

Economics

U.S. Forecasts for the Labor Market of 2016

Going international is the key to national job growth.

The United States is projected to increase total employment by 15.6 million jobs between 2006 and 2016. While the figure sounds impressive, that rate is slower than the previous decade, which added 15.9 million jobs to the U.S. economy. The numbers reflect demographic shifts and the increased effects of globalization on the U.S. economy.

The U.S. Bureau of Labor Statistics, which released the projection, forecasts that U.S. employment in manufacturing will decline by 1.5 million jobs, but this comes after a decline of 3 million manufacturing jobs from 1996 to 2006. Employment is expected to grow most quickly in the service sector, specifically, technical consulting and general and medical hospital workers.

"The jobs here will be 'in-person' jobs. That's part of why health care is growing," says workforce expert John Challenger.

Another trend shaping the future U.S. workforce is its diversity, Challenger notes. "I certainly see a far more diverse workforce in terms of age, ethnicity, race, religion, [and also] in terms of skilled and unskilled, and exempt and nonexempt." This workforce diversity could be seen as symptomatic of the continued transition from a manufacturing economy—where people were called upon to perform routine industrial tasks mostly in factories—to a service economy where skill sets, job requirements, and wages are much more varied. Everything from

DNA screens to busing tables falls under the broad category of "service."

The BLS projections bare out Challenger's observation about growing racial and ethnic diversity in the workforce. While Caucasians will remain the largest group in the labor force—roughly 80% by 2016—their share of the labor force will grow at a crawling 5%. The number of Blacks and African Americans, meanwhile, will grow at 16% to comprise 12% of the U.S. working population. But the

most significant growth will be among Hispanics and Latinos, whose labor-force participation will grow by 30% to comprise some 26 million people.

Because of this growth in diversity, Challenger maintains that a foreign or nonwhite background—which was a clear disadvantage in previous decades—will be a valuable trait in the years ahead.

"Certainly, I think everyone will see more

and more workers who know multiple languages and experiences. I think that first-generation Americans will see marvelous opportunities," he says. "In the next decade, these workers, because of their understanding of other cultures, will be able to go back to other countries and act as emissaries."

Embracing globalization—even beyond trade policies—will be essential for nations seeking to grow their workforces in the decade ahead. Challenger maintains that education, particularly language training, should occupy a top priority for na-

tional leaders. "It's crucial that policy makers understand the importance of educating workers to deal with the global labor market," he says.

—Patrick Tucker

Sources: The United States Bureau of Labor Statistics, Employment Projections: 2006-2016. Web site www.bls.gov/emp.

John A. Challenger, Challenger, Gray, and Christmas. Web site www.challengergray.com.

The Arts as Engine For Growth

Tradition-minded economists may not have much respect for the arts as an agent of growth, but creative industries—music, books, painting, and galleries—do earn a lot of money, especially for cities.

A recent report from the U.K.-based Future Laboratory showed that some 625,000 Londoners worked in a creative organization such as record companies, dance companies, museums, and orchestras, and that these arts industries contributed some £21 billion (about \$41 billion) to the London economy. And a 2007 report from Americans for the Arts (findings announced May 2007) showed that the nonprofit arts and culture industries generate a yearly average of \$166 billion in economic activity for the United States. "Most Americans understand that the arts improve our quality of life," says the organization's president and CEO, Robert L. Lynch. "This study demonstrates that the arts are an industry that stimulates the economy in cities and towns across the country. A vibrant arts and culture industry helps local businesses thrive."

The Future Lab report (which includes both nonprofit and for-profit arts) reveals that the arts are the fastest-growing segment of the U.K. economy. But some economists contend that the arts aren't a monetary driver so much as a beneficiary of economic growth that occurs elsewhere.



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