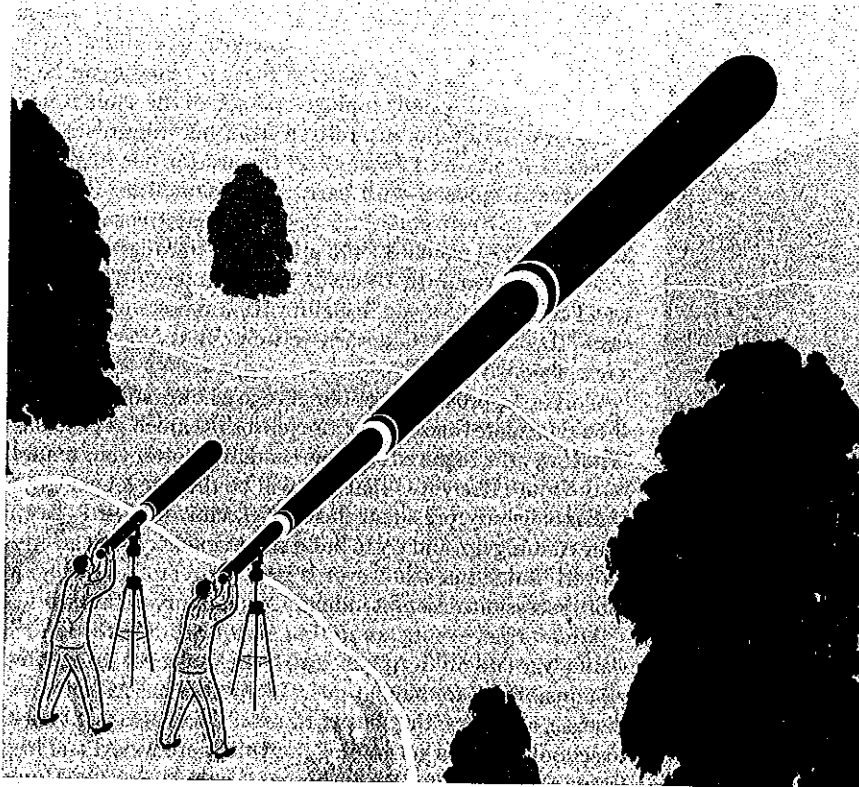


CAREERS & EDUCATION

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A Job Seekers' Glimpse Into the Crystal Ball

Where to find the most promising jobs over the coming years

By Liz Wolgemuth

The past two years have been nothing short of a disaster for the U.S. job market. Of the more than 15 million workers now scraping by without paychecks, nearly 4 in 10 have been unemployed for six months or more. Cyclical unemployment rises with downturns—less demand means fewer workers needed—but this time, some economists are warning about “structural unemployment,” the possibility that the skills and ambitions of the jobless don’t match the jobs that will be created in the recovery, so that many unemployed will struggle to find work even as the economy strengthens.

The Labor Department’s employment projections for 2008 to 2018 aren’t radical: The manufacturing industry will probably continue to contract, while the service sector continues to expand. As in the recession, much of the nation’s employment growth will be driven by the healthcare industry, while

jobs in information technology and environmental science also sprout at a rate well above average.

Although many of the highest-paying and most promising jobs require long slogs through school, about half of the 30 fastest-growing occupations require something less than a bachelor’s degree—from a two-year associate’s degree to a brief on-the-job training stint. The hitch is, these jobs may not pay as much as the jobs they replace in, say, the manufacturing industry.

Forecasts and limitations. Between 2008 and 2018, the economy is expected to add more than 15 million jobs—pushing total employment from 137 million to about 152 million. The Labor Department forecasts that the economy will pull out of the recession and return to full employment by the time the projection period ends, says Kristina Bartsch, chief of the Bureau of Labor Statistics’ Occupational Outlook Division. Full employment in 2018 is considered to be about 5 percent unemployment—which seems almost impossibly low when you’re looking down from 10 percent—but it’s still higher than in any month of 2006.

The biggest gains in jobs will be in the healthcare and social assistance sector and in the professional and business services sector. Social assistance occupations such as home health aide and home care aide will boom as baby boomers age and require help at home with making dinner or taking medications. If the bad news is that the median income for home care aides is less than \$20,000, then the good news is you won’t need a fancy degree for it (generally, you won’t even need a high school diploma). Half of the top 20 fastest-growing careers are related to healthcare. Employment of physician assistants, veterinarians, and dental hygienists will grow by a third or more. Most healthcare growth is projected to occur outside hospitals, which will see their hiring constrained by budget crunches.

