

Understanding Labor Market Trends

What You Need to Know and Look for When Researching Career and Job Options

When researching your job and career options, there are several variables to take into consideration. One of those variables are the “Labor Market Trends” associated with that career.

What are Labor Market Trends?

They are fluctuations in what jobs are in high demand and what jobs are not in high demand at a given time. As the word “trend” indicates, these ‘hot’ and ‘not hot’ jobs can and do change all the time.

Current vs Projected

Trends announced can be “current” or “projected”. Current trends are what is happening at the current moment. Projected trends are what the ‘experts’ predict will happen in the future, based on current knowledge, experience, and likely future events. Likely future events typically include population variations, predictable human behavior (i.e. job changing), and anticipated advances of technology.

Trends can be Permanent or Temporary:

Permanent trends are typical in situations, such as when jobs are made obsolete through advances in technology, or when new laws enacted affect the demand for a given service or product. Trends can be temporary as a result of the economic changes or some other current event, such as a natural or man-made disaster, or disruption in the supply chain that impact the supply and demand of goods and services. The assumption is that when the disrupting force declines, that temporary change in labor market trends will go back to what it was before the disruption.

Trends Can Vary by Location:

- **Global:** Some trends will affect all countries, such as when the COVID-19 Virus Pandemic caused most countries to require their citizens to stay at home which shut down many businesses.
- **National:** Some trends can affect entire countries based on whatever issues are going on within that specific country. Those issues can be related to some of the possible causes listed below.
- **Regional** (state[s], county, multiple cities, etc.): Regional trends can be based on the reasons listed below, but do not affect other parts of the country.
- **Local:** These trends are tied to a specific location for reasons listed below. For example, the hospitality and tourism industry was considered a hot industry in Orange County, California as two major tourist attractions, Disneyland and Knotts Berry

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Farm, grew in popularity; and thus, created a demand for large hotels in the immediate area to serve tourists.

What Affects trends?

There are many things that can affect labor market trends in both positive and negative ways:

- **Population growth/decline:** Different generations have different numbers of people within each group. For example, the Baby Boomer and Millennial generations have large numbers of people in both groups; but the Generation X (the group between them) group is a much smaller group. The demographic information of the clients/customers/patients/ of a product or service can affect the demand. For example, health care has been considered a hot trend for a few years because it is assumed that as the Baby Boomer Generation gets older, they will need more health care services.
- **Technological advances:** Many products, services, and industries can see a decline in demand because it has been replaced by some technological advancement. For example, until the Internet became a part of everyday life, households and business often depended on printed encyclopedias and phone books to get information. Now people can look up that information on their devices.
- **Current Events:** Whatever ‘conversations’ or events that dominate the news, media, and social media can affect what jobs are in demand. For example, when climate change is a hot topic, then the public will be more drawn to environmentally-friendly products and services.
- **Man-Made and Natural Disasters (including weather patterns):** Things such as earthquakes, floods, droughts, tornados, hurricanes, oil spills, chemical explosions, etc. can both put some people out of work when those disasters negatively affect regions, and can also create jobs within the field of disaster response and recovery.
- **Politics:** Whatever political entities are in control of the government tend to affect labor market trends. For example, conservative parties tend to want to build up national defense, so aerospace industries tend to thrive. They also tend to believe in minimum government, and thus will try to eliminate what they perceive as ‘unnecessary bureaucracy’. Whereas when more person-centered political entities are in power, they will focus on developing social services and resources.
- **Social Pressure:** Groups of people and activists can put pressure on the public, media, and government to enact certain changes, such as gun-control, animal rights protections, climate change, etc. This pressure may lead to any combination of the following:
- **Changes in Cultural Values:** The legalization of marijuana is a result of activists insisting that its use has medicinal value for some illnesses. Whereas up until a few years ago, marijuana would have been considered ‘just another illegal drug.’

