



Labor force



The labor force is the number of people ages 16 or older who are either working or looking for work. It does not include active-duty military personnel or the institutionalized population, such as prison inmates. Determining the size of the labor force 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.

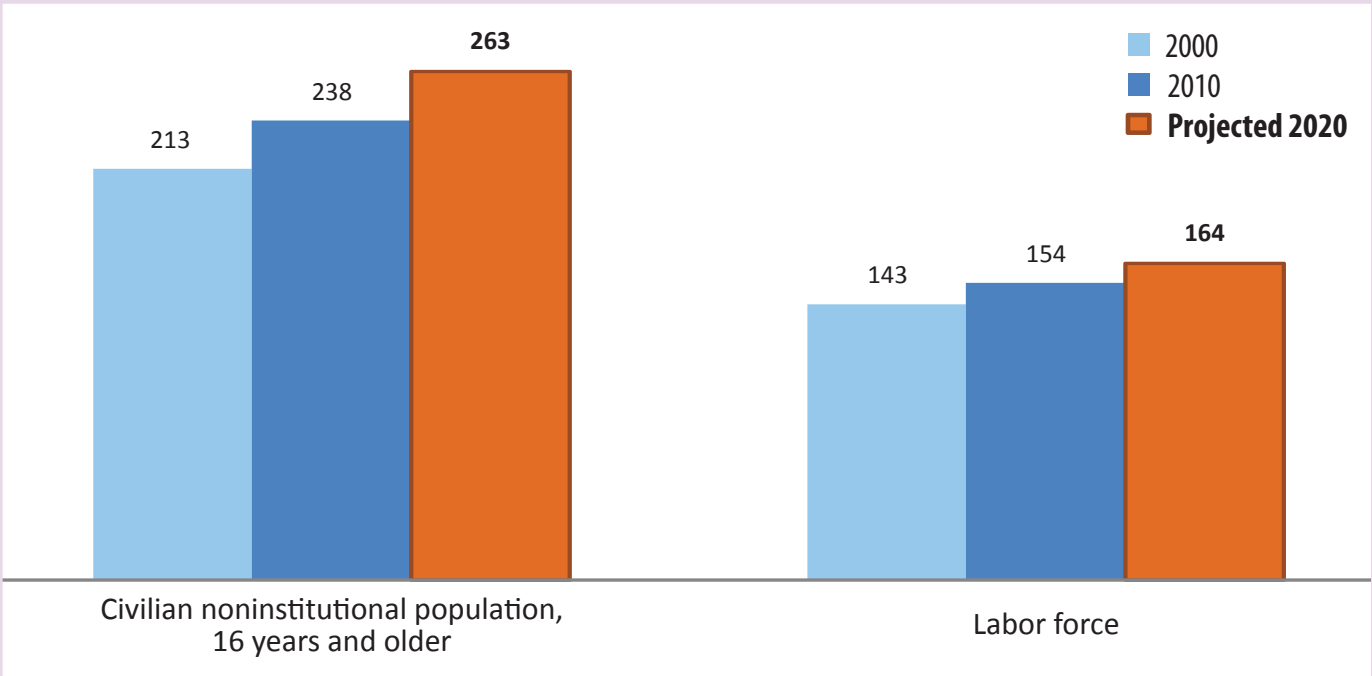
Labor force participation rates vary significantly between men and women and among different age, racial, and ethnic groups. Population growth rates also vary from one group to another. These variations change the composition of the labor force over time.

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). The U.S. Census Bureau uses these categories to produce the demographic data on which BLS projections are based.

Total labor force growth is expected to be about 0.7 percent annually between 2010 and 2020. This average is shown as a dotted vertical line in the chart on page 28.

