

**Table IV-2. Factors affecting industry output and employment, 2002-12**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
111,112	Agricultural products	Output, which is purchased primarily by the food industries and consumers, will grow slowly. Productivity will exhibit fast growth from improved farm equipment. Employment, especially of self-employed farmers, will contract as concentration leads to further declines in the number of family farms.
1131-2, 114	Forestry, fishing, hunting, and trapping	Output is consumed by the logging and food industries and will grow slowly as imports increase. Healthy productivity growth results in declining employment.
1133	Logging	Output will increase slowly due to its dependence on the slow-growing pulp-and-paper-processing and veneer and plywood industries. Productivity will grow with increased mechanization, resulting in declining employment.
115	Support activities for agriculture and forestry	Output is sold mainly as an input into the livestock and agriculture industries and will grow slightly faster than GDP. Because productivity is projected to increase rapidly, employment will grow slowly.
211	Oil and gas extraction	Output is entirely consumed as an input to the petroleum-refining and gas utilities industries, which will rely more on imports. Output is expected to decline slightly due to fluctuations in oil and gas prices, strict environmental regulations, limited access to Federal lands, and foreign competition. Productivity will increase due to continued technological advances in drilling and exploration techniques. Taken together, declining output and rising productivity will result in employment losses as domestic companies shift to foreign exploration and production. Industry consolidation, along with outsourcing to specialized firms for key operations such as exploration, will also limit employment growth.
2121	Coal mining	Although coal generates about half of the country's electricity and is used as an input to primary steel products, output is projected to decline as strict environmental regulations increase compliance costs. Employment declines are expected due to industry consolidation, international competition, and advances in productivity through improved mining technology and automation.
2122	Metal ore mining	Output growth will be constrained as international competition reduces demand from the primary nonferrous metals, steel, industrial chemicals, and nonresidential construction industries. Employment will decline due to industry consolidation and advances in productivity through improved mining technology and automation.
2123	Nonmetallic mineral mining and quarrying	Output depends on demand from the concrete products, residential construction, and agricultural chemicals industries and is projected to decline slightly. Employment is expected to show marginal growth, as productivity declines faster than output.
213	Support activities for mining	Output is measured primarily as the value of new oil and gas well exploration and drilling and is mostly consumed as an input into the oil and gas extraction industry. Output is expected to grow slowly and productivity is expected to grow even more slowly, resulting in a slight increase in employment.
2211	Electric power generation, transmission, and distribution	Output is consumed by individuals and as an input to many industries and is expected to increase as the demand for electricity increases with population and GDP growth. Rising productivity will cause employment to decline.
2212	Natural gas distribution	Output is consumed by individuals and as an input to many industries and will rise slowly in response to those sources of demand. Productivity gains will outpace output growth and, along with industry deregulation and restructuring, will lead to declining employment.
2213	Water, sewage, and other systems	Output is consumed mainly by individuals, but also as an input to many industries, and is expected to increase as population growth in rural areas increases the demand for water and sanitation services. Productivity will continue to decline, generating strong employment growth.
23	Construction	This industry is engaged in new construction of residential and nonresidential buildings and infrastructure such as highways, bridges, sewers, and railroads, as well as in maintenance and repair construction. Output is projected to increase due to population growth, the replacement or remodeling of industrial plants, and greater demand for nursing, extended-care, and other medical treatment facilities for an aging population. Employment will grow slightly more slowly than output, due to slow productivity growth.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
3111	Animal food manufacturing	Output is consumed as an input by the livestock and food-processing industries, by the food services and drinking places sector, and by individuals. Output will increase more slowly than GDP. Because productivity will grow almost as fast as output, employment will show no increase.
3112	Grain and oilseed milling	Output is consumed as an input by the livestock and food-processing industries and by individuals, and output also is exported. Output will grow more slowly than GDP. Because productivity will rise as fast as output, there will be no growth in employment.
3113	Sugar and confectionary product manufacturing	Output is consumed by individuals and as an input into the food-processing industries. Output will increase at half the rate of GDP. Rising productivity, caused by new plants and equipment, will result in no employment growth.
3114	Fruit and vegetable preserving and specialty food manufacturing	Output is consumed mainly by individuals, but also as an input into food services and drinking places. Output and productivity will grow slowly, at about the same rate, resulting in no growth in employment.
3115	Dairy product manufacturing	Output is consumed equally by individuals and as an intermediate input, the latter mainly by food services and drinking places. Output will show slight growth, but because new plants and equipment—combined with improved methods for processing milk products—will raise productivity, employment will decline.
3116	Animal slaughtering and processing	Output is consumed by individuals and as an intermediate input to food services and drinking places. Output will increase more slowly than GDP. Because productivity will grow yet more slowly—despite technological advances such as safety-enhancing packaging, which extends the shelf life of meat, and automated packaging, which reduces human error and contamination—employment will continue to rise.
3117	Seafood product preparation and packaging	Output is consumed mainly as an input into the food services and drinking places industry and by individuals. Output will show little growth as imports hold steady. Healthy productivity growth will result in a slight decline in employment.
3118	Bakeries and tortilla manufacturing	Output, consumed mainly by individuals and as an intermediate input by food services and drinking places, will increase more slowly than GDP. Because productivity will grow almost as fast as output, there will be only a slight increase in employment.
3119	Other food manufacturing	Output is demanded mainly by individuals, but also as an input into the food services and drinking places and food-processing industries. Output will grow at half the rate of GDP. Productivity's growth will almost match that of output, so employment growth will be minimal.
3121	Beverage manufacturing	Output is demanded by individuals and as an input into food services and drinking places. Output will grow more slowly than GDP. Productivity will grow more quickly than output, due to the automation of filling and packaging tasks. Therefore, employment in this capital-intensive industry will decline.
3122	Tobacco manufacturing	Output is consumed by individuals, serves as an input to other firms in the industry, and is exported. Output will continue to stagnate as an increasing population balances the negative effects of rising prices and changing attitudes against domestic consumption. Because healthy productivity growth is expected, employment will fall.
3131	Fiber, yarn, and thread mills	Output is purchased almost entirely by the apparel and textile industries, whose employment is expected to decline. In addition, imports will grow, causing output to continue to decline. Healthy productivity growth from faster looms, automated inspection machines, and further consolidation among textile producers will result in a continued plunge in employment.
3132	Fabric mills	Output is purchased almost entirely by the apparel and textile industries, whose employment is expected to decline. In addition, imports will grow, causing output to continue to decline. Healthy productivity growth from faster looms, automated inspection machines, and further consolidation among textile producers will result in a continued plunge in employment.
