



FACT SHEET 2002-5

THE SERVICE SECTOR VITAL STATISTICS

The Dominant Service Sector

- Over the last 50 years, the rising share of employment in the service sector and the declining share in the goods-producing sector have transformed the U.S. labor market. In 1950, 45% of the non-agricultural labor force was employed in the service sector while 65% was employed in the goods-producing sector. In 2001, the service sector accounted for more than 80% of the non-agricultural labor force, while the goods-producing sector employed less than 20%.
- The service sector will be the main source of employment growth and output between 2000 and 2010. Employment in the service sector will increase by almost 20% between 2000 and 2010, while employment in the goods-producing sector will increase by less than six percent.
- The Bureau of Labor Statistics projects that in 2010, the service sector will employ 125.3 million people, up from 104.9 million in 2000.
- The service sector, and more specifically, the service industry, is the major source of contingent employment. In February 2001, more than 55% of all contingent workers were employed in the various service industries.
- The burgeoning service sector requires a better educated work force. Occupations requiring a college degree or other post-secondary award accounted for 29% of all jobs in 2000. They will account for 42% of all job growth between 2000 and 2010.

The Service Industry: Creating Most Jobs

- The variety of industries that comprise the service industry will collectively account for three out of every five new jobs created in the U.S. economy between 2000 and 2010.
- With the exception of construction, the 20 industries with the largest occupational growth between 2000 and 2010 are all in the service sector. Most are divisions of the service industry.
- Expected to generate almost 13 million jobs, the service industry overshadows the 3.1 million jobs expected to be created by retail trade, the next largest source of employment growth. Together, these two industry divisions make up about 73% of the total non-farm wage and salary employment growth between 2000 and 2010.
- The largest source of employment growth in the economy is projected in the personnel supply services industry. Professional employment in the industry will increase by 66% between 2000 and 2010.
- The economy's fastest growing industry, and the second largest in terms of employment, is computer and data processing services. This industry is expected to nearly double between 2000 and 2010, adding another 1.8 million jobs. Computer specialists account for almost half of all employees in this industry.
- Wage and salary employment in health care is projected to increase by more than 25% through 2010, compared with an average of 15% for all industries. The employment growth in health care is expected to account for about 2.8 million new jobs—13% of all wage and salary jobs added to the economy between 2000 and 2010.
- Educational services was one of the largest employers in 2001, providing 11.3 million jobs. The industry is expected to add 1.9 million new jobs between 2000 and 2010. The number of job openings for teachers is expected to increase substantially by 2010 due to projected increases in enrollments and retirements.

- Employment in motion picture production and distribution is projected to increase by almost 29% between 2000 and 2010. Employment of professionals is expected to increase by more than 36%.
- Employment in media and communications will increase by more than 36% between 2000 and 2010. Growth will be very uneven. Employment in radio and television broadcasting is expected to increase by only 9.7% between 2000 and 2010 while employment in cable and other pay television services will increase by almost 51%.
- Social services ranks among the fastest growing industries. The number of non-governmental wage and salary jobs is expected to increase to 42%, compared with only 15% for all industries combined.

Women: Overrepresented and Underpaid

- Women constitute the majority of workers in both the service sector and the service industry. Within the service industry, almost 70% of the employees in education services are women, as are more than 82% of social service employees and more than 72% of hospital employees.
- The median weekly earnings of men in service sector industries exceed those of women by up to 36%. Women earn less than their male counterparts even in occupations where women are the vast majority, such as registered nurse.

Unions in the Service Sector

- Unions represent significant numbers of service sector employees, especially in education (39%), public administration (36%), transportation (35%), and communications (22%). Many of these are professional employees.
- Like employees in the goods-producing sector, organized service sector employees receive better benefits than their non-union counterparts. The cost to the employer of benefits for organized workers in the service sector is more than twice that for non-union workers.

Service Sector Trade is Crucial

- The world's premier services exporter, the U.S. accounts for nearly one-fifth of all global services exports.
- The service sector industries have become extremely important to the nation's trade balance. In 2001, the services trade surplus offset more than 23% of the goods trade deficit.
- The largest service sector exports are travel and tourism, trade based on the use of intellectual property (U.S. films, videos, music, etc.), business, professional and technical services, and freight transportation.

The Department for Professional Employees, AFL-CIO (DPE) comprises 22 AFL-CIO unions representing four million people working in professional, technical and administrative occupations. DPE-affiliated unions represent: journalists and writers, broadcast technicians and communication specialists; librarians, teachers, college professors, and school administrators; engineers, scientists and IT workers; nurses, doctors and other health care professionals; cinematographers, performing and visual artists; professional athletes, social workers, and many others. DPE was chartered by the AFL-CIO in 1977 in recognition of the fast-growing professional, technical and highly skilled white collar occupations.

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