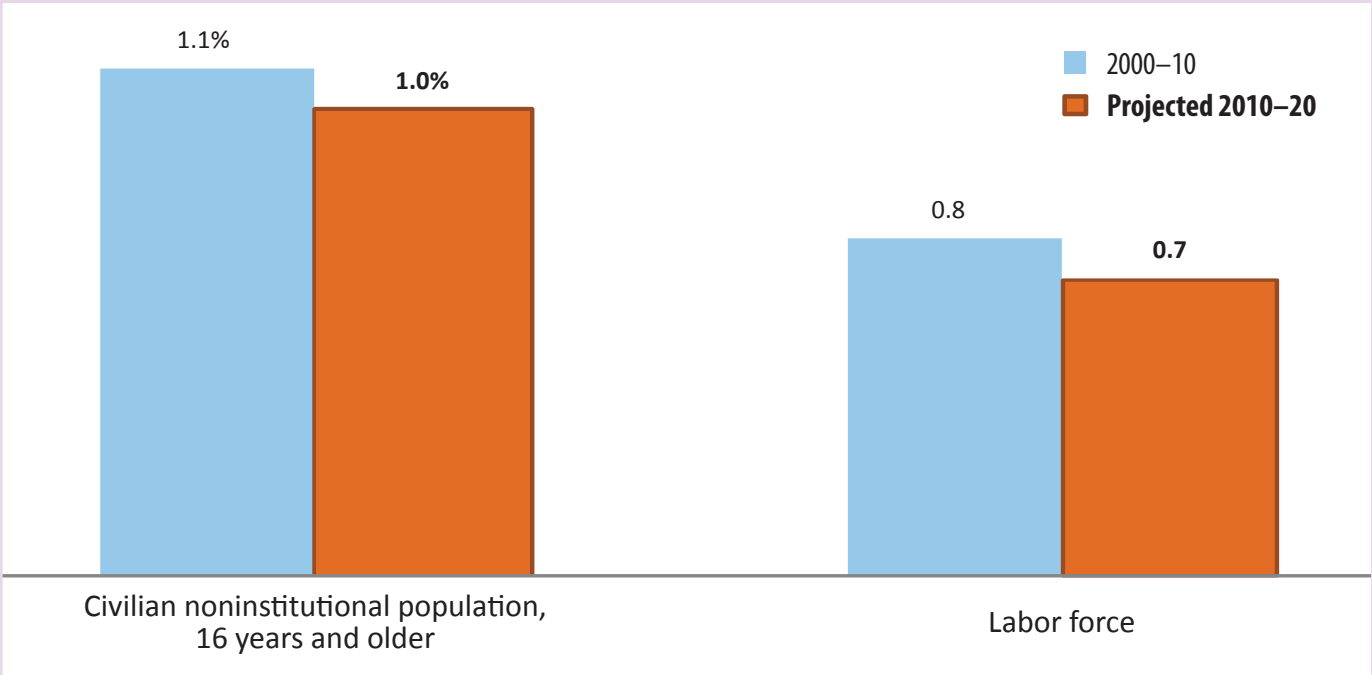
As in previous years, the labor force is projected to grow more slowly than the number of jobs, but this is not an indication of a labor shortage. Instead, this discrepancy reflects that these two measures are based on different concepts.

Population and labor force, 2000, 2010, and projected 2020, in millions of people



