4,948	7,646	12,488	15,802	2,698	4,842	3,314	54.5	63.3	26.5	4.4	5.0	2.4	4.2	5.7	8.2	9.6
Women.....	3,128	5,128	8,206	11,087	2,000	3,078	2,881	63.9	60.0	35.1	5.1	4.8	3.1	2.7	3.8	5.4	6.8
Other than Hispanic origin	109,758	121,169	130,734	137,343	11,411	9,565	6,609	10.4	7.9	5.1	1.0	.8	.5	93.1	90.5	86.3	83.6
Men..........	60,474	64,441	68,767	71,979	3,967	4,326	3,212	6.6	6.7	4.7	.6	.7	.5	51.3	48.1	45.4	43.8
Women.....	49,285	56,728	61,967	65,363	7,443	5,239	3,396	15.1	9.2	5.5	1.4	.9	.5	41.8	42.4	40.9	39.8
White non-Hispanic ...	94,027	100,915	104,629	106,133	6,888	3,714	1,504	7.3	3.7	1.4	.7	.4	.1	79.8	75.3	69.1	64.6
Men..........	52,447	54,451	55,953	56,791	2,004	1,502	838	3.8	2.8	1.5	.4	.3	.1	44.5	40.7	37.0	34.6
Women.....	41,579	46,464	48,676	49,342	4,885	2,212	666	11.7	4.8	1.4	1.1	.5	.1	35.3	34.7	32.1	30.0

[1] The "All other groups" category includes (1) those classified as of being of multiple racial origin and (2) the race categories of (2a) American Indian and Alaska Native and (2b) Native Hawaiian and Other Pacific Islanders. Dash indicates no data collected for category.

million in 2016, due to significant increases in the group's participation rates. The annual labor force growth rate of this age group will be 6.3 percent over the next decade. The 75-years-and-older labor force also is expected to grow at a significant annual growth rate of 6.3 percent, to a total of nearly 2 million in 2016.

Sex.   The labor force of women grew much faster (at an annual rate of 1.7 percent) than that of men (1.0 percent) in the 1986–96 period. In the decade that followed, the growth rate of the women's labor force declined substantially, to 1.3 percent, while the growth rate of the men's labor force rose to 1.2 percent. The BLS projects that the labor force growth rate of women will be 0.9 percent in 2006–16, a figure slightly higher than that of men, which is expected to be 0.8 percent. The growth rate of the women's labor force during the past three decades has greatly increased

the share of women in the labor force. The slight difference between the projected growth rates of men and women will result in the women's share of the labor force rising to 46.6 percent, and the men's share declining to 53.4 percent, from 2006 to 2016. This small difference also has contributed to a narrowing of the gender gap in both the labor force participation rate and overall labor force numbers.

Race and ethnicity.   The growing labor force shares of Hispanics, Asians, blacks, and the category "all other groups" has been an important development of the past several decades. As a result of continued immigration, both the population and the labor force are expected to diversify further. The BLS projects a continuation of this trend during the next 10 years.

White non-Hispanics, who accounted for nearly 80 percent of the labor force in 1986 and 75 percent in 1996,

are projected to still be the largest group in 2016. However, their share is expected to fall to nearly 65 percent of the labor force that year. The white non-Hispanic labor force is anticipated to increase by 1.5 million over the 2006–16 period, reaching 106 million at the end of the decade.

Blacks, Hispanics, and Asians are projected to increase their labor force numbers at faster rates than White non-Hispanics and to constitute a larger share of the labor force in 2016. Asians are expected to be one of the fastest growing groups, with a 2.7-percent annual growth rate over the 2006–16 period. The Asian share of the labor force is projected to expand from 4.4 percent in 2006 to 5.3 percent in 2016. Still, their share of the total labor force is expected to remain the smallest among the four major race and ethnic groups.

The black share of the labor force is projected to expand from 11.4 percent in 2006 to 12.3 percent in 2016, representing an annual growth rate of 1.5 percent over the 2006–16 decade.

The Hispanic labor force grew at comparatively high annual growth rates of 4.7 percent during 1986-96 and 4.9 percent over the 1996–2006 period. Their share is expected to more than double, from nearly 7 percent of the labor force in 1986 to more than 16 percent in 2016. On the basis of the most recent immigration trends, the largest share of immigrants to the United States has been of Hispanic origin. Hispanics are projected to increase their numbers in the 2016 labor force by more than 6 million over the 2006 figure, so that by 2016 there will be nearly 27 million Hispanics in the labor force.