3133	Textile and fabric finishing and fabric coating mills	Output is purchased almost entirely by the apparel and textile industries, whose employment is expected to decline. In addition, imports will grow, causing output to continue to decline. Moderate productivity growth from faster looms, automated inspection machines, and further consolidation among textile producers will result in a continued plunge in employment.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
3141	Textile furnishings mills	Output is consumed mainly by individuals, with imports satisfying half of demand. Output is projected to grow at a third the rate of GDP, with productivity growing at almost twice the rate of output. The combination will result in a continued decline in employment.
3149	Other textile product mills	Output is projected to be split almost evenly between demand by individuals and demand by intermediate industries, while imports are expected to rapidly increase their share. This combination results in projected output growing more slowly than GDP. Because productivity is anticipated to grow faster than output, employment is projected to decline.
3151	Apparel knitting mills	Output is purchased by individuals and is used as an intermediate input by the apparel industry. Continued competition from abroad and foreign outsourcing will result in output rapidly declining. Employment will continue to decline in approximate step with output.
3152	Cut and sew apparel manufacturing	Output is consumed almost entirely by individuals and is projected to decline considerably. Imports are projected to grow twice as fast as GDP and will go from satisfying 65 percent of demand in 2002 to meeting almost all demand in 2012. Combined with projected healthy productivity growth, the increase in imports will result in employment declining to a quarter of its 2002 level.
3159	Apparel accessories and other apparel manufacturing	Output is consumed almost entirely by individuals and is projected to decline. Imports are projected to grow more than twice as fast as GDP and will go from satisfying 50 percent of demand in 2002 to meeting almost all demand in 2012. Combined with projected healthy productivity growth, the increase in imports will result in employment declining to half its 2002 level.
3161	Leather and hide tanning and finishing	Demand for output is almost entirely as an input for further processing, with a minor amount exported. Imports are projected to satisfy 60 percent of demand. Although productivity is expected to decline, employment is still projected to drop significantly.
3162	Footwear manufacturing	Output is sold almost entirely to individuals and is projected to grow more slowly than GDP. Imports are projected to satisfy almost 90 percent of demand. Productivity is anticipated to grow at more than twice the rate of output, so employment will continue to decline.
3169	Other leather and allied products manufacturing	Demand is split 90 percent to 10 percent between individuals and input sales, with imports satisfying 95 percent of output. Although productivity is projected to decline, employment will also decline.
3211	Sawmills and wood preservation	Output is purchased 95 percent as an input for new single-unit housing construction, other wood-processing industries, and the maintenance and repair industries, with the other 5 percent exported. Imports are projected to satisfy 25 percent of demand, still leaving output to grow almost as fast as GDP. Because productivity is projected to grow even faster, employment is expected to decline.
3212	Veneer, plywood, and engineered wood product manufacturing	Output is consumed primarily as an input to the residential construction and wood-processing industries, which will grow due to rising demand from an expanding population and increasing new-housing starts. Rising productivity and imports will result in average employment growth.
3219	Other wood product manufacturing	Output is purchased as an input into the construction industry and is projected to grow faster than GDP. Productivity is expected to grow at less than half the rate of GDP, so employment will increase.
3221	Pulp, paper, and paperboard mills	Output is sold 10 percent to consumers, 15 percent as an export, and the rest as an input; imports are projected to satisfy 25 percent of output. As the economy becomes more digital, less printed material will be produced, so output is projected to decline. Combined with healthy growth in productivity, employment is anticipated to decline by a quarter.
3222	Converted paper product manufacturing	Output is split 30 percent to individuals and 70 percent to inputs, especially into the trade industries. With slow growth in demand and projected faster growth in productivity, employment is expected to continue to decline.
323	Printing and related support activities	Output is directed mainly to the commercial printing, publishing, and advertising industries and will stagnate as services industries are replaced with in-house operations. Productivity and employment are also expected to show little or no growth.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
324	Petroleum and coal products manufacturing	Output is consumed by individuals and by the electric utilities and transportation industries. Output will increase at a third the rate of GDP, due to continued demand from motor vehicle users, as well as demand for kerosene and fuel oils. Advancing technology will cause productivity to increase faster than average, so employment will decline. Imports are projected to grow to twice the level of exports, contributing to the drop in employment.
3251	Basic chemical manufacturing	Output is mainly an intermediate input to the chemical, plastics, and petroleum-refining industries, in all of which demand will decline. Further, imports are projected to increase as the inorganic chemicals industry loses jobs to firms in Latin America and Asia, resulting in declining output. Although productivity is expected to decline slightly, employment will nevertheless decline.
3252	Resin, synthetic rubber, and artificial fibers and filaments manufacturing	Output is exported and is consumed by the construction, motor vehicles, goods-packaging, and textiles industries. None of these sources of demand is projected to show significant growth. Growing imports will result in slight declines in output, which, together with healthy growth in productivity, will lead to a sharp drop in employment.
3253	Pesticide, fertilizer, and other agricultural chemical manufacturing	Output is consumed mainly as an input by the agricultural industries and will grow at two-thirds the rate of GDP. This industry will produce more for export to Latin America and Asia, as developing nations advance in their agricultural methods. Because export demand is exactly matched by import growth, growth in intermediate demand will drive output. Productivity is projected to grow twice as fast as the average, resulting in a decline in employment.
3254	Pharmaceutical and medicine manufacturing	Output is consumed by individuals and the medical services industries and will grow slightly faster than GDP, due to a growing and aging population. Productivity will grow less than half as fast, resulting in employment gains. Sustained demand for lifestyle drugs and other promising new drugs should further stimulate employment.
3255	Paint, coating, and adhesive manufacturing	Output is consumed almost entirely as an intermediate input by the construction, motor vehicle, and other manufacturing industries with minimal imports and exports. Output is projected to grow at two-thirds the rate of GDP, while productivity is anticipated to grow twice as fast as the average. Together, the two trends are projected to lead to a drop in employment.
3256	Soap, cleaning compound, and toilet preparation manufacturing	Output is driven by consumer demand, with little impact from trade. Output will increase due to a growing and aging population, coupled with a rising standard of living. Productivity will increase, but at a slightly slower rate than output, resulting in minimal employment growth.
3259	Other chemical product and preparation manufacturing	Output is consumed primarily as an intermediate input to various manufacturing and construction industries, and no growth is projected to stem from these sectors. Growth in consumer demand will therefore be the catalyst behind an expected growth in output. The production process will change as environmental concerns increase efforts to produce more environmentally friendly substances to replace current adhesives, sealants, and printing inks. A healthy productivity growth rate of almost 3 times as fast as the average, coupled with little growth in output, will result in rapidly declining employment.