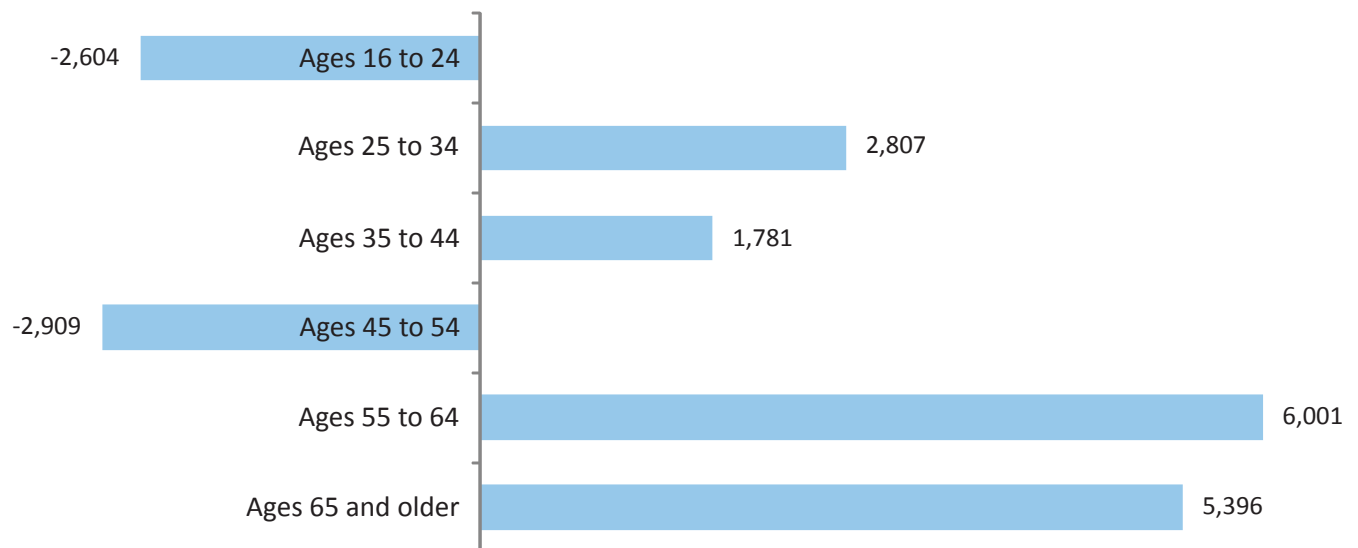
Both the population and the labor force are projected to continue growing slowly. By 2020, the number of people working or looking for work is expected to reach about 164 million. That number excludes people younger than 16 years of age and those who are active-duty members of the U.S. Armed Forces, are inmates of penal or mental institutions, or are in homes for the aged.

Annual growth rates in population and labor force, 2000–10 and projected 2010–20, in percent



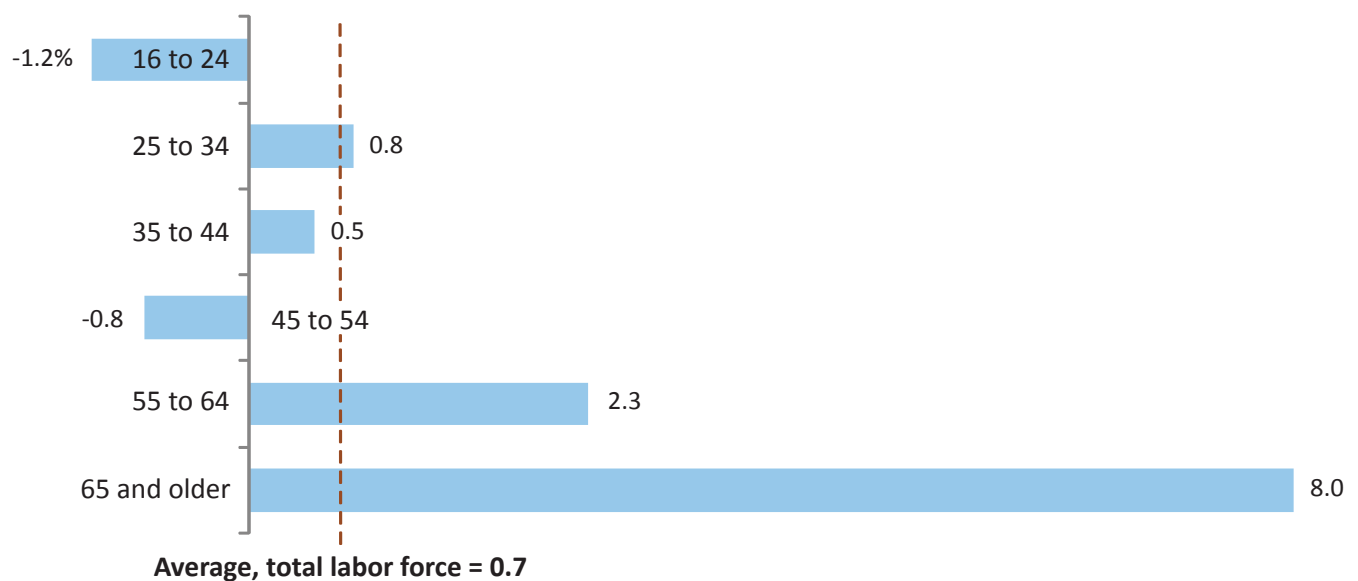
Between 2010 and 2020, both the population and the labor force are expected to grow more slowly than they did during the previous decade.

