Overall economy

The economy's need for workers originates in the demand for the goods and services that these workers provide. So, to project employment, BLS starts by estimating the components of gross domestic product (GDP) for 2020. GDP is the value of the final goods produced and services provided in the United States.

Then, BLS estimates the size—in inflation-adjusted dollars—of the five major categories of production. The categories are as follows:

- ***Personal consumption expenditures.*** This category includes purchases made by individuals, including goods (such as cameras, appliances, and food) and services (such as public transportation, personal care, and household maintenance).
- ***Gross private domestic investment.*** This category includes business investment in equipment and software; the construction of houses, factories, hospitals, and other structures; and changes in business inventories.
- ***Government consumption expenditures and gross investment.*** This category includes goods and services bought by federal, state, and local governments.
- ***Exports.*** These are goods and services produced in the United States and purchased in foreign countries.
- ***Imports.*** Imports are goods and services produced abroad and purchased in the United States. Because GDP measures production in the United States, the value of imports is subtracted from the other four categories of GDP.

Next, BLS breaks down these major categories into more detailed ones, such as the production of automobiles or the provision of medical services.

Changes in the level and composition of goods produced and services provided often affect industry employment levels. For example, an increased level of business investment in computer software may increase employment in the computer industry and in all those industries that provide inputs—either products or services—to the computer industry. In turn, employment in occupations in those industries would grow.

Industry employment levels are also affected by changes in labor productivity—the amount an employee produces per hour of work. Because of technological advances, for example, some industries are able to increase output with fewer employees.

Unlike previous sections, the growth charts in this section show annual rates of change instead of the percent change over the entire projections decade. Annual rates are used here, in part, because they are the measure used for other economic indicators, including inflation.

To show changes in demand more accurately, dollar amounts in these charts are given not in current dollars but in 2005 chain-weighted dollars. This means that amounts have been adjusted for changing prices over time.

GDP in 1990, 2000, 2010, and projected 2020

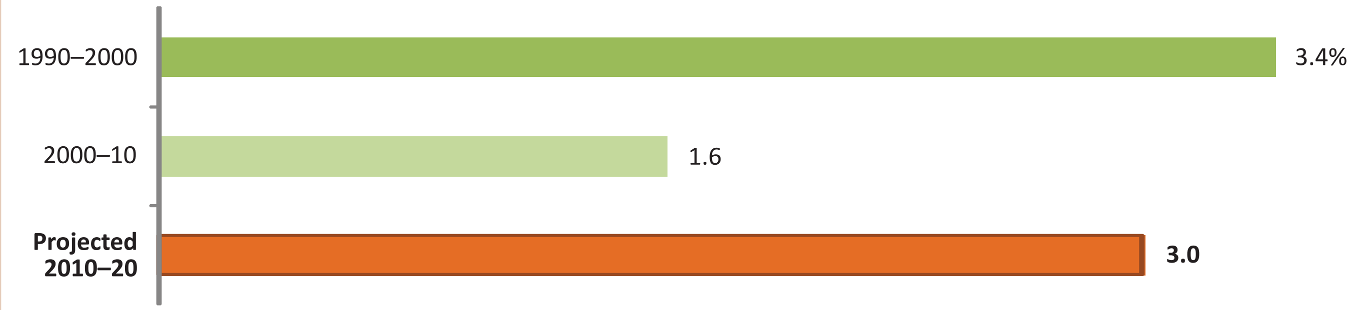
By 2020, the value of goods produced and services provided (gross domestic product, or GDP) in the United States is projected to reach more than $17.5 trillion.

Annual growth in productivity by decade, 1970–2010 and projected 2010–20, in percent

Growth in GDP is due, in part, to increasing productivity. Productivity is projected to grow 2.0 percent annually over the 2010–20 decade.