Labor force dynamics

The labor force is expected to grow by nearly 13 million during the 2006–16 timeframe. This increase is based on dynamic changes that underlie the movement of workers into and out of the labor force. (See table 5.) The dynamics of labor force change from 2006 through 2016 emerge from three distinct groups—entrants, leavers, and stayers:

- Entrants are those who were not in the labor force in 2006, but who will enter during the period and will be in the labor force in 2016.

- Leavers are those who were in the labor force in 2006, but who will leave during the period and will not be in the labor force in 2016.

- Stayers are those who were in the labor force in 2006 and will remain in it through 2016.[15]

To the extent that the demographic composition of entrants and leavers between 2006 and 2016 is different from the composition of those now in the labor force, the 2016 labor force will be different from today's labor force. Thus, the labor force of 2016 may be regarded as consisting of the labor force of 2006, plus the entrants minus the leavers.

The BLS projects that, between 2006 and 2016, 37.3 million workers will enter the labor force and 24.2 million will leave. These figures compare with 35.8 million entrants and 19.6 million leavers over the 1996–2006 period. Therefore, in the 2006–16 period, about 1.5 million more people would be entering the labor force compared with the previous period. However, around 4.6 million more people are expected to leave the workforce in the 2006–16 period than left during the 1996–2006 period.

In the 1996–2006 period, 54.2 percent of the entrants were men and 45.8 percent women. This trend is expected to continue during the 2006–16 period as the number of men entering the labor force exceeds the number of women. The leavers are more likely to be men, because the men's labor force is older than the women's and more of the men are of retirement age. According to BLS projections, by the end of the 2006–16 decade, 20.4 million men will have joined, and nearly 14 million men will have left, the labor force, resulting in a labor force of nearly 88 million men in 2016. Similarly, nearly 17 million women will have joined, and 10.3 million women will have left, the labor force, resulting in a labor force of 76.5 million women in 2016, or a gain of 6.3 million since 2006.

Race and Hispanic origin. Of all entrants to the labor force during the 2006–16 period, nearly 56 percent are expected to be white non-Hispanics. This proportion is smaller than the group's share of the workforce in 2006 (69.1 percent), reflecting its lesser population growth and labor force growth. With 20.8 million white non-Hispanics entering the labor force and 19.2 million leaving during the same timeframe, white non-Hispanics' share of the labor force is projected to be 64.6 percent in 2016, a drop of 4.5 percentage points.

The slower growth reflects this demographic group's low migration rates to the United States and lower birthrates in the past several decades, compared with other population groups. The result is relatively fewer labor force entrants and relatively more labor force leavers, which in turn reflects the aging and the retirement of the white non-Hispanic labor force, particularly white non-Hispanic men.

Hispanic entrants are projected to account for 22 percent of all entrants during the 2006–16 timeframe, with

Table 5. Civilian labor force, entrants and leavers, 1996, 2006, and projected 2016

[Numbers in thousands]