Numeric change in labor force by age, projected 2010–20, in thousands of people



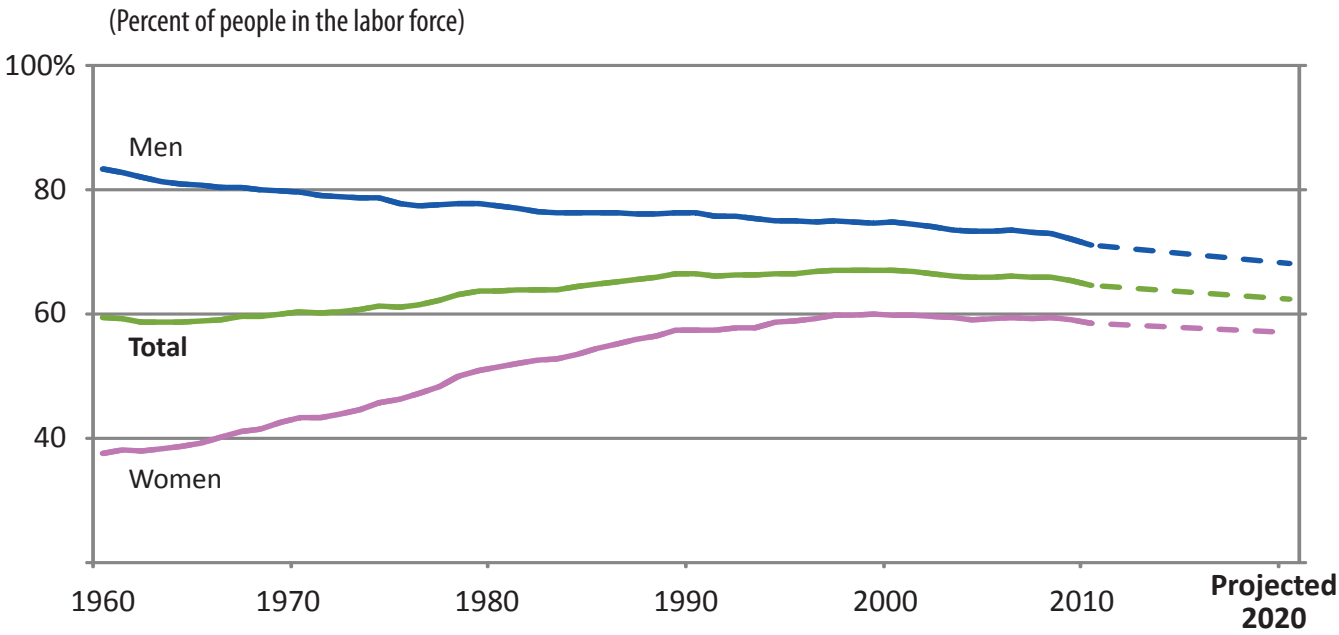
The aging of the baby-boom generation (those born between 1946 and 1964) increases the share of the older age groups in the population. As baby boomers age over the projections decade, the number of people in the labor force ages 55 to 64 is expected to increase by more than 6 million, and the number of people ages 65 and older is projected to increase by more than 5 million. The number of 45- to 54-year-olds in the labor force is expected to shrink as baby boomers shift into older groups.

Annual growth rate in labor force by age, projected 2010–20, in percent



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. A variety of economic factors—an increase in the Social Security eligibility age, for example—create incentives for people to keep working. Because of these factors, the number of people in the labor force ages 65 and older is expected to grow about 11 times faster than the total labor force.