3261	Plastics product manufacturing	Output is used mainly as an intermediate input by a wide variety of industries and will increase due to growing demand for plastic products and the continuing substitution of plastic for other materials in production. Productivity will increase with the adaptation of labor-saving, computer-controlled automation, but at a slower rate than output, resulting in increases in employment.
3262	Rubber product manufacturing	Output is consumed as an intermediate input to the construction, motor vehicles, goods-packaging, and textiles industries and will increase as these industries grow. Rising imports and productivity will result in little growth in employment.
3271	Clay product and refractory manufacturing	Output continues to increase in response to demand for these products by many manufacturing industries and as an input to the construction industry. Productivity and imports are both expected to continue to increase, contributing to slower-than-average growth in employment.
3272	Glass and glass product manufacturing	Output is consumed almost entirely as an input by manufacturing industries. Output will show healthy growth, but because productivity is projected to grow at about the same rate, employment is expected to remain essentially unchanged.

**Table IV–2. Factors affecting industry output and employment, 2002–12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
3273	Cement and concrete product manufacturing	Output will increase because construction, which is projected to rise, buys virtually all of the intermediate output. Productivity is projected to increase more slowly than output, leading to employment growth.
3274	Lime and gypsum product manufacturing	Because this industry's products are used by virtually every sector of the growing construction industry, output will increase. Productivity will continue to increase at almost the same rate as output. Employment will grow slower than the average.
3279	Other nonmetallic mineral product manufacturing	Output continues to increase in response to demand for these products by many manufacturing industries and as an input to the construction industry. Productivity will grow at about the same rate as output, but because average hours worked in this industry are projected to decline, employment will show some growth.
3311	Iron and steel mills and ferroalloy manufacturing	Output is overwhelmingly purchased as an intermediate input by industries such as automotive stampings and industrial machinery. Imports are expected to satisfy half of the projected growth, resulting in output growing at less than half the rate of GDP. Productivity, by contrast, is projected to grow more than 3 times as fast as output, leading to a rapid drop in employment.
3312	Steel product manufacturing from purchased steel	Output is overwhelmingly purchased as an intermediate input to other industries, such as automotive stampings and industrial machinery, but because imports will satisfy most of the increase, output will grow slowly. Productivity will increase slightly faster than output, so employment will decline slightly.
3313	Alumina and aluminum production and processing	Output is exported and is an intermediate commodity to metalworking machinery, motor vehicle parts, and other manufacturing industries. Intermediate demand is projected to decline slightly, while exports grow faster than imports, thus supplying the source of marginal output growth. Productivity growth will equal output growth, resulting in a slight decline in employment.
3314	Nonferrous metal (except aluminum) production and processing	Output growth depends on exports and intermediate demand in the jewelry, silverware, and lighter weight copper and aluminum industrial products industries. Imports are projected to grow faster than the domestic output drivers, resulting in a slight decline in output. Productivity also is expected to decline, but average hours worked will increase, so employment will show only a minor drop.
3315	Foundries	Output will grow from continued intermediate demand in the rail, motor vehicles, and heavy construction industries, as well as from overall growth in the economy, but will be limited as motor vehicle manufacturers use other materials, such as lightweight alloys and plastics, in production. Productivity continues to make healthy gains from improved technology, but because output is projected to grow faster, employment will rise.
3321	Forging and stamping	Output is purchased mainly by the construction, utilities, and oil and gas extraction industries. Demand for many of the fabricated products produced by these industries will increase as the industries expand. Output in this industry is projected to grow faster than GDP, whereas productivity will grow relatively more slowly, resulting in average employment growth.
3322	Cutlery and handtool manufacturing	Output is distributed in approximately equal amounts across consumers, other industries (principally the motor vehicle industry), and imports. Because projected imports cancel out intermediate demand, as it did in 2002, output, determined by consumers, will grow slightly faster than GDP. Productivity will grow more slowly than output, so employment will rise.
3323	Architectural and structural metals manufacturing	Output is consumed mainly as an input to construction and as an investment purchase by electric utilities and is projected to grow slightly faster than GDP. Productivity is projected to grow at the average rate, so employment will increase.
3324	Boiler, tank, and shipping container manufacturing	Output is consumed as an intermediate input to the beverage, food, soap, paint, and petroleum product industries and will increase as these industries grow, although a trend toward plastic bottles will cut production of metal cans. Shipping containers will be in demand for shipping an increasing number of goods. Imports and exports will cancel each other out. Productivity is projected to grow faster than output, so employment will drop.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
3325	Hardware manufacturing	Output is purchased mainly as an input by other industries, especially construction. Output is projected to grow faster than GDP, while productivity is expected to grow more slowly than output. Hence, employment will rise.
3326	Spring and wire product manufacturing	Output is purchased as an input to a variety of industries, principally the construction and motor vehicle industries. Demand from these sources is projected to decline. Imports are expected to increase, but because secondary products are produced in significant quantities, output will show an increase. Productivity will grow faster than average, thereby causing employment to decline.
3327	Machine shops; turned product; and screw, nut, and bolt manufacturing	Output is purchased mainly by motor vehicle manufacturers and repairers, aircraft producers, and other industrial manufacturers. Output is projected to grow faster than GDP, but productivity also is projected to exhibit healthy growth. Taken together, these trends indicate little growth for employment.
3328	Coating, engraving, heat treating, and allied activities	Output is entirely bought by a variety of other industries for use in their production processes. Output is projected to grow at a faster rate than GDP, but employment will show little change, because productivity also is projected to post strong growth.
3329	Other fabricated metal product manufacturing	Output is divided predominantly across exports, intermediate demand, and imports. Growth in intermediate demand will stem from nonelectric heating equipment, which is primarily an input to the construction industry, but will decline overall because electric heating competes with nonelectric heating. Output will grow at a third the rate of GDP, due to healthy export growth. Productivity is projected to grow slightly faster than output, so employment is expected to decline.
3331	Agriculture, construction, and mining machinery manufacturing	Output is purchased primarily as investment by the construction, petroleum, coal mining, and various manufacturing industries and will increase as the majority of these industries grow. This cyclical industry is affected by housing starts and consumer confidence. Increasing intermediate demand, such as that arising from expenditures made in search of new energy supplies, will increase employment. However, healthy productivity gains will limit this growth.
3332	Industrial machinery manufacturing	Output is driven by investment demand and trade. Imports will remain greater than exports, and the net will satisfy 15 percent of investment. Output still will grow faster than GDP. Because productivity will grow at a slightly faster rate than output, employment will show a minor drop.