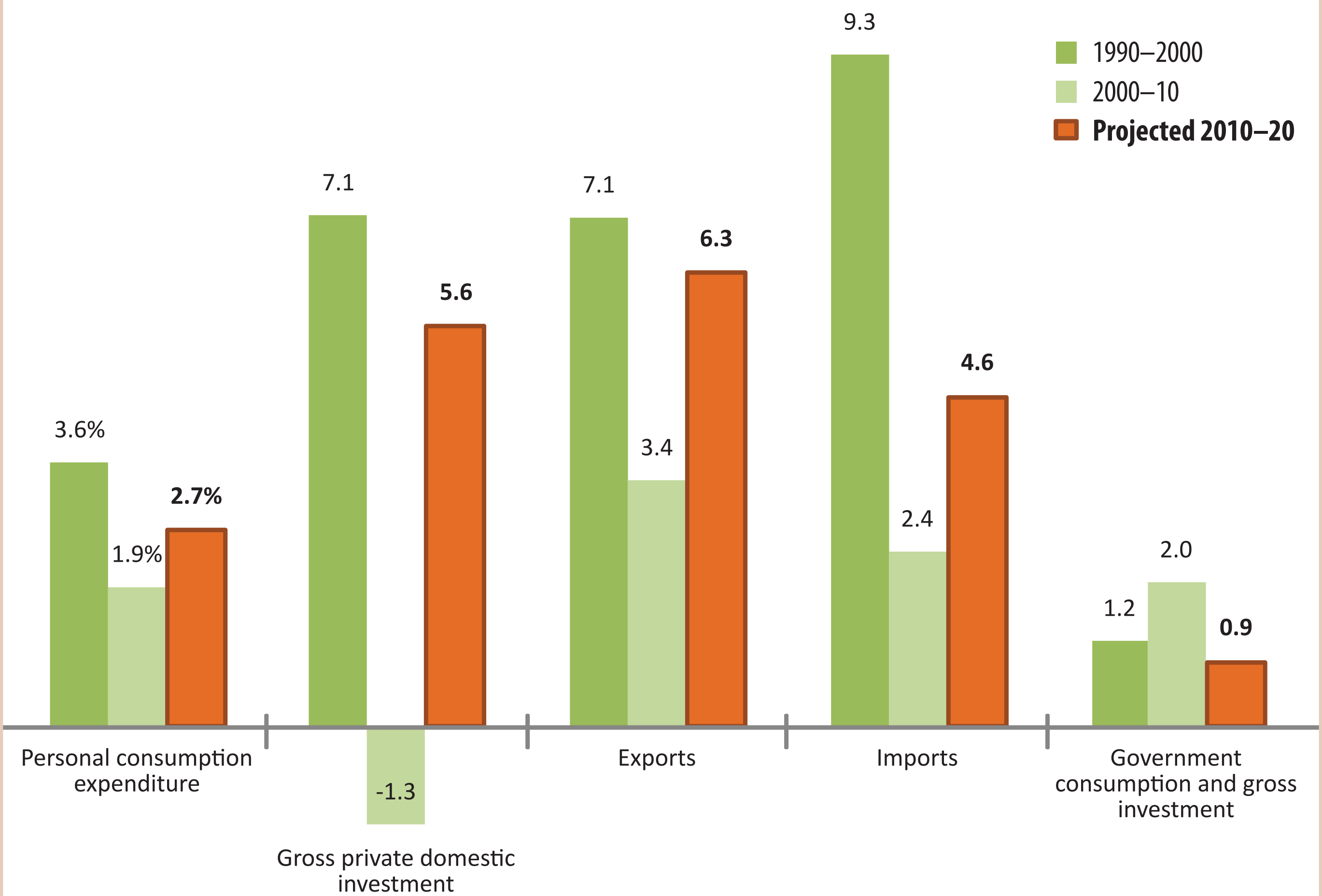
Overall economy

Annual growth in real GDP, 1990–2000, 2000–10, and projected 2010–20, in percent



GDP growth of 1.6 percent for 2000–10 was slower that its long-run trend, reflecting the 2007–09 downturn and the fact that the economy had not fully recovered by 2010. GDP is projected to grow on average by 3.0 percent per year between 2010 and 2020.

Annual change in components of GDP, 1990–2000, 2000–10, and projected 2010–20, in percent



Gross private domestic investment, which includes new construction and spending by businesses, is more sensitive to the business cycle than are expenditures by consumers. As the world becomes more open to trade, both imports and exports, is projected to keep outpacing GDP growth.