

Overview

In 1961, one in three American jobs were in manufacturing. Today it's 1 in 10. While many see this figure as cause for alarm, it also demonstrates a profound shift both in the American economy and what Americans do for a living.

What jobs do most Americans have?

The overwhelming majority of Americans today work in “service” jobs, such as teaching, cooking, health care, transportation, banking, accounting, law, retail and government. Two in 10 Americans worked for the government in 2011 (including as teachers, police and firefighters), while health care and retail accounted for more than a quarter of all jobs. Here are the top five occupations in 2011:

<u>Occupation</u>	<u>Number of workers</u>
• Retail salespersons	4.3 million
• Cashiers	3.3 million
• Office clerks	2.8 million
• Food preparation workers	2.8 million
• Registered nurses	2.7 million

So are we just making and selling pizzas to each other?

Even as the American economy has generated many lower-skilled service jobs in the past few decades, the number of high-skilled service jobs has increased too. In 1961, professional and business services, for example, accounted for just 6% of all jobs. By 2011, the share of these jobs had more than doubled to 13% of all jobs. And because of health care’s growing role in the economy, health and education now account for 15% of American jobs, versus just under 6% in 1961.

The dominance of service jobs is actually an indicator of how wealthy America is. As people get richer, they worry less about the basics of survival and demand more services such as entertainment, education and health. The World Bank says that in the world’s richest countries, 66% of all jobs are in services, while 2% are in farming and the remainder is industrial. In low-income countries, one-fourth of all jobs are in farming, while industrial jobs outnumber jobs in services.

What happened to American manufacturing?

The Congressional Budget Office says two factors caused the steep decline in U.S. manufacturing jobs since 2000: (1) increases in productivity that enabled more work with fewer workers and (2) increased overseas competition.

Nevertheless, America still remains the world’s largest manufacturing economy, producing 21% of global manufactured products (versus China’s 15%). American manufacturing also accounts for \$1.6 trillion in economic output a year. But U.S. manufacturing today is different from what it was several decades ago. Today’s manufacturing workers are higher-skilled than those of 40 years ago and are among the most productive workers in the world. They are also among the most innovative. According to the National Association of Manufacturers, manufacturers account for two-thirds of the nation’s research and development activity.

Key Facts

- Jobs in American manufacturing:
 - 1961: **15.0 million**
 - 1979: **19.4 million**
 - 2011: **11.8 million**
- Jobs in government (federal, state and local):
 - 1961: **8.7 million**
 - 1979: **16.1 million**
 - 2011: **21.9 million**
- Other jobs by industry sector, 2011:
 - Transportation/utilities: **25.2 million**
 - Education and health: **20.2 million**
 - Professional: **17.8 million**
 - Leisure/hospitality: **13.5 million**
 - Financial: **7.7 million**
 - Information: **2.6 million**
 - Construction: **5.6 million**
 - Mining and logging: **838,000**

Other Resources

- Bureau of Labor Statistics—[Occupational Employment Statistics](#)
- Bureau of Labor Statistics—[Chartbook: Occupational Employment and Wages, 2010](#)
- Bureau of Labor Statistics—[Employees on nonfarm payrolls by industry sector and selected industry detail](#)
- Congressional Budget Office—[Factors Underlying the Decline in Manufacturing Employment Since 2000](#)
- National Association of Manufacturers—[Facts About Manufacturing](#)

Links to Other Resources

- Bureau of Labor Statistics—Occupational Employment Statistics
<http://www.bls.gov/oes/>
- Bureau of Labor Statistics—Chartbook: Occupational Employment and Wages, 2010
http://www.bls.gov/oes/2010/may/chartbook_2010.pdf
- Bureau of Labor Statistics—Employees on nonfarm payrolls by industry sector and selected industry detail
<http://www.bls.gov/news.release/empsit.t17.htm>
- Congressional Budget Office—Factors Underlying the Decline in Manufacturing Employment Since 2000
<http://www.cbo.gov/ftpdocs/97xx/doc9749/12-23-Manufacturing.pdf>
- National Association of Manufacturers—Facts About Manufacturing
<http://www.nam.org/Statistics-And-Data/Facts-About-Manufacturing/Landing.aspx>