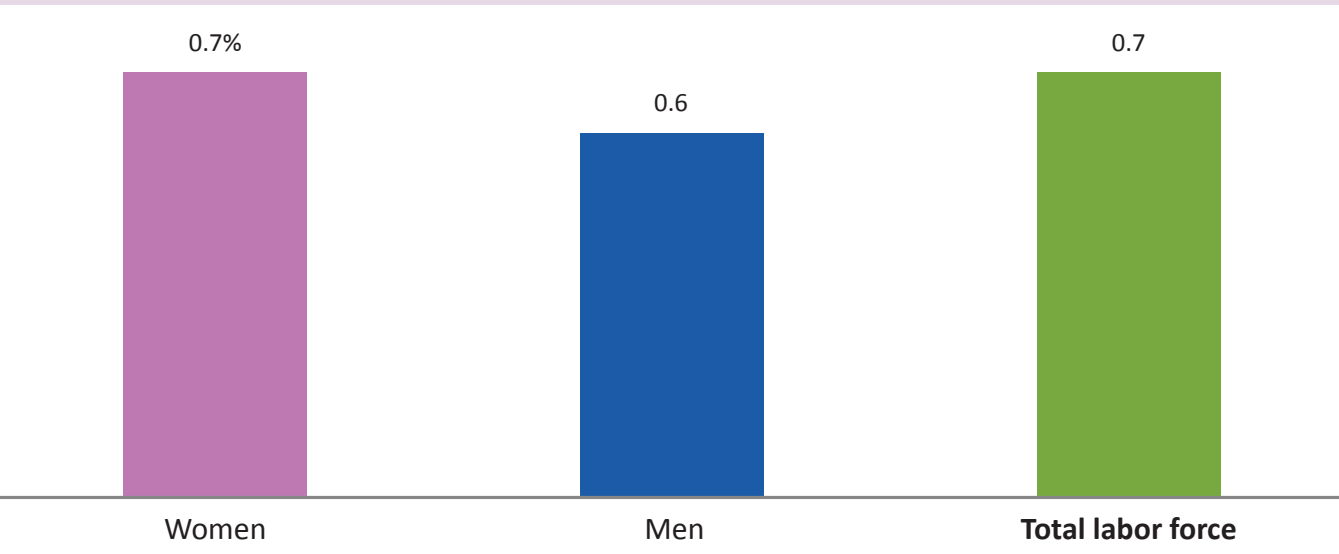
Labor force participation rates for men and women, 1960–2010 and projected 2020



The labor force participation rates for both men and women are expected to decline slightly over the projections decade. By 2020, about 68 percent of men and 57 percent of women are expected to be in the labor force.

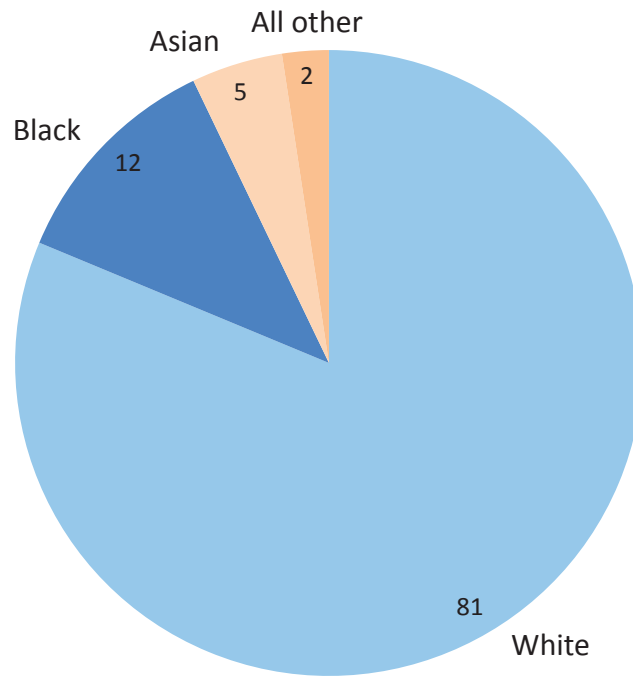
The aging of the population will be a factor driving down labor force participation rates. Despite working longer than previous generations, baby boomers will still have lower levels of labor force participation than those in younger age groups. The baby-boom generation is becoming a larger segment of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

Annual growth rate in labor force for men and women, projected 2010–20, in percent