3333	Commercial and service industry machinery manufacturing	Output is demanded by a plethora of GDP components and will grow slightly faster than GDP. Productivity will grow more slowly, resulting in employment growth.
3334	Ventilation, heating, air-conditioning and commercial refrigeration equipment manufacturing	Demand for output is spread over a wide variety of areas, but is located mainly in investment and is an input to the motor vehicle and construction industries. Output is projected to grow faster than GDP, while productivity will grow more slowly, with the difference showing up as employment growth.
3335	Metalworking machinery manufacturing	Output is consumed as investment by the motor vehicle and construction industries, and 20 percent is satisfied by imports. Output will increase 50 percent faster than GDP. Productivity also will grow at a fast pace, but more slowly than output, so employment will increase.
3336	Engine, turbine, and power transmission equipment manufacturing	Output demand is heavily weighted to intermediate demand and foreign trade, with imports and exports basically canceling each other out. Output and productivity will increase more slowly than GDP; therefore, employment will remain constant.
3339	Other general purpose machinery manufacturing	Output is demanded by the investment, intermediate, and trade areas, with imports and exports canceling their individual impacts. Intermediate demand is projected to grow more than twice as fast as GDP, while investment will grow a third faster, leading to healthy output growth. Although productivity also is projected to grow, it will grow more slowly than output. Employment will therefore increase.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
3341	Computer and peripheral equipment manufacturing	Output is projected to keep up its extraordinary growth in real terms as computers continue to improve in quality. Because almost all the real growth is due to this increase in quality, a perceived growth in productivity follows, and employment actually will decline.
3342	Communications equipment manufacturing	Output is generated by demand from the investment, intermediate, and trade areas, with projected imports and exports canceling each other out. Broadband will be a significant factor in the next few years as growing numbers of Internet users demand higher speeds and greater connectivity to take advantage of various applications. Output will increase as firms continue to make major investments in technology by purchasing communications equipment. Popular applications (e-mail, Internet, messaging) will be increasingly capable of being run on wireless, hand-held devices. Output is projected to grow more than 3 times as fast as GDP, with productivity doing only slightly less well. Employment, therefore, will show little growth.
3343	Audio and video equipment manufacturing	Output will show little growth as healthy growth in consumer demand is more than matched by increases in imports. Productivity will increase faster than domestic demand, so employment will decline.
3344	Semiconductor and other electronic component manufacturing	Output is split into three equal segments: exports, imports, and intermediate demand. Trade cancels itself out, leaving growth dependent on sales to other industries, which are projected to grow very little. Electronic components and accessories are needed in cars, computers, cell phones, and cable modems. Because productivity is projected to grow more than twice as fast as output, employment will drop.
3345	Navigational, measuring, electromedical, and control instruments manufacturing	Output is used by the defense, aerospace, ship, and transportation industries. More satellites and greater accessibility to global positioning system signals will spur growth in ground-based navigation systems and thus increase output. Technology-driven productivity increases will result in declining employment. Some output is consumed by individuals, with the balance used as an investment or intermediate input by hospitals and other medical services. Output will continue to grow as an aging population requires additional medical care and seeks treatments using the latest technology. Productivity will increase faster than output, resulting in declining employment.
3346	Manufacturing and reproducing magnetic and optical media	Output consists of the production of blank audio- and videotapes and diskettes, as well as the copying of audio, software, and other data on magnetic, optical, and similar media. Imports will balance the demand from consumers and exports, so growth will depend on intermediate demand, which is expected to grow at two-thirds the rate of GDP. Productivity is projected to grow at less than half the rate of output, resulting in employment growth.
3351	Electric lighting equipment manufacturing	Output is purchased by individuals and as inputs into the construction, motor vehicle, and other industries. Imports equal all but intermediate sales, thereby driving growth. Output is projected to grow at half the rate of GDP, with productivity anticipated to grow slightly faster, resulting in a small drop in employment.
3352	Household appliance manufacturing	Output is purchased mainly by consumers, with imports projected to supply an increasing share as the significance of U.S.-based firms diminishes because of the large penetration of imports from Japan and other Asian countries. This relatively slow growth in output is matched with a healthy growth in productivity, so employment will decline.
3353	Electrical equipment manufacturing	Output is purchased for investment, for exports, and as intermediate inputs. Because imports are projected to equal the sum of investment and exports, output growth depends on growth of intermediate demand, which is expected to grow faster than GDP. Productivity is projected to grow slightly slower, so employment will rise.
3359	Other electrical equipment and component manufacturing	Output is purchased by consumers, for investment, for exports, and as inputs by other industries. Imports satisfy almost a third of demand, while intermediate inputs account for half of total demand. Output growth is projected to be slightly slower than that of GDP, productivity growth slightly slower still. Average hours are projected to increase such that, in combination with the increase in productivity, employment will decline slightly.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
3361	Motor vehicle manufacturing Motor vehicle manufacturing—continued	Output is purchased by consumers and as investment. Half of demand is satisfied by imports. Projected growth in investment is higher than projected growth in imports, so output will increase at a rate equal to that of GDP. Output growth will be limited due to an anticipated slowdown in the growth of the driving-age population, competition from foreign producers, improvements in vehicle quality that extend longevity, and safety and environmental regulations that increase production costs. Productivity will increase faster than output—due to technologies such as robotics, computers, and factory automation—resulting in declining employment.
3362	Motor vehicle body and trailer manufacturing	Output, which is purchased by individuals and for investment, will grow, because consumer demand is projected to increase at one-and-one-half times the rate of GDP, with investment increasing at twice the rate. Productivity is expected to grow more slowly than output, so employment will increase.
3363	Motor vehicle parts manufacturing	Output is consumed as an input into the motor vehicle industry, of which imports satisfy almost a quarter of demand. Output is projected to grow at a faster rate than GDP, while productivity is expected to grow more slowly, thereby creating some employment growth.
3364	Aerospace product and parts manufacturing	Output is purchased by defense, is exported, or is used as an input to aircraft and missiles. A growing international aircraft industry will cause imports to rise faster than domestic demand, so output will stagnate. Combined with increasing productivity, flat output growth will lead to a drop in employment.
3365	Railroad rolling stock manufacturing	Output is consumed as an investment or as an intermediate input by the rail transportation industry. As the industry improves its tracks and equipment to accommodate the increased demand for freight and passenger rail transportation, output will increase. Productivity will increase due to technological advances, but more slowly than output growth; employment will increase slightly.
3366	Ship and boat building	Output is consumed by the military, by individuals, and as capital investment by the water transport and energy industries. Rebounding prices for oil and natural gas will spur demand. In addition, the Oil Pollution Act of 1990, under which all tankers and tank barges must be converted to double hulls by 2015, means that many vessels will need to be refitted. Output will increase faster than productivity, resulting in slightly increasing employment.