Group	1996	1996–2006			2006	2006–16			2016
		Entrants	Leavers	Stayers		Entrants	Leavers	Stayers	
Number, 16 years and older									
Total	133,943	35,799	19,616	114,327	151,428	37,305	24,202	127,226	164,231
Men	72,087	19,408	11,033	61,054	81,255	20,447	13,921	67,334	87,781
Women	61,856	16,391	8,583	53,273	70,173	16,858	10,281	59,892	76,450
White	113,108	28,374	16,553	96,555	123,834	27,920	20,707	103,127	130,665
Men	61,783	15,815	9,441	52,342	67,613	15,814	12,241	55,372	71,283
Women	51,325	12,559	7,112	44,213	56,221	12,106	8,466	47,755	59,382
Black	15,134	5,229	2,308	12,826	17,314	5,398	2,584	14,730	20,121
Men	7,264	2,360	1,196	6,068	8,128	2,500	1,201	6,927	9,420
Women	7,870	2,869	1,112	6,758	9,186	2,898	1,383	7,803	10,701
Asian	5,701	2,196	755	4,946	6,727	2,617	694	6,033	8,741
Men	3,039	1,233	396	2,643	3,621	1,383	367	3,254	4,600
Women	2,662	963	359	2,303	3,106	1,234	327	2,779	4,141
All other groups[1]	–	–	–	–	3,553	1,370	217	3,336	4,705
Men	–	–	–	–	1,893	750	112	1,781	2,478
Women	–	–	–	–	1,660	620	105	1,555	2,227
Hispanic origin	12,774	8,759	839	11,935	20,694	8,316	2,121	18,573	26,889
Men	7,646	5,344	502	7,144	12,488	4,668	1,354	11,134	15,802
Women	5,128	3,415	337	4,791	8,206	3,648	767	7,439	11,087
Other than Hispanic origin	121,169	27,040	18,777	102,392	130,734	28,989	22,081	108,653	137,343
Men	64,441	14,064	10,531	53,910	68,767	15,779	12,567	56,200	71,979
Women	56,728	12,976	8,246	48,482	61,967	13,210	9,514	52,453	65,364
White non-Hispanic	100,915	19,707	15,993	84,922	104,629	20,811	19,201	85,428	106,133
Men	54,451	10,525	9,023	45,428	55,953	11,843	10,899	45,054	56,791
Women	46,464	9,182	6,970	39,494	48,676	8,968	8,302	40,374	49,342
Share (percent), 16 years and older									
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Men	53.8	54.2	56.2	53.4	53.7	54.8	57.5	52.9	53.4
Women	46.2	45.8	43.8	46.6	46.3	45.2	42.5	47.1	46.6
White	84.4	79.3	84.4	84.5	81.8	74.8	85.6	81.1	79.6
Men	46.1	44.2	48.1	45.8	44.7	42.4	50.6	43.5	43.4
Women	38.3	35.1	36.3	38.7	37.1	32.5	35.0	37.5	36.2
Black	11.3	14.6	11.8	11.2	11.4	14.5	10.7	11.6	12.3
Men	5.4	6.6	6.1	5.3	5.4	6.7	5.0	5.4	5.7
Women	5.9	8.0	5.7	5.9	6.1	7.8	5.7	6.1	6.5
Asian	4.3	6.1	3.8	4.3	4.4	7.0	2.9	4.7	5.3
Men	2.3	3.4	2.0	2.3	2.4	3.7	1.5	2.6	2.8
Women	2.0	2.7	1.8	2.0	2.1	3.3	1.4	2.2	2.5
All other groups[1]	–	–	–	–	2.3	3.7	.9	2.6	2.9
Men	–	–	–	–	1.3	2.0	.5	1.4	1.5
Women	–	–	–	–	1.1	1.7	.4	1.2	1.4
Hispanic origin	9.5	24.5	4.3	10.4	13.7	22.3	8.8	14.6	16.4
Men	5.7	14.9	2.6	6.2	8.2	12.5	5.6	8.8	9.6
Women	3.8	9.5	1.7	4.2	5.4	9.8	3.2	5.8	6.8
Other than Hispanic origin	90.5	75.5	95.7	89.6	86.3	77.7	91.2	85.4	83.6
Men	48.1	39.3	53.7	47.2	45.4	42.3	51.9	44.2	43.8
Women	42.4	36.2	42.0	42.4	40.9	35.4	39.3	41.2	39.8
White non-Hispanic	75.3	55.0	81.5	74.3	69.1	55.8	79.3	67.1	64.6
Men	40.7	29.4	46.0	39.7	37.0	31.7	45.0	35.4	34.6
Women	34.7	25.6	35.5	34.5	32.1	24.0	34.3	31.7	30.0

[1] The "All other groups" category includes (1) those classified as of multiple racial origin and (2) the race categories of (2a) American Indian and Alaska Native and (2b) Native Hawaiian and Other Pacific Islanders. Dash indicates no data collected for category.

more Hispanic men than women entering the labor force. Hispanics are more likely to be in the younger age groups and least likely to be of retirement age and thus are projected to make up a smaller proportion of the leavers, around 8.8 percent. Blacks are expected to constitute 14.5 percent of the entrants between 2006 and 2016, with black women providing more entrants than black men. Asians are anticipated to make up 7.0 percent of labor force entrants during the 2006–16 decade, more than their 6.1 percent of entrants during the 1996–2006 timeframe.

