

Evaluating the 1996–2006 employment projections

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ABSTRACT

On the whole, the BLS 1996–2006 employment projections outperformed alternative naïve models, but not projecting the housing bubble or the rise in oil prices did cause some inaccuracies in the projections.

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EXCERPT

Every 2 years the Bureau of Labor Statistics (BLS, the Bureau) publishes long-term economic projections. In 1997, BLS published the 1996–2006 projections.¹ These projections are used by policymakers, economists, and even students making career decisions, and are one of the most popular products on the BLS Web site. With such a popular product, it is important to ask the question, How accurate are these projections?

BLS has published numerous articles evaluating its earlier projections.² Most past articles focused on a specific part of the projections: the labor force, industry employment, or occupational employment. In 2005, two researchers from outside the Bureau (on a contract with BLS), H.O. Stekler and Rupin Thomas, wrote an article evaluating the accuracy of the Bureau's 1988–2000 projections and suggested metrics and methods, including naïve models, for evaluating future projections.³ Subsequently, BLS decided to revamp how it evaluates its own projections and convened a team that used Stekler and Thomas's ideas as a starting point when it developed recommendations for future projection evaluations. Following the team's recommendations, this article evaluates all four parts of the projections in a holistic manner and attempts to show how problems in earlier parts of the projections process affected the later parts.

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Footnotes

[1](#) *Monthly Labor Review*, November 1997, pp. 3–83.

[2](#) For a complete list of the Bureau's evaluations of its projections, see www.bls.gov/emp/ep_pub_projections_eval.htm (visited Sept. 1, 2010).

[3](#) See H.O. Stekler and Rupin Thomas, "Evaluating BLS labor force, employment, and occupation projections for 2000," *Monthly Labor Review*, July 2005, pp. 46–56, on the Internet at www.bls.gov/opub/mlr/2005/07/art5full.pdf (visited Sept. 1, 2010).

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