3369	Other transportation equipment manufacturing	The industry is engaged primarily in manufacturing transportation equipment, with the output purchased chiefly by individuals, as well as by the military. Some is exported. Output will increase as demand for pleasure vehicles continues to grow. Automation will continue to prompt growth in productivity almost as rapid as the growth of output, resulting in only a slight increase in employment.
3371	Household and institutional furniture and kitchen cabinet manufacturing	Output is consumed mostly by individuals and the construction industry as an intermediate demand. Output will rise faster than productivity, resulting in an increase in employment.
3391	Medical equipment and supplies manufacturing	Some output is consumed by individuals, with the balance used as an investment or intermediate input by hospitals and other medical services. Output will continue to grow as an aging population requires additional medical care and seeks treatments using the latest technology. Productivity will continue to grow, but at a slower pace than output, and imports are expected to increase. Employment will rise slightly as a result.
42	Wholesale trade	Output is consumed as a trade margin on goods being sold at various stages of production and will continue to increase. Growth will vary, depending on the economic sector involved. The spread of new technology, such as electronic commerce, and consolidation of the industry due to globalization and cost pressures will be the main influences on employment. Productivity growth will be outpaced by output growth, resulting in increasing employment.
44-45	Retail trade	Although demand fluctuates with the business cycle, output is consumed as a trade margin on goods sold to individuals and will increase with population and GDP growth. Productivity will increase due to gains in technology and mergers, but at a slower pace than output. As a result, employment is expected to grow.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

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481	Air transportation	Output is consumed by individuals, by business travelers, and as a transportation margin on shipping goods to market. Despite a recent slowdown in passenger air travel, output will grow in the United States and abroad over the next decade for both leisure and business travel as the population and GDP increase. Cargo traffic is expected to increase with the economy and growing world trade. Cargo traffic also should be stimulated by the development of global electronic commerce and manufacturing trends such as just-in-time delivery, which require more materials to be shipped rapidly. Productivity will continue to rise, but at a slower rate than output, resulting in employment growth.
482	Rail transportation	Output is consumed by individuals and as a transportation and export margin on virtually all manufactured products. Demand for railroad freight service will grow as the economy expands and intermodal systems that use trucks to pick up and deliver shippers' sealed trailers or containers and that utilize trains to transport them long distance come into greater use. Productivity gains will be affected by innovations such as larger, faster, more fuel efficient trains and computerized classification yards; computerized tracking of freight cars to match empty cars with the closest loads; and computer-assisted dispatching of trains. Computer-assisted devices alert engineers to train malfunctions. Work rules now allow trains to operate with two-person crews. Productivity will exceed output growth and will cause employment to decline still further. Employment in most rail occupations will continue to decline, due in part to the consolidation of railroads and job duties.
483	Water transportation	Output is consumed by individuals and as a transportation margin on shipping goods to market. Output will grow as GDP and the population increase, but at a slower rate than productivity. As a result, employment will decrease.
484, 492	Truck transportation and couriers and messengers	Output is consumed by individuals and as a transportation margin on shipping goods to market and will grow as GDP and the population increase. Trucking has been accounting for a rising share of freight transportation revenue. Growth in the industry parallels economic upswings and downturns. Productivity will increase at a slower rate than output. Employment will continue to increase. Additional employment growth in the truck transportation industry will result from manufacturers' willingness to concentrate more on their core competencies—producing goods—and to outsource their distribution functions to trucking companies.
485	Transit and ground passenger transportation	This industry provides local and suburban passenger transportation services by bus, taxi, and subway. Output is purchased by individuals, by businesses, and by State and local governments for school transportation. Output will rise due to population growth, while productivity will decline, resulting in an increase in employment.
486	Pipeline transportation	Output is consumed as a transportation margin on shipping petroleum and will grow slightly as GDP and the population increase. Productivity will increase even less than output, resulting in no change to employment.
487, 488	Scenic and sightseeing transportation and support activities for transportation	Output is purchased by other transportation industries, by individuals, and as intermediate demand for exports. Output will increase as packaging, freight, cargo arrangement, and other transportation-related services remain instrumental to logistics management. Productivity will grow, but at a slower rate than output, resulting in employment growth.
491	Postal Service	Output is consumed by individuals and firms as a business expense and will rise slightly as the Postal Service delivers increasing numbers of packages shipped by manufacturers and delivery services on the final leg of their local delivery as first-class mail. Competition from private delivery companies and other industries, such as electronic communications, will continue to increase, dampening output growth. Productivity will increase with automation at a faster rate than output, due to the use of automated materials-handling equipment and optical character readers, barcode sorters, and other automated sorting equipment. Employment will continue to decline as a result of these combined factors.
493	Warehousing and storage	Output is consumed by individuals and as a transportation margin on shipping goods to market. Manufacturers' willingness to concentrate more on their core competencies and to outsource their distribution functions to warehousing companies will spur output growth. Firms in other industries will increasingly employ this industry's logistical services, such as inventory management and just-in-time shipping. Also, the expansion of electronic commerce, as more consumers and businesses make purchases over the Internet, will continue to increase demand for the transportation and logistical services of the warehousing industry. Productivity will rise at a much slower rate than output, resulting in increased employment.

**Table IV–2. Factors affecting industry output and employment, 2002–12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
5111	Newspaper, periodical, book, and directory publishers	Output is purchased mostly by consumers. Output will go up slightly, driven mostly by custom publishing and growing demand for ethnic newspapers and magazines. In custom publishing, companies and other organizations order magazines from publishers specifically for their customers to increase customer loyalty and advertise new company products. Consolidation in the industry, a greater reliance on freelance writers, and the increasing automation of the prepress function in newspaper-printing plants will decrease the number of people needed in this industry. Due to efficiency gains, productivity will increase at a faster rate than output, and employment will decrease as a result.
5112	Software publishers	Output is purchased by government and as investment, with intermediates scattered among most industries. Output has grown and should continue to grow at a robust rate, given the proliferation of software across all segments of society. The software-publishing industry should be the beneficiary of rapid technological change, and productivity should continue to exhibit healthy gains. The emergence and rapid growth of video games should bode very well for software publishers. Productivity is increasing at a much slower rate than output, resulting in a significant increase in employment.
516, 518, 519	Internet services, data processing, and other information services	Internet services will expand as the amount of data generated by the Internet economy continues to grow. Both output and productivity should grow rapidly. Employment will continue to increase as well. While the Internet will grow and expand even more, offshore outsourcing—of data-processing jobs in particular—should temper employment growth.