Implications of aging

The aging of the population has a significant impact on the labor force and its growth. Populations age as the result of either an increase in their life expectancies or a decrease in their fertility rates. The age of the labor force and that of the population can be measured in various ways. The median age, an index that summarizes age distributions, is one way by which the ages of both the population and the labor force can be measured. The other measure is the relative shares of younger workers (16 to 24 years) and older workers (55 years and older) in the labor force. Both measures indicate that the labor force will be aging quite rapidly from 2006 to 2016.

Median age.   Populations are aging in the United States and all other industrialized countries, and the ratio of people older than 65 years to those between 20 and 64 years could double between now and the middle of the century.[16] However, the U.S. population is still relatively young compared with the populations of other industrialized nations. The relative youth of both the population and the labor force in this country is mainly the result of high numbers of immigrants entering the United States, compared with immigration to other industrialized countries. Immigrants are mostly in younger age groups, and their entry into the U.S. workforce decreases its median age. In addition, immigrants have higher fertility rates than those of the native population, a phenomenon that also causes a decline in the median age of the population.

As the boomers entered the labor force, the median age of the labor force declined steadily until 1980. With the passage of the baby boomers into higher age groups, the median age of the labor force has increased since then. (See chart 3.)

In 1986, the median age of the U.S. labor force was 35.4 years. It increased to 38.3 years in 1996 and 40.8 years in 2006. The BLS projects that the median age of the labor force will increase to 42.1 years in 2016. (See table 6.)

Until the beginning of the 1990s, the median age of

the men's labor force was higher than that of the women's labor force. Gradually, as significant numbers of men in older age groups retired, women's median age started to rise. Also, the difference in the men's and women's median ages reflected a pattern of women entering the labor force, leaving for some time after childbirth, and then reentering. The median age of men increased from 38.3 years in 1996 to 40.6 years in 2006 and is projected to be 41.6 years in 2016. It is expected that the median age of women in the labor force, which was 38.2 years in 1996 and increased to 41.0 years in 2006, will be 42.8 years in 2016.

The aging pattern is different among the major race and ethnic groups. Historically, the white labor force has been older than those of the nonwhite groups. This trend is expected to continue. The Hispanic labor force is younger than all the other race groups, reflecting higher birthrates. However, the median age of the Hispanic labor force, 31.3 years in 1986, increased to 34.5 years in 1996. The BLS projects that the median age of the Hispanic labor force will increase from 36.4 years in 2006 to 38.0 years in 2016. This trend also reflects the aging of the earlier immigrants to the United States. White non-Hispanics are the oldest group in the labor force; their median age increased rapidly, from 35.9 years in 1986 to 39.1 years in 1996 and 42.4 years in 2006. The BLS projects that the median age of the white non-Hispanic labor force will increase to 44.2 years in 2016.

Relative share of the labor force.   The following tabulation shows the age of the baby-boom cohort—those born between 1946 and 1964—in different years:

Year	Youngest	Oldest
1950	0	4
1960	4	14
1970	6	24
1980	16	34
1990	26	44
2000	36	54
2010	46	64
2016	52	70

The boomer generation started entering the labor force at the beginning of the 1960s. In 1980, the share of the labor force held by baby boomers was at its all-time high. In 1990 and 2000, the entirety of the baby-boom generation was in the prime age group—the group with the highest attachment to the labor market and with the highest labor force participation rate. Every year after 2000, some of the baby boomers exited the group with the highest attach-