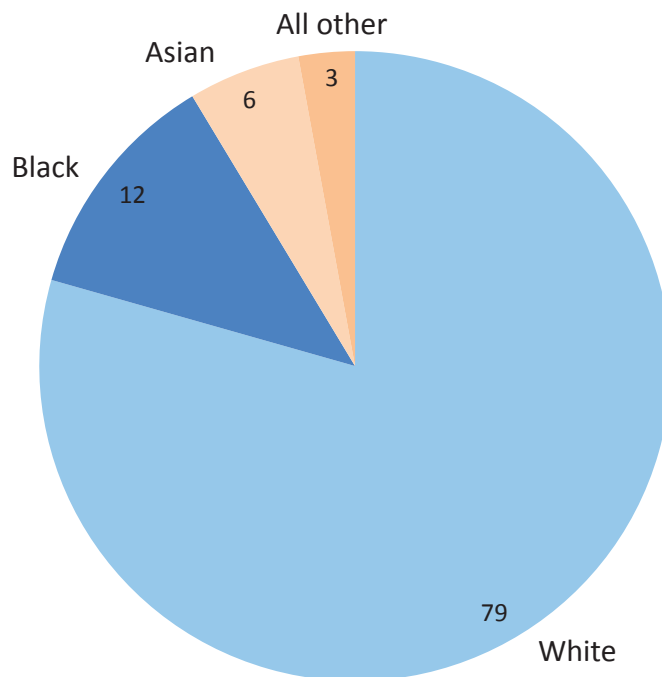
Between 2010 and 2020, the increase in the number of women in the labor force is expected to be greater than the increase in the number of men.

Percent distribution of labor force by race, 2010



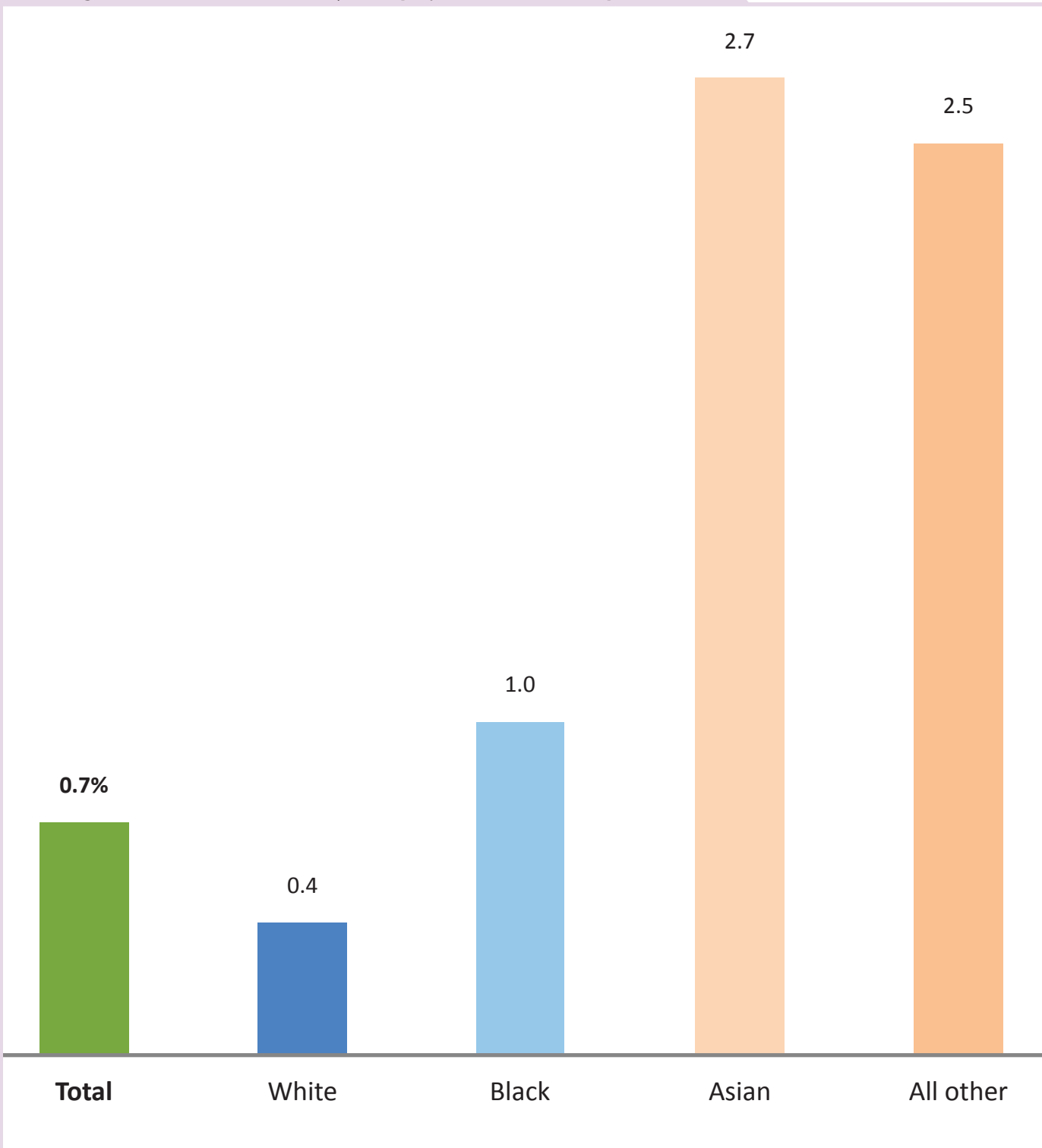
Whites made up 81 percent of the labor force in 2010.

