



Offshoring High Tech

Mass Exodus of IT Jobs Offshore

Reflected in Job Projections

NEW 2002–2012 JOB PROJECTIONS

The latest projections by the U.S. Department of Labor, Bureau of Labor Statistics (BLS) show that due to the increasing exodus of highly skilled jobs overseas — similar to the disappearance of factory jobs — the vast majority of occupations expected to experience the largest job growth from 2002–2012 are low-wage service occupations. Missing in the BLS lineup are the high tech and knowledge jobs that government and business economists projected would replace the manufacturing jobs.

BLS has two key lists: one of the 10 occupations with the largest numerical growth, and the other of the 10 occupations expected to grow most rapidly (double in size, for example).

1. **Seven of the 10 occupations (70%) expected to experience the largest job growth** over the next decade are low-wage, non-tradable service occupations that do not require a college degree. These include retail salespersons, customer service representatives, food preparers, cashiers, janitors and cleaners, waiters and waitresses, and nursing aides, orderlies and attendants.¹
2. Among professional occupations, RNs and postsecondary teachers will experience the largest job growth. Also included among the top 10 are general and operations managers. (RNs require an associate's degree, postsecondary teachers need a graduate degree and managers usually need a bachelor's degree; the other occupations in the top 10 require on-the-job training.)²

Seven of the 10 occupations expected to grow most rapidly from 2002–2012 are in medical services and almost all are low paying jobs. They include: medical assistants, physician assistants, social and human service assistants, home health aides, medical records and health information technicians, physical therapist aides, and physical therapist assistants. The only IT jobs to make an appearance on this list are network systems and data communications analysts, and computer software engineers.³

PREVIOUS BLS JOB PROJECTIONS, 2000–2010

The exodus of IT jobs overseas is underscored by contrasting BLS projections for 2002–2012 with those for 2000–2010:

Highly skilled computer occupations accounted for the seven most rapidly growing occupations projected for 2000–2010, and eight of the top 10. These occupations were also expected to add the most jobs — some two million — from 2000–2010. **In contrast, only one computer occupation**

— **network systems and data communications analyst** — is now ranked among the seven occupations expected to grow most rapidly from 2002–2012.⁴

BLS projected that from 2000–2010, 1,528,000 high tech jobs would be generated by the seven most rapidly growing occupations, an average annual increase of 152,800 jobs. **Now BLS anticipates an average annual increase of only 10,600 high tech jobs from the seven occupations expected to grow most rapidly from 2002–2012.**⁵

Comparing the 10 most rapidly growing occupations for these two projection periods, we find an annual reduction of 137,300 anticipated high tech jobs.⁶

This translates to the following annual reductions in the number of anticipated jobs:

- 25,000 computer software engineers, applications
- 15,600 computer software engineers, systems software
- 18,700 network and computer systems administrators
- 25,800 computer systems analysts
- 49,000 computer support specialists
- 2,500 desktop publishers
- 7,000 database administrators⁷

This amounts to a total of 1,373, 000 lost jobs, or 77% of the 1.8 million jobs projected to be created by the 10 most rapidly growing occupations according to the last BLS forecast, just two years ago.⁸

Only one IT job is expected to increase from 2002–2012: Network systems and data communications analysts exceeded those for 2000–2010 by an annual average of 1,400.⁹

BLS projections for 2000–2010 found two — computer support specialists and computer software engineers — among the 10 occupations expected to experience the largest job growth.. **For the recently adjusted 2002–2012 forecast, there are no high tech or knowledge jobs among the 10 occupations expected to experience the largest growth from 2002–2012.**¹⁰

UNEMPLOYMENT TRENDS

The increasing export of professional and related jobs abroad is also reflected in recent unemployment trends. **These reverse established trends where the less educated experienced significantly higher rates of unemployment.**¹¹

Both unemployment and long-term unemployment are rising more steeply among well educated workers. Between 2000 and 2003, unemployment among workers with college degrees rose 95%, compared to a 40% rise among those with a high school diploma, or less, and 74% among those with some college.¹²

Long-term unemployment for those with college degrees rose by 299% between 2000 and 2003. Long-term unemployment increased by 259% for workers with some college and 156% for workers with a high school diploma.¹³

The unemployment rate for electrical, electronic, computer hardware and software engineers rose to 7% in the first quarter of 2003. This is in contrast to the 1980s, when the total unemployment rate reached 9.5% but less than 2% of all electrical engineers were unemployed.¹⁴

A BETTER EDUCATED WORK FORCE

While low-wage service jobs will account for the bulk of job growth, America's work force is becoming ever more qualified:

In June 2003, significantly more degrees were conferred in all categories than in the mid-1980s.¹⁵

The U.S. Department of Education projects a steady and substantial increase in the number of associate's, bachelor's and master's degrees conferred, amounting to a total of 23,584,000 new degrees by 2012.¹⁶

1-3 U.S. Department of Labor, Bureau of Labor Statistics, *BLS News*, USDL 04-148, www.bls.gov/news.release/ecopro.toc.htm.

4-10 Ibid; U.S. Department of Labor, Bureau of Labor Statistics, *BLS News*, USDL 04-443, www.bls.gov/schedule/archives/all_nr.htm#ecopro.

11-14 U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey, (unpublished tabulations).

15-16 U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics, 2002*, http://nces.ed.gov/programs/digest/do2_tf.asp.

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