Percent   Percent
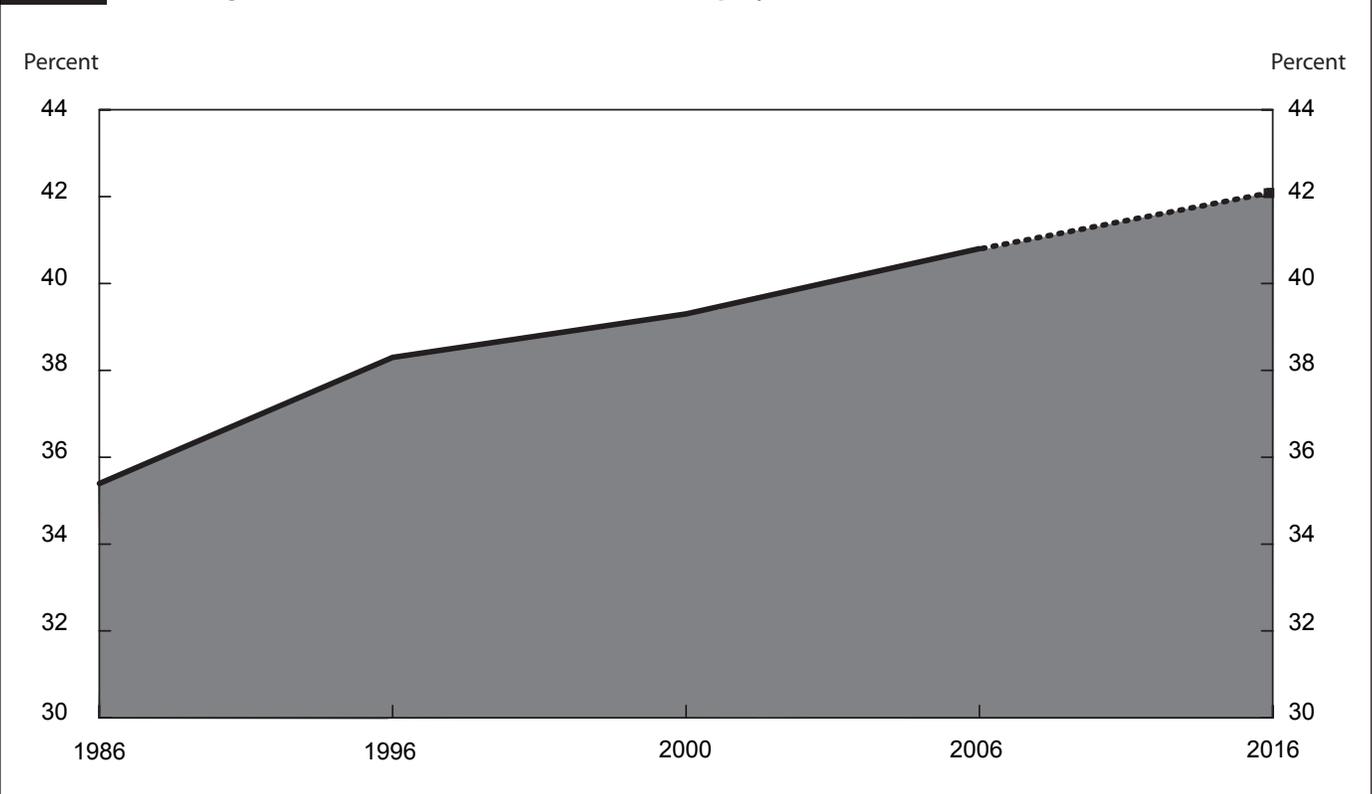
ment to the labor market—the prime age group—and en-tered the 55-years-and-older age group—the group with participation rates approximately half those of the prime age group. This transformation was one of the causes of the drop in the overall labor force participation rate, a de-cline that reversed the trend of previous decades wherein the baby-boom generation moved from ages with lower labor force participation rates to ages with higher rates, increasing the rate of growth of the labor force.

The oldest of the boomers celebrated their sixtieth birthdays in 2006 and will turn 62 in 2008, when they will become eligible for early retirement benefits. In 2011, the midpoint of the BLS 2006–16 projection timeframe, they will turn 65. Other things remaining equal, as the baby-boom generation retires or moves to age groups with lower participation, the rate of growth of the labor force will slow down significantly, implying a slower growth of GDP.

Economic dependency.   The economic dependency ratio is measured by estimating the number of persons in the to-tal population (including the Armed Forces and children) who are *not* in the labor force, per hundred of those who are.

In 2006, for every 100 persons in the labor force, 96 were not. (See table 7.) Of those 96, 43 were children, 31 were 16 to 64 years of age, and 22 were 65 years and older. The ratio of 96 persons not in the labor force to 100 who were is expected to increase during the projection period, reaching almost 98 per 100 in 2016. Economic dependency is directly related to the number of children and the number of persons in the 65-years-and-older age group. Since the 1970s, as the number of births fell and the boomer generation moved to ages greater than 16 years, the economic dependency ratio has declined. The decline in the economic dependency ratio also is at-tributable to the increases in the labor force participation rate of women. The only part of the dependency ratio that has been steadily increasing is the portion attributable to those in the 65-years-and-older age group. In 1975, the ratio for this group was by far the smallest economic de-pendency ratio for any of the age groups that year. From 1975 to 1996, the dependency ratio of the older age group increased from 20 per 100 in the labor force to 22; it is expected to increase to 23 in 2016.

