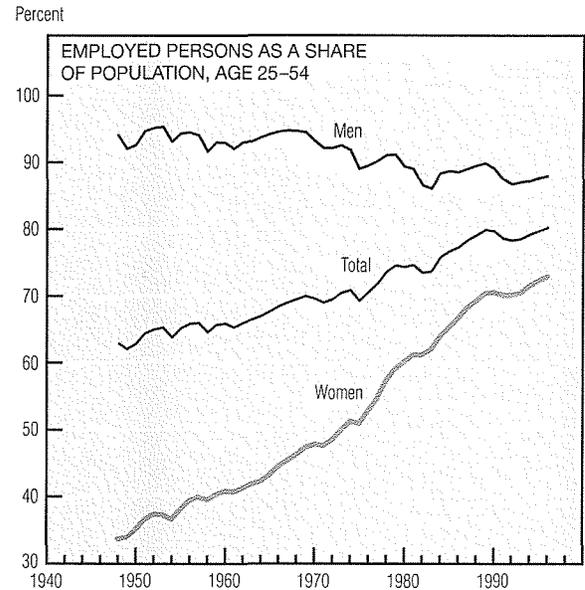
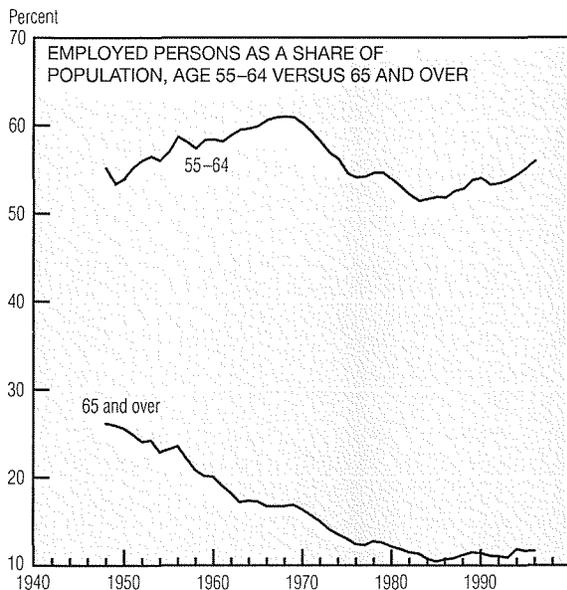
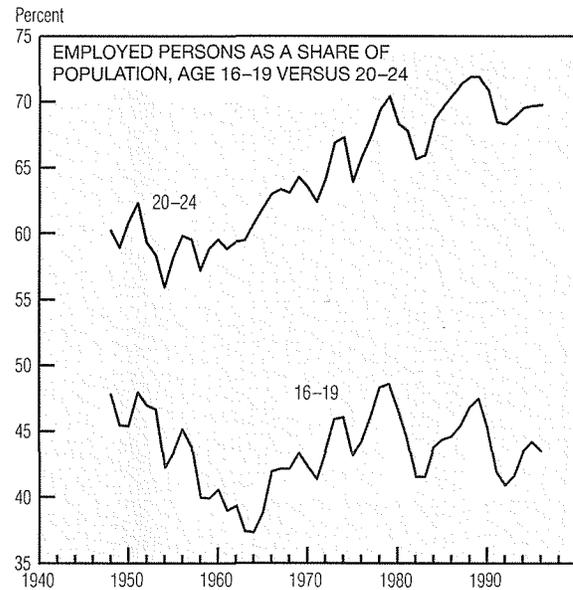
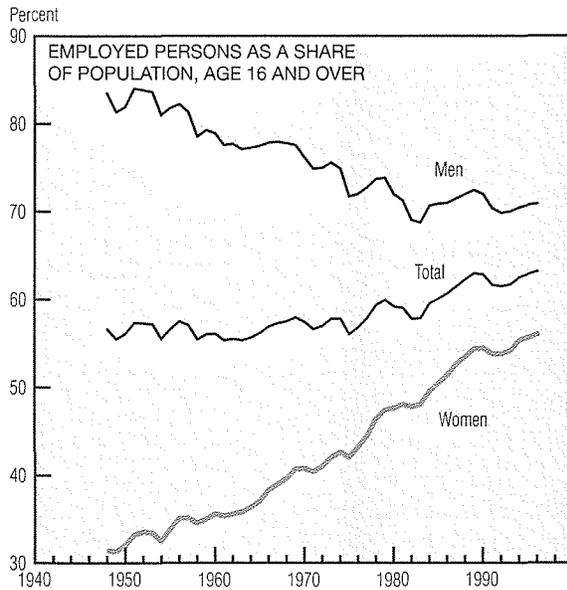


Employment Trends



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Despite periodic fluctuations in the pace of U.S. economic activity, the percentage of working-age Americans who are employed has risen steadily since the early 1970s and now stands at a record 63.4%. Because employment changes play an important role in determining overall economic growth, it is useful to explore the source of the employment rate increase to see whether this trend may continue.

The rise in the employment-to-population ratio since the early 1970s reflects a substantial increase

in women's employment rates, a trend which began much earlier. The overall employment ratio rose, despite a substantial decline in the employment rates for men and people 55 and over. (Early-retirement programs, initiated in the 1970s, contributed to this decline.) Teenagers' employment rate was roughly unchanged over the period.

It follows that the dramatic increase in overall employment rates was driven by an even more dramatic rise in the employment rates of prime-age workers (25 to 54).

Growth within this group resulted exclusively from the increase in women's employment.

It is unlikely that the employment of prime-age women will keep rising at the same rate over the next decade. If substantial growth in the overall employment percentages is to continue, it will likely require increases in the employment rates of men and people over 54. However, a more likely scenario is that growth in the percentage of Americans who are employed will slow greatly in the coming years.