512	Motion picture and sound recording industries	Most output is consumed as an input to motion picture theaters and television, with individuals and exports accounting for the rest. Output will increase as a growing population continues to enjoy movies as entertainment. Blockbuster films will dominate the industry, especially with the continued expansion of multiplex theaters and increased exports from film distribution rights. Productivity will rise, but at a slower rate than output; as a result, employment is expected to increase.
5151	Radio and television broadcasting	Output is purchased mainly by individuals and will increase with population and GDP growth. Increasing commuting times will account for a strong radio advertising market. Growing competition from other media sources—specifically, cable television and satellite TV—should continue to limit growth in television advertising revenue. Digital broadcasting and recording technology will continue to improve productivity at a faster rate than output growth, causing employment to decrease. Further productivity gains will result from the remote operation of stations and by combining multiple stations and should continue throughout the projection period.
5152, 5175	Cable and other subscription programming and program distribution	Output is purchased mainly by individuals. Moderate output growth will result from demand due to population and from GDP growth. Productivity will decrease as companies upgrade cable and other pay television infrastructures, allowing providers to deliver telephone and Internet services, as well as television programming. Increasing output and declining productivity will result in increases in employment.
517 except 5175	Telecommunications, except cable and other program distribution	Individuals purchase the largest share of output, followed by government, business, and other institutions. Output growth will be strong as advanced technology and competition lower prices for high-speed Internet access and wireless telephone services and as deregulation expands the breadth of residential telecommunication services offered. In addition, business demand is expected to rise as companies increasingly rely on their telecommunications systems to conduct electronic commerce. This industry's employment gains, however, are expected to be limited by productivity gains as technological improvements such as fiber-optic lines and advanced switching equipment increase the data transmission capacity of telecommunications networks.
521, 5221	Monetary authorities and depository credit intermediation	Output is consumed by individuals and organizations and will increase as banks offer a variety of financial products to compete with other financial service companies. Mergers are expected to continue, which can lead to cutbacks and consolidation, but to a lesser degree than before. Bank branches are making a comeback, but other factors, such as automated teller machines and Internet banking, will balance this service out. Output will increase rapidly, productivity almost as quickly. Back-office staff are most likely to be affected adversely by technology, which will continue to result in a streamlining of back-office functions, reducing the need for some tellers. Employment will increase slightly over the period.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
5222, 5223, 525,533	Nondepository credit intermediation and related support activities, funds, trusts, and lessors of nonfinancial intangible assets (except copyrighted works)	Output is consumed by individuals and organizations. A stable long-term growth path wherein interest rates on government bonds tend to their historical average will help sustain demand for loans from these nonbank lenders. Banks are opening their own finance and mortgage banking companies, causing an employment shift to this industry from the banking industry. Productivity gains due to innovations such as credit scoring will dampen employment growth in the loan and credit business. But productivity will increase more slowly than output growth, so employment, which has historically exhibited positive growth, is expected to continue to increase.
523	Securities, commodity contracts, and other financial investments and related activities	Output is consumed by individuals and financial and insurance firms. Rapid output growth is expected as the baby boomers enter their peak savings years and the population, in general, becomes more sophisticated about investing. Productivity will increase, although not as fast as output, as securities and mutual fund markets are automated. Increasing numbers of self-directed pension plans will continue to drive demand in this industry and will increase the demand for investment advisors to help people invest this pool of money, so employment will grow. In an effort to curb costs and to be more competitive in the market, most firms will be reluctant to add new employees to their payroll unless those employees are definitely needed.
5241	Insurance carriers	Output is purchased primarily by individuals and a variety of intermediate sectors and will increase as a growing and increasingly affluent population demands more insurance of all kinds, particularly health insurance. Population growth will stimulate demand for insurance products, yet as insurance companies begin to offer more information and services on the Internet, and as workers become more productive due to technological advancements, employment is expected to increase very little. Productivity will increase at a slower rate than output, and employment will increase slightly as a consequence.
5242	Agencies, brokerages, and other insurance related activities	Output is purchased mostly by the insurance carrier industry. Population growth will stimulate demand for insurance products, yet, as more information and services are offered on the Internet, and as workers become more productive due to technological advancements, employment is expected to increase very little. However, the number of agents employed directly by insurance carriers reportedly is declining, and this employment will shift to agencies and brokerages, so agent employment will most likely remain stable. Productivity will grow at a much slower rate than output, causing employment to increase modestly.
531	Real estate	Rising output will be purchased by individuals and businesses as rent, real estate commissions, or fees. The industry is more sensitive to the business cycle than most. New technology and consolidation will increase productivity less than output, resulting in modest employment growth.
5321	Automotive equipment rental and leasing	Output is purchased by individuals and by a variety of industries, including wholesale trade. Output will continue to increase following historical trends, due to firms' preference for leasing and renting motor vehicles. Productivity will grow less than output, and as a result, employment will increase.
5322-3	Consumer goods rental and general rental centers	Output is purchased primarily by individuals. Output growth will result from consumers' preference for leasing personal and household-type goods, because leasing and renting require smaller capital outlays than does purchasing. Productivity will increase at a slower rate than output, causing employment to rise.
5324	Commercial and industrial machinery and equipment rental and leasing	Services are purchased primarily by individuals, wholesale and retail trade, and construction. The industry is engaged chiefly in renting or leasing commercial and industrial-type machinery and equipment. Output will continue to increase, while productivity declines slightly, causing employment to rise.
5411	Legal services	Output is purchased by individuals and by a wide variety of industries, including insurance and wholesale and retail trade. Output should grow as new legal issues emerge with the increasing use of the Internet in business transactions. Output growth will be stimulated by increased litigation due to a rise in the amount and complexity of business activities. Productivity will decrease, and employment will increase more rapidly than output as a result.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
5412	Accounting, tax preparation, bookkeeping, and payroll services	Output is consumed primarily by individuals and as an intermediate input by a wide variety of industries and will continue to increase as firms contain expenses by outsourcing or using consultants. Productivity will be flat or actually will decrease, resulting in employment growth. Employment will not grow as fast as in the past, because of outsourcing abroad and because accounting firms will be prevented from performing all but audit-related work for clients.
5413	Architectural, engineering, and related services	Most output is purchased by individuals and by the construction and engineering industries. Output will increase as firms contract out for engineering and architectural services; the rate of increase, however, will be slower than otherwise, due to strong competition from imported services from India, Russia, and other countries. Productivity will increase at a rate only slightly slower than output, so employment will continue to grow, but also at a slow rate.
5414	Specialized design services	Output is purchased by individuals and most industries and will continue to increase. Productivity is expected to increase because graphic designers, the largest component, are heavy users and early adopters of new information technologies. Productivity growth will not keep pace with output growth, however, resulting in rising employment.