Changes in underlying assumptions

In preparing economic projections, the biggest challenge is always uncertainty as to what changes the future will

| Table 6. | Median age of the labor force, by sex, race, and ethnicity, 1986, 1996, 2006, and projected 2016 | | | | |

Group	1986	1996	2006	2016
Total	35.4	38.3	40.8	42.1
Men	35.7	38.3	40.6	41.6
Women..	34.9	38.2	41.0	42.8
White..	35.6	38.6	41.3	42.7
Black	33.3	36.4	38.7	39.8
Asian	35.3	37.0	40.6	42.9
Hispanic origin...	31.3	34.5	36.4	38.0
White non-Hispanic....................................	35.9	39.1	42.4	44.2

bring. The foremost question facing the BLS in this regard is, Which trends are likely to continue into the future and which trends may change over time?[17]

One of the main underlying issues bearing on the accuracy of the BLS labor force projections is the future size and composition of the population, because it is chiefly the size and composition of the population that drives the future labor force. The components that make up the future population involve assumptions about fertility rates, mortality rates, and the number of immigrants entering the country. Given that people who will be joining the labor force by 2016 are already born, the projection of fertility is not that important for the 2006–16 labor force projections. The mortality rate also is projected to have very gradual changes from one year to the other, and these insignificant changes can be disregarded for that timeframe as well.

The greatest uncertainty in population projection is, and always has been, immigration, which has a paramount impact on the size, composition, and growth rate of both the population and the labor force.

As noted earlier, the latest available population projections by the Census Bureau are the basis for the BLS labor force projections. To the extent that any underlying assumptions about immigration are changed when the Census Bureau publishes new population projections, the labor force projections presented in this article may need to be revised.

The Census Bureau's estimates indicate that the number of immigrants to the United States has been around 1.2 million a year for the first 6 years since Census 2000.[18] There is a difference of 400,000 immigrants per year between the Census Bureau's estimates of the population and its projection of the number of immigrants in the resident population. That net difference over the 10-year span from 2006 to 2016 would add 4.0 million more people to the resident population. The addition of a number of that magnitude would increase the estimate of the 2016 resident population from 325 million to 329 million. All other things being equal, with the projected trends in the labor force participation rates over the 2006–16 decade, this revision would mean a labor force of nearly 167 million in 2016, as opposed to the 164.2 million currently projected.

In addition to necessitating changes in the level and growth of the resident population, the civilian noninstitutional population, and the labor force, changes in assumptions about the number of immigrants would entail changes in the racial and ethnic composition of the labor force. A significant amount of immigration to the United States, both legal and illegal, consists of Hispanic immigrants. A change in the Census Bureau's assumptions about immigration would alter the BLS projections of the future ethnic diversity of the population and labor force. Moreover, immigrants are mostly in the younger and prime age groups, so a change in the assumptions about immigration also would affect estimates of the age structure of the labor force. Because the immigrant workforce is mostly men, the gender structure of the labor force would be affected as well.[19] The entry of more immigrants into the labor force would further diversify the race, ethnicity, age, and sex composition of the labor force.

THE PRESENT BLS LABOR FORCE PROJECTIONS are based on the most recent population projections of the Census Bureau. The 2006–16 BLS labor force projections point to several key trends that will likely take place in the U.S. labor force during the next decade. These trends, which are a reflection of demographic changes in the size and composition of the population and projected changes in the labor force participation rate of various sex, age, race, and ethnic groups, are as follows:

Table 7.	Economic dependency ratio, by age, 1975–2006 and projected 2016				
[Per hundred in the labor force]					
Group	1975	1986	1996	2006	2016
Total population..............................	126.3	103.8	97.9	96.0	97.9
Under 16 years	61.4	47.0	46.6	43.0	42.4
16 to 64 years	44.2	34.7	29.1	31.0	32.3
65 years and older	20.7	22.1	22.2	22.0	23.2

- As the baby boomers age and move into their "golden years," the growth rate of the labor force will slow significantly over the next 10 years.

- The aging of the population and the labor force as a result of decreasing fertility rates and increasing life expectancies will continue, and the median age of the labor force will increase.