Percent distribution of labor force by race, projected 2020



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 2020.

Annual growth rate in labor force by race, projected 2010–20, in percent

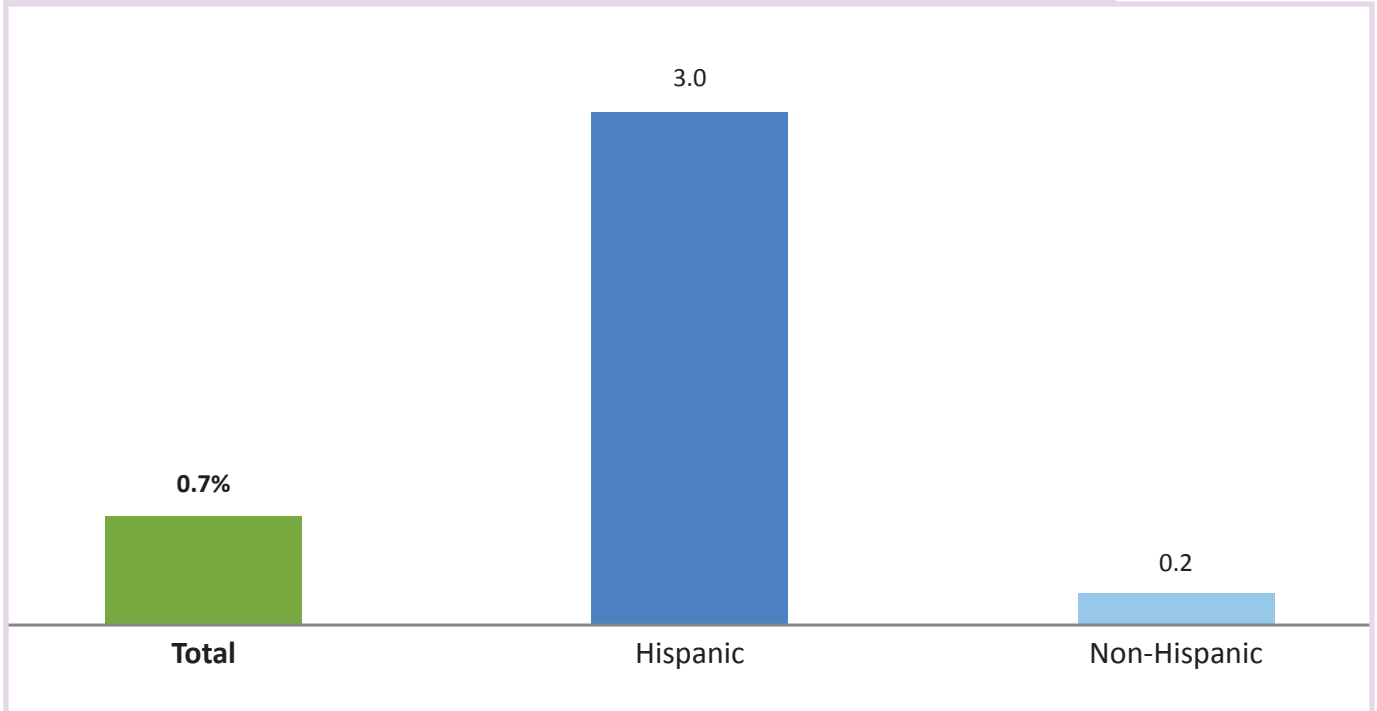


Although Asians will remain a small part of the labor force, they will have the fastest rate of labor force growth between 2010 and 2020. This growth is due to increased immigration and high labor force participation rates.

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.

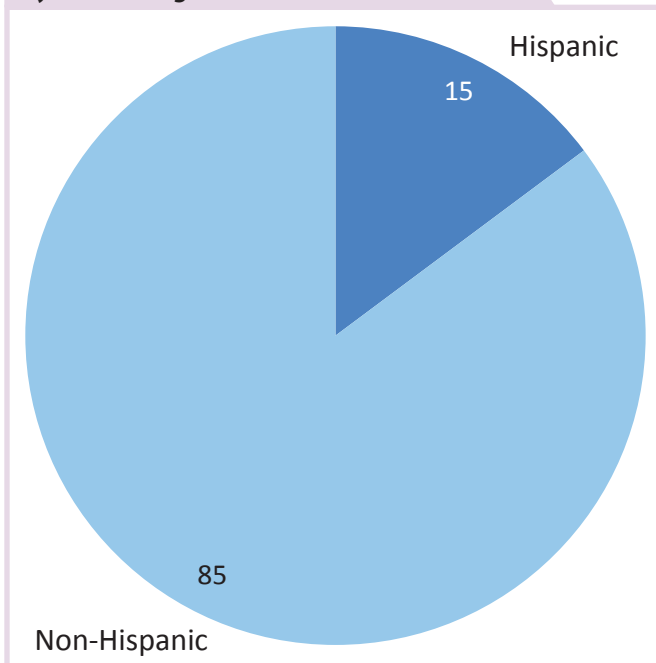
Labor force