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- **Changes in Laws:** Sometimes a local, state, or national government may enact laws that make certain products or activities legal or illegal. Those changes in laws can both create and kill jobs. For example, the push to legalize marijuana for medicinal purposes has created an entirely new industry in the form of legal marijuana dispensaries. Also, “distraction-free driving” laws that prohibits drivers from being distracted by their cell phones, thus creating a demand for headphones and other products. Concern for animal welfare is forcing laws that make animal exploitation illegal, thus forcing circuses and animal exhibitors to find new ways to make a living.
- **Supply and Demand of Goods and Services:** Any combination of the above forces can cause a drop or increase in demand of any product or service. For example, the retail industry has been hurt by online retailers such as Amazon. Certain specific retail companies were designed and/or marketed to specific demographic groups, such as teenagers. So, when the teenagers of one generation grow up, they and their following generation may lose interest in that product or service.

The Ripple Effect:

Many of these factors tend to cause ripple effects on other industries, professions, etc. For example, the Great Recession of 2008-2013 was started by ‘junk mortgages,’ which led to an over-inflation of the real estate market. When those junk mortgages led to mass foreclosures, that caused the real estate market to tank and sink housing values, which thus eliminated the demand for new housing construction. When the over-inflated housing market deflated, the State of California lost a lot of revenue from property taxes. That lost revenue meant the state did not have money to pay teachers, so many schools and colleges/universities had to cut back. Consequently, many teachers were laid off, and thus faced stiff competition for jobs.

How are Trends Predicted?

Labor Market Trend predictions are often made based on ‘predictable’ numbers, such as demographics like changes in populations and anticipated advances in technologies, and the likelihood that individuals will enter and leave their roles due to retirements, career changes, etc. The Department of Labor offers this information online. Also, many experts in many industries, based on their own knowledge, research, and experience, also can often predict trends related to their areas of expertise. For example, while the rest of the world did not anticipate the damage that the COVID-19 Virus pandemic had on the economy, public health experts had expected for a long time that such a pandemic was both possible and likely. Consequently, they were also able to develop a response plan, which included goods and services needed to contain the virus. (See video below.)

Why is it Important to Understand the Concept of These Trends?

When researching potential education options, careers, and when searching for a job, it is important to be aware of what the current trends are as well as “projected” (anticipated) trends since they will impact your success at achieving your goals:

Education: When career-preparation programs are for projected ‘hot’ trends, there are often more resources put into those programs and student recruitment. And/or if those trends are understood by the general public, then those programs may become ‘impacted’

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(more applications than seats available). Therefore, competition to get into the program, complete the program, and finding the first job may be greater.

Future Career: Before investing a lot of time and energy into a career, it is important to take note of the current and projected trends for that career because you will want to believe in the likelihood that there will be jobs available when you are ready enter the job market.

Current Job Search: When individuals have not looked for a job in several years start their job search process, they will want to get an idea of what kinds of jobs employers are hiring for, and if they have the skills those future employers expect. Someone who has not looked for a job in a while may be surprised to discover that their current skills are no longer in demand, and will thus need to consider other options. Also, if the current season is a ‘down’ trend in their occupation, they will find the competition for limited available jobs is very stiff.

Videos on Labor Market Trends:

- From the **Bureau of Labor Statistics: “Employment Projections”**
<https://www.bls.gov/emp/>
- **“Did You Know?”** (Multiple variables that affect labor market trends)
<https://www.youtube.com/watch?v=u06BXgWbGvA>
- **“Slope of the Curve”** (Technology replacing jobs)
https://www.youtube.com/watch?v=ux2_Y-qC8aM
- **“Local Labor Market Trends”** (Training for career services providers)
https://www.youtube.com/watch?v=plw_k3zD0K4&t=35s
- **President George W. Bush discusses the need to prepare for a flue pandemic in 2005**
<https://www.youtube.com/watch?v=spcj6KUr4aA>

How Can I Research Trends?

There are several places to go to find information on labor market trends:

- Databases based on information generated by Department of Labor:
 - Occupational Outlook Handbook: <https://www.bls.gov/ooh/>
 - O-Net Online: <https://www.onetonline.org/>
- Neilson Research database (provides consumer and market information):
<https://www.nielsen.com/ssa/en/>
- **Professional Associations:** Most professions have associations to support individuals within a given profession such as ABA: American Bar Association (lawyers), AMA: American Medical Association (doctors), PRSA: Public Relations Society of America, NCDA: National Career Development Association, etc. These associations are a great

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resource to find out what trends are currently affecting a given industry and what new laws are being enacted. The following link provides a list of professional associations: <https://www.careeronestop.org/toolkit/training/find-professional-associations.aspx>

- **Informational Interviews:** Individuals with inside information on a given industry and/or profession can often give helpful information. For help on conducting informational interviews, download that document from the author's website listed below.