5415	Computer systems design and related services	Output is purchased by government, as personal investment by individuals, and as intermediate purchases by finance. This industry includes computer software development; networking and data communications; Internet and online services; data processing, maintenance, and repair; and other specialized consulting. Output will increase rapidly as businesses contract out computer-related functions to establishments in the industry. The category of computer networking and data communications has become one of the fastest-growing and technologically dynamic segments. Factors increasing demand for networks and network products and services include the Internet, the expansion of intranets and extranets, the need for remote access to computers, an increase in the number of PCs connected to LANs, and the growing importance of security. Productivity should continue to increase at a rate about half as fast as output growth, as computer networks, systems, and programs become more advanced. Employment will increase significantly over the projection period as a result. While there should continue to be growth in this industry, it will be tempered by a shift toward outsourcing information technology service jobs overseas.
5416	Management, scientific, and technical consulting services	Output is consumed primarily as an intermediate input by a wide variety of industries and will continue to increase as firms contain expenses by outsourcing or using consultants. Due to continued economic development and growing business complexity, businesses will continue to need advice on planning and logistics, the implementation of new technologies, and compliance with government tax, environmental, and employee benefits and workplace safety laws and regulations. Productivity will decline, assuring continued strong employment growth.
5417, 5419	Scientific research and development and other professional, scientific, and technical services	Output is consumed primarily by individuals. Growth in research-and-development expenditures for services such as scientific research, marketing research, and public-opinion polling will stimulate demand for output. Productivity will increase at a slower rate than output, so employment will continue to grow.
5418	Advertising and related services	Output is purchased by many industries, the largest being retail trade. Strong output growth is expected due to new opportunities created by the Internet and international markets and as functions within firms are specialized further. In the wake of corporate scandals, more emphasis will be placed on improving the image of the client and building public confidence. Growth will continue to be led by technology-oriented jobs, including programmers, graphic designers, and media managers. Productivity will grow fast, but at a slower rate than output, resulting in modest employment growth. Employment growth will be dampened by the increased use of more efficient nonprint media advertising, including the Internet and radio, which could result in some workers losing their jobs. Layoffs are common in advertising and public-relations service firms when accounts are lost, major clients cut budgets, or agencies merge.
55	Management of companies and enterprises	Output is consumed by individuals and firms. Output will grow at a rate faster than productivity, resulting in an increase in employment.
5611-2	Office administrative and facilities support services	Output is purchased by individuals, by government, and as an intermediate input by a variety of industries and will increase as this industry benefits from outsourcing. Productivity will rise at a slower rate than output, resulting in faster-than-average employment growth.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
5613	Employment services	Many intermediate industries purchase personnel services. Rapid growth in output will be encouraged by expansion of the industry to include many professional occupations, such as accountants, lawyers, managers, and engineers. In addition, firms will increasingly use personnel supply services to reduce costs, improve flexibility, and screen candidates for permanent positions. Productivity will rise more slowly than output, resulting in strong employment growth.
5614, 5616, 5619	Business support and investigation and security services and support services, n.e.c.	Many intermediate industries purchase miscellaneous business services. Output will continue to increase, driven by demand for security services and other business services. Productivity will increase at a slower rate than output, resulting in employment growth.
5615	Travel arrangement and reservation services	Most output is purchased by individuals, although intermediate output is purchased by many industries. Output is expected to increase, reflecting increasing business and leisure travel. However, productivity will rise more rapidly than output, due to the increased use of technology, especially the Internet. Employment will decrease as a result.
5617	Services to buildings and dwellings	Output is purchased by individuals and by many industries, including real estate, trade, educational services, and hotels. Output will continue to grow because of rising demand from increasing numbers of consumers. Productivity will continue to increase, but at a much slower rate than output, resulting in employment growth.
562	Waste management and remediation services	Output will grow as fast as GDP. Employment will grow slightly more slowly than output, due to a slight increase in productivity in this labor-intensive industry.
61	Educational services, private	Output is consumed mostly by individuals, with some government use and exports in the form of foreign students. Output will continue to increase in response to demand for education and training by individuals of all ages. Productivity will continue to decrease, employment to increase.
6211-3	Offices of health practitioners	Output is consumed by individuals and will increase, driven by a growing and aging population that will continue to demand a high level of quality healthcare services. Productivity will rise only slightly and at a much slower rate than output. As a result, employment will exhibit strong growth.
6214-6, 6219	Ambulatory health care services, except offices of health practitioners	Most output is consumed by individuals. This industry includes many fast-growing sectors, such as home healthcare, outpatient care centers, and medical and diagnostic laboratories. Fast growth of output will result. Productivity will increase at a much slower rate than output, resulting in strong growth for employment.
622	Hospitals, private	Output is consumed by individuals and will increase, driven by a growing and aging population. Productivity will increase at a slower rate than output, and employment growth will result. Employment growth in hospitals will be constrained somewhat by an increase in ambulatory or same-day surgery, advances in treatment, and a continued emphasis on controlling costs by diverting some care to more cost-effective outpatient and ambulatory care settings.
6231-2	Nursing care and residential mental health facilities	Output is consumed by individuals. Output will increase, driven by an aging population and increasing demand for nursing and mental health care. Declining productivity will result in rising employment, but growth will be limited by the relatively high costs of facility-based care and by consumer preference for care provided in alternative settings, such as in homes or other community-based residential care facilities.
6233, 6239	Community care facilities for the elderly and residential care facilities, n.e.c.	Most output is consumed by individuals. Output will increase due to rising demand for services from a growing elderly population with a desire to maintain independent lifestyles. Productivity will decline and employment will increase rapidly as a result.
6241-3	Individual, family, community, and vocational rehabilitation services	Output is consumed by individuals. Output growth will be due mostly to the expansion of services for the elderly and the aging baby-boom generation. Similarly, services for the mentally ill, the physically disabled, and families in crisis will be expanded. Increasing emphasis on providing home care services rather than more costly nursing home or hospital care, and on earlier and better integration of the physically disabled and mentally ill into society, also will contribute to growth, as will increased demand for drug and alcohol abuse prevention programs. Productivity will remain essentially flat, resulting in strong employment growth, especially in private social service agencies, as State and local governments contract out their social services in an effort to cut costs. Employment growth will depend, in large part, on the amount of funding made available by government and private organizations.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
6244	Child day care services	Output is consumed entirely by individuals. Continued rapid output growth will result from growth in both the number of children under 5 years old and the labor force participation rate of women of childbearing age. Growth in the number of employer-operated centers and government increases in funding and promotion also will stimulate demand. Productivity will increase, but at a much slower rate than output, resulting in strong employment growth.