Annual growth rate in labor force by ethnic origin, projected 2010–2020, in percent



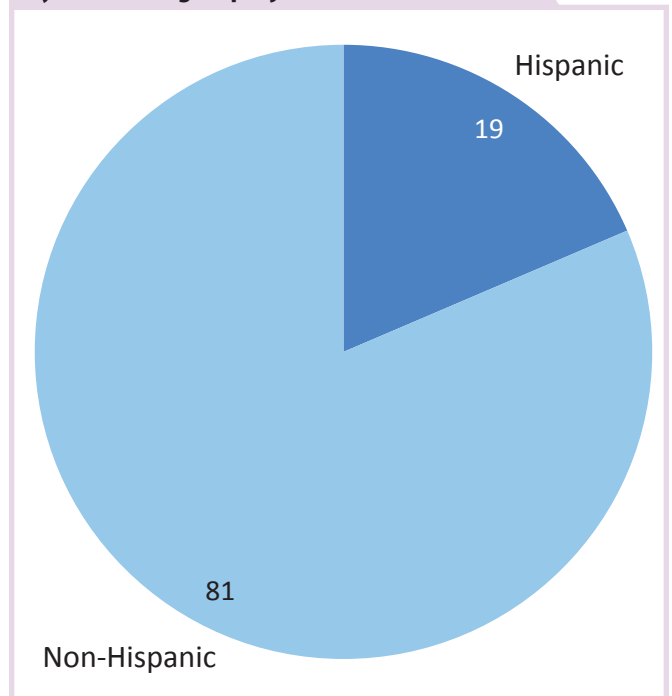
The Hispanic labor force is growing faster than any other ethnic group because of overall population growth—due to higher births and increased immigration—and because of significantly higher labor force participation rates...

Percent distribution of labor force by ethnic origin, 2010



...leading to an increased share of the labor force: from 15 percent in 2010...

Percent distribution of labor force by ethnic origin, projected 2020



...to 19 percent in 2020.