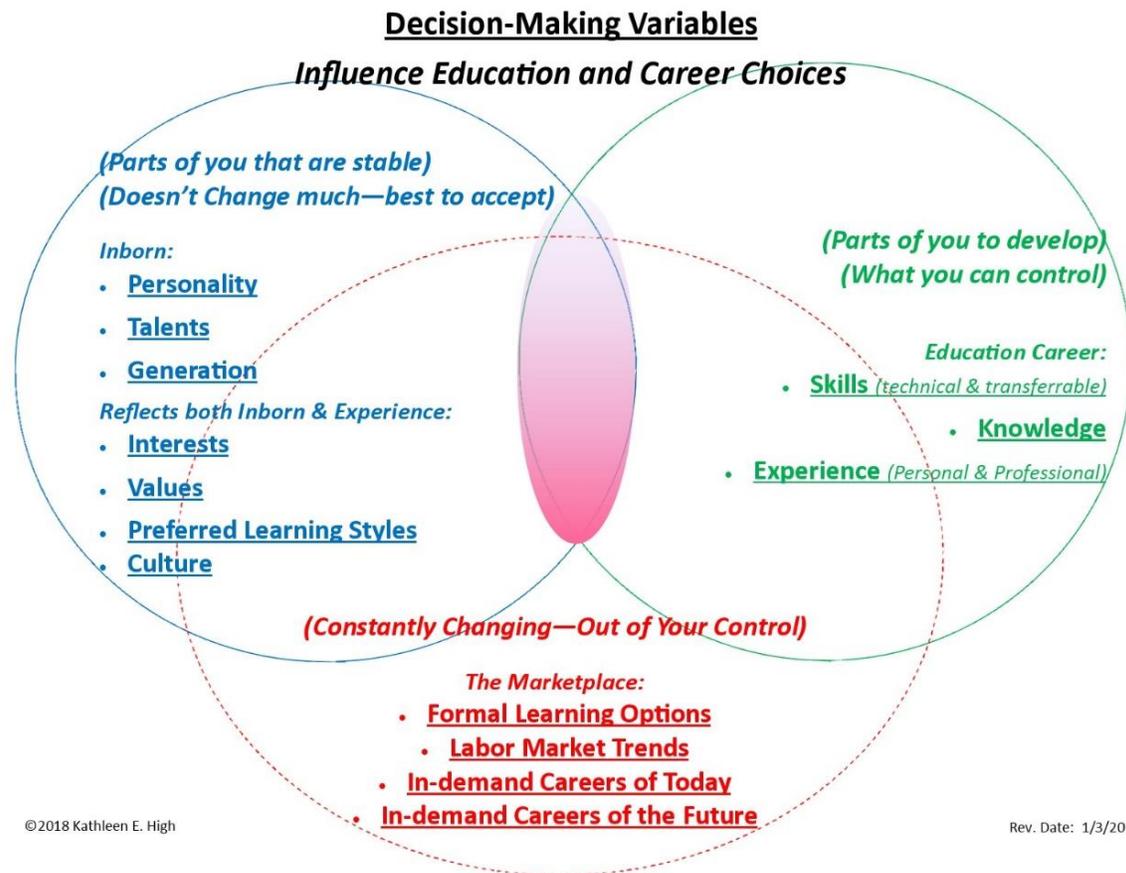
Using Trend Information:

How can you use trend information in education, career decision making, and job search? As you research the trends, find the answers to the following questions:

- How recent is the information found? Was the information found generated before current events that are affecting current trends?
- Are the trends global, national, state-wide, regional, local?
- What are the current trends and projected trends?
- Are those trends expected to be temporary or permanent?
- What is driving the trends?
- What are the 'rippling effects' of those trends? Is this trend a ripple of something else?
- What is the best **educated guess** from knowledgeable experts regarding how long those trends might last?
- Who is making those predictions? What is their knowledge and background? What information and assumptions are those predictions based on? What are their biases that may affect their opinions? What factors are NOT being taken into consideration?
- What are the political orientations of those in government leadership positions (city, county, state, federal)? What do they value? What types of laws and agencies are they inclined to create, support, and/or fight?