Three areas of professional and business services should drive bigger payrolls: consulting, computer systems design, and employment services. Together, those fields are expected to add more than 2.1 million jobs by 2018. The number of

jobs in the computer systems design field—which includes software engineers and systems analysts—is expected to climb 45 percent. These occupations did not prove recession-repellent, but consumer and business appetites for technology continue to build. (Consider that as of early January, more than 3 billion iPhone applications had been downloaded from the Apple store.)

These Labor Department forecasts aren't perfect. The department does not, as a rule, forecast recessions or depressions. (And the most recent recession wiped nearly 8 million jobs from U.S. payrolls.) And, Harvard economist Lawrence Katz points out, the agency's economists certainly don't offer crystal-ball guesses at future innovations. "That's not something that enters their model," Katz says. "The key point is, for slow-moving, clear demographic trends... they're going to be very good at getting you those trends."

One thing that's likely to continue: the loss of middle-skilled jobs that traditionally provided pretty good wages and required some education. Jobs for auto-workers, steelworkers, and clerical or administrative workers have increasingly gone the way of outsourcing or automation. As those jobs disappear, employment grows in low-skilled, low-paying jobs and in high-skilled, high-paying jobs. Neither occupational therapists nor janitors can be replaced by machines or outsourced to India. This trend is what Prof. David Autor, a labor economist at the Massachusetts Institute of Technology, calls the hollowing out of the job market. "I think we'll see continued growth of very high- and relatively low-skilled jobs at the expense of the middle," Autor says. "That's a challenging dynamic for the workforce." If midcareer workers in middle-skilled jobs can't retrain, they tend to move into lower-skilled, lower-pay jobs.

Education roadblocks. Jobs for young workers who don't get a bachelor's may pay less than those that were once available to those without degrees. Tuition costs and dwindling financial aid resources have increased the disparity between the college-educated and the rest of the workforce, making college "an exclusive club of the very rich," according to Meisrow Financial economist Diane Swonk.

Some employment projections may look rosy because payrolls were low in 2008. Over the course of the recession, the construction industry lost 1.6 million jobs. Activities once integral to the economy—putting up new homes and building

shopping malls—suddenly dropped off a cliff. Construction employment is now expected to grow faster than the rest of the job market, about 19 percent versus the 10 percent average. "Since they're starting from a lower base... we're going to see faster growth rates and more numerous job openings," Bartsch says. As the population grows and infrastructure ages, contractors will be back to work.

Some recessionary job losses were reflective of long-term trends. For one, the economic slowdown pressed fast-forward on the manufacturing industry contraction, and that downward slide isn't expected to change. "We are continuing to project manufacturing to decline," Bartsch says. "It has been declining for years, and it declined faster in the recession, and we expect that trend to continue."

The recession also slowed the exodus of baby boomers from various occupations. But you can bank on older workers eventually retiring from the workforce. "We know the population is aging, and that trend won't change," Bartsch says. That also means beefed-up demand for healthcare services, no matter what.

The government's financial sector forecasts are more optimistic than many economists' are. The Labor Department puts financial industry employment at 8.7 million in 2018. Nigel Gault, chief U.S. economist at IHS Global Insight, says IHS projects that the financial sector will not only fail to regain its peak employment—of 8.4 million or so in 2006—but will fall below 8 million in 10 years. "We saw the financial sector as overheated," Gault says. "We totally bloated the mortgage sector of the economy."

For his part, Katz thinks it's difficult for anyone to accurately predict the future of the finance sector. "I think that's one where nobody has any clue," Katz says. "We know people need a place to live, but whether there's going to be as much of a market in exotic financial transactions and whether the U.S. will continue to be a global leader... my guess is that finance won't come back for a few years, but 2018 is a long way off."

A smaller financial sector would come as welcome news to many economists, who saw Wall Street putting too much stock, time, and money into housing. Some hope the recession turns bankers back to the task of funding businesses and innovations. That activity—getting banks to make loans to entrepreneurs and small-business owners—will be one of the best ways to get unemployed workers on the payroll again. ●

WHERE THE JOBS ARE

The occupations projected to grow fastest between 2008 and 2018

CAREER	PROJECTED GROWTH %
1. Biomedical engineers	72
2. Network systems and data communications analysts	53
3. Home health aides	50
4. Personal and home care aides	46
5. Financial examiners	41
6. Medical scientists, except epidemiologists	40
7. Physician assistants	39
8. Skin care specialists	38
9. Biochemists and biophysicists	37
10. Athletic trainers	37

Source: Bureau of Labor Statistics

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