- The labor force will continue to grow more diverse. With high fertility rates and increasing participation rates, minorities in the workforce are projected to expand their shares substantially. The share of Hispanics in the labor force will rise steadily.

- The rate of growth of women in the labor force is expected to slow, but will still increase at a slightly faster rate than that of men.

- The participation rate of youths (16 to 24 years old) and their share of the labor force are projected to decrease.

- The participation rate of prime-age workers (those 25 to 54 years old) is expected to increase slightly, while their share of the labor force is projected to decline.

- The labor force participation rate of older workers (55 years and older) is projected to increase significantly in the next decade. In addition, as the U.S. poulation ages, the share of this age group will increase in the civilian noninstitutional population. As a result of both the growing participation and the growing share of this group, the labor force of the future will have a bigger share of older workers.In a sense, then, the workforce of the coming decade will be more "age diverse." Since the end of the 1980s, the labor force participation rate of older workers has been on the rise, and it is projected to continue to do so in the next decade. However, the older workers' rate is still half the participation rate of the prime age group, portending slower growth of the future labor force. ☐

Notes

[1] The older age group is defined as all those 55 years and older.

[2] The labor force consists of all employed persons and unemployed persons actively looking for a job. The labor force participation rate is the ratio of the labor force to the civilian noninstitutional population.

[3] See John Bound, Michael Schoenbaum, and Timothy Waidmann, "Race differences in labor force attachment and disability status," *The Gerontologist*, June 1996, pp. 311–21.

[4] See Abraham Mosisa and Steven Hipple, "Trends in labor force participation in the United States," *Monthly Labor Review*, October 2006, pp. 35–57.

[5] Baby boomers are those born between 1946 and 1964, a period during which the U.S. birthrate rose significantly, with the peak birth year being 1957.

[6] That was the first time that data for the 16-years-and-older group were tabulated.

[7] Gross domestic product (GDP) is a measure of the production of goods and services in the economy. For a detailed discussion of BLS projections of the U.S. economy to 2016, see Betty Su, "The U.S. economy to 2016," this issue, pp. 13–32.

[8] Subsequent information about the Census Bureau's interim population projections is from the agency's Population Projections Program homepage; click on the link "Interim Projections consistent with Census 2000," on the Internet at **www.census.gov/population/ www/projections/popproj.html** (visited Nov. 30, 2007).

[9] The Current Population Survey (CPS) is a program of personal interviews conducted monthly by the Bureau of Census for the BLS. The sample consists of about 60,000 households selected to represent the U.S. population 16 years and older.

[10] The projections of the Armed Forces and institutional population according to age, sex, race, and ethnicity for 2006–16 are based on BLS assumptions.

[11] See Abraham Mosisa, "Labor force characteristics of second-

generation Americans," *Monthly Labor Review*, September 2006, pp. 10–19.

[12] Katie Kirkland, "Declining teen labor force participation," *Issues in Labor Statistics*, Summary 02–06 (Bureau of Labor Statistics, September 2002).

[13] During the past decade, the percentage of workers participating in defined benefit pension plans remained flat, whereas the percentage participating in defined contribution pension plans increased. (See Bureau of Labor Statistics, *Employee Benefits Survey*, on the Internet at **data.bls.gov/cgi-bin/surveymost?eb** (visited Nov. 30, 2007).)

[14] For more information on health benefits and retirement, see Richard W. Johnson, "What happens to health benefits after retirement?" *Issue in Brief* (Chestnut Hill, MA, Center for Retirement Research at Boston College, February 2007).

[15] 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 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. For a further discussion of the methods, see Howard N Fullerton, Jr., "Measuring Rates of Labor Force Dynamics," *Proceedings of the Social Statistics Section, American Statistical Association, 1993* (Alexandria, VA, American Statistical Association, 1993).

[16] Jean-Philippe Cotis, *Population aging: facing the challenge* (Paris, OECD, September 2003).

[17] See Ronald Kutscher, "Historical trends, 1950–92, and current uncertainties," *Monthly Labor Review*, November 1993, pp. 3–10, especially p. 7.

[18] Visit the Census Bureau's Web site at **www.census.gov/popest/estimates.php** (visited Nov. 30, 2007).

[19] Abraham T. Mosisa, "The role of foreign-born workers in the U.S. economy," *Monthly Labor Review*, May 2002, pp. 3–14.