Other Variables That Affect Career Decisions

Labor market trends are important factors to consider when looking for education, career, and job opportunities, but they are not the only thing that should be taken into consideration. There are several variables that should influence those decisions. In particular, an individual should consider their personality, interests, talents, abilities, skills, values, and learning styles. As the diagram below shows, those things are more stable than labor market trends.



Final Thoughts Regarding Labor Market Trends

- Remember one important fact: **TRENDS COME AND GO.** They are not eternal. What is hot today, may not be hot tomorrow. What is not hot today, may be hot tomorrow. While trends are important, they should not be considered an “absolute truth/never ending” solution to questions such as job availability and/or paycheck stability.
- Traditional government-based research tools may not take into consideration ‘emerging careers’ and/or non-traditional careers that are too new to find their way into the traditional labor market information. If a new career is not listed in those databases, then you may need to rely on informational interviews, networking, and specialty media as alternative ways to gain information about those trends.
- Expect the unexpected! While the experts may lend their expertise to a topic, no one knows everything, nor can anyone truly and accurately predict the future.
- The key to surviving a job market with ever changing labor market trends is to be adaptable. Instead of focusing on a job title or employer, think in terms of what skills (technical and transferable), knowledge, and abilities you have to offer. Also, recognize that smart business leaders will recognize trends and capitalize on those trends.* Take note of how trends can provide opportunities for you to repurpose the skills, knowledges, and abilities that you already possess. People who typically have the hardest time adapting to a changing world are those who fail to adapt to changing circumstances.

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- Embrace changes in trends that pressure you towards professional growth. Too often individuals complain when those trends affect their jobs or marketability. They may be tempted to resist the trends, instead of accepting that they need to update their skills or knowledge to remain employable. However, oftentimes that pressure may just be what motivates people to learn new skills or abilities that can: 1) Keep them employed, 2) Make them more efficient in their job, 3) Make them more competitive in the job market, 4) Give them more job opportunities, 5) Expose them to options they may not have otherwise known about, 6) Potentially lead to more pay, 7) Potentially lead to greater job satisfaction.
- There may be seasons in life where your current skillset is currently NOT in demand, thus you need to find other types of jobs.* When possible, try to find “Survival” jobs that at least somewhat reflect your own skills, knowledge, abilities and/or values. Trying to get a survival job that is completely foreign to you and outside of your comfort zone when you are desperate for work, will likely only add to the stress. There is nothing more demeaning (thus psychologically harmful) than to ‘fail’ at a ‘survival job’ – especially when you are in survival mode to begin with. For example, an extravert may be comfortable finding a people-focused survival job, whereas an introvert may be more comfortable with a “behind the scenes” type of survival job.
- When individuals make the right career choices for the right reasons, they will be willing to do what they need to do despite sacrifices, obstacles, and adversities. So do your research and understand how labor market trends affect careers. That way you can know that you made the best possible decision with the information you had available at the time.

* Two examples of small businesses that adapted to changes in demand for their products as a result of the mass shut down of non-essential businesses during the COVID-19 pandemic of 2020:

- Restaurant supply company: Creates family-sized packages of their products for consumer use: <https://products.vitcofoods.com/>
- Custom garment printing company: Retools to manufacture cloth face masks to be sold to the public: <https://garmentdecor.com/create/Face-Masks-Custom-Blank-?c=6090048>

Additional Author-Created Related Resources:

This author has created many written resources designed to help individuals to make informed education and career decisions. The following workshops and documents relate to labor market trends and their effect on achieving your goals. Those resources can be download from her website:

Workshops:

<http://www.dreams-goals.com/resources/workshops/>

- Planning for an Unpredictable Future
- When Skills are No Longer in Demand
- Identifying Your Transferable Skills
- Educational Choices You Won’t Regret Later
- Unemployed and Looking for Answers
- Resumes for Today’s World

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- Networking Savvy
- Job Search Tips for Unique Populations

Documents:

<http://www.dreams-goals.com/resources/documents/>

- Decision-Making Variables
- Career Exploration Research Tools
- Generalist vs. Specialist
- Happenstance
- Informational Interviews
- When Skills are No Longer in Demand
- Rapidly-Changing World