7111, 7113-5	Performing arts companies, promoters, agents, managers and independent artists	Output is purchased by individuals, by food services and drinking places, and as input to many industries. Output is increasing due to demand from a growing population with more leisure time. Productivity will increase at a slower pace than output growth, resulting in employment growth.
7112	Spectator sports	Output is consumed by individuals and by radio and television broadcasting. Output will grow as a larger population with more leisure time becomes increasingly interested in sports. Productivity will decline slightly, resulting in employment growing even faster than output.
712	Museums, historical sites, and similar institutions	Most output is consumed by individuals and will continue to grow as public interest in science, art, and history increases due to growth in both leisure time and disposable income. Productivity will rise, but at a much slower rate than output, resulting in increased employment.
713	Amusement, gambling, and recreation industries	Output is purchased by individuals and will continue to grow due to increasing disposable income, leisure time, and awareness of the health benefits of physical fitness. Productivity will increase, but at a slower rate than output, causing employment to increase as a result.
7211	Traveler accommodation	Output is purchased by individuals and businesses. Output will increase due to demand for short-term lodging. Productivity will increase at a slower rate than output, resulting in average employment growth.
7212-3	RV parks, recreational camps, and rooming and boarding houses	Output is consumed by individuals. Output will continue to increase due to demand for recreational parks, campgrounds, and vacation camps, reflecting increased amounts of leisure time and disposable income. Productivity will grow, but at a much slower rate than output, causing employment to rise.
722	Food services and drinking places	Output is consumed primarily by individuals. Output will increase due to demographic factors such as increases in population, growth of personal income, increased leisure time, and a rise in the number of dual-income families. Productivity will increase as the shift from more formal to more casual dining and from independent to chain establishments promotes centralized operations and a greater use of automated equipment. Still, productivity will rise at a slower rate than output. As a result, employment will increase.
8111	Automobile repair and maintenance	Output is consumed primarily by individuals and will increase as the growing population of increasingly affluent individuals demands services such as carwashes and quick oil changes. Output growth will be constrained because newer cars have become more reliable over time and need less servicing and repair. Productivity will increase, but at a slower rate than output, and employment will grow as a result.
8112	Electronic and precision equipment repair and maintenance	Output is purchased by individuals and government, with intermediate consumption scattered among most industries. Output will increase slightly, but growth will be constrained as mass-produced electrical equipment becomes cheaper to replace than repair. Productivity will increase more than output, and employment will decline as a result.
8113	Commercial and industrial equipment (except automotive and electronic) repair and maintenance	Output is consumed mostly by intermediate consumption scattered among most industries. Output will increase faster than productivity, causing employment to rise.
8114	Personal and household goods repair and maintenance	Output is consumed mostly by intermediate consumption scattered among many industries. Output will increase slightly, constrained by more disposable consumer goods that are cheaper to replace than repair. Productivity will increase at a pace almost equaling output growth, resulting in limited employment growth.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
8121	Personal care services	Output is consumed by individuals. Output will continue to grow as demand for personal care services is driven by a growing population, rising incomes, and increased demand for improved personal care or grooming. Productivity will increase, but at a slower rate than output, resulting in employment growth.
8122	Death care services	Output is purchased mostly by individuals. Output should continue to rise as the population and the number of deaths increase. Productivity will increase in areas such as embalming, but at a slower rate than output, so employment will increase.
8123	Drycleaning and laundry services	Output is used mainly by individuals, but also is contracted for by a number of industries, such as food services and drinking places. Output will increase, driven by a growing, increasingly affluent population. Fewer stores will be family owned and operated than in the past. The use of central drycleaning facilities that process work for multiple stores will result in rising productivity, although output will grow even faster. Total employment will increase slightly due to an increase in wage and salary workers, but the number of self-employed and unpaid family workers will decline.
8129	Other personal services	Output is purchased mainly by individuals and will increase due to sustained demand for individual services such as the use of parking lots and garages. Productivity will increase at a slower rate than output, resulting in continued employment growth.
8131-3	Religious, grantmaking and giving services, and social advocacy organizations	Output is consumed mostly by individuals. Output will increase due to growing demand from an increasingly affluent population involved in advocacy groups for such causes as religion, human rights, and conservation. Productivity will increase, but at a slower pace than output growth, so employment will rise.
8134, 8139	Civic, social, business, and similar organizations	Output is consumed mostly by individuals. Output will increase slightly faster than the population, due to rising demand for the services of civic, social, business, and similar organizations. Productivity will decline, leading to employment growth.
814	Private households	Output is purchased by individuals and will increase because of demand for inside workers. Government regulation of the workplace makes the use of private household workers expensive relative to the use of specialized firms, constraining industry growth. Productivity will increase, and employment will decline as a result.
...	Federal electric utilities	Output will increase, but at a rate slower than productivity. Employment will decline as a result.
...	Federal Government enterprises, n.e.c.	Output will increase in response to demand for federally delivered services. Productivity will increase at a much faster rate than output, and as a result, employment will decrease significantly.
...	Federal general government	Output will increase slightly as the Federal Government continues to take responsibility for pressing issues such as public safety and security. Growth will be constrained by budgetary concerns, the growing use of private contractors, and the transfer of some functions to State and local governments. Productivity will remain unchanged, and employment will increase slightly as a result.
...	Local government passenger transit	Output will increase as more people use public transportation. The demand for mass-transit programs and initiatives will shape the industry. Productivity will decline, and employment will increase as a result.
...	State and local electric utilities	Output will increase in response to industry deregulation on the national level, which will spur State and local participation in some areas of the country. Productivity will increase at a slower rate than output, and employment will increase as a result.
...	State and local government enterprises	Output will increase in response to demand from consumers for such services as State liquor stores. Productivity will increase almost as fast as output, and employment will rise only slightly as a result.
...	State and local government hospitals	Output will increase as public hospitals provide safety-net services to trauma victims, the poor, and the uninsured. Productivity will increase at a slightly slower pace than output, resulting in minimal employment growth.

**Table IV-2. Factors affecting industry output and employment, 2002-12—Continued**

<i>NAICS code</i>	<i>Industry title</i>	<i>Factors affecting output and employment</i>
...	State and local government education	Output, which is measured as the compensation of government employees, will increase in response to demand for education and training by individuals of all ages. There will be no change in productivity, so employment will increase slightly faster than output.
...	State and local general government, n.e.c.	Output, which is measured as the compensation of government employees, will increase. Productivity will decrease slightly, so employment will rise at a slightly faster rate than output.