

The Chart Page

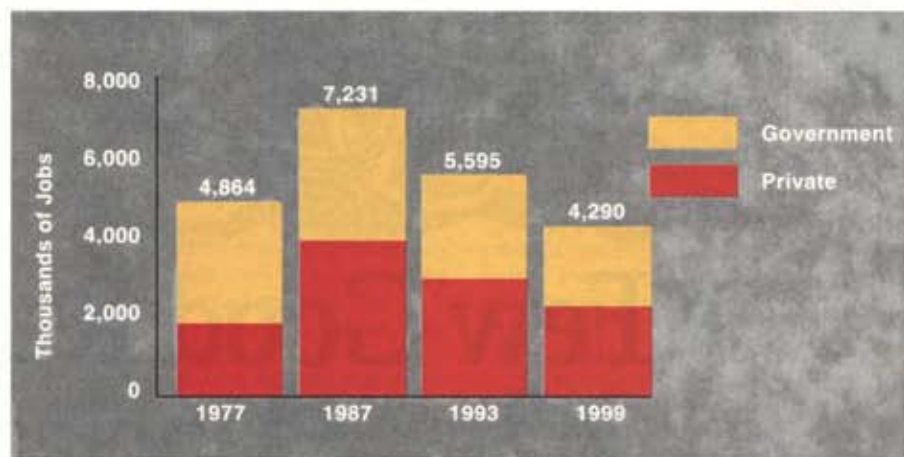
By Tamar A. Mehuron, Associate Editor

Defense Jobs in a Free-Fall

From 1977 through 1987, concerns about US military strength sparked and then sustained major increases in defense spending, which by 1987 accounted for 6.4 percent of the nation's Gross Domestic Product (GDP). Defense-related employment rose during that decade and by 1987 accounted for 7.2 million jobs, or 6.2 percent of total US employment.

The federal deficit and the end of the Cold War caused a steep drop in defense spending and employment. Between 1987 and 1993, the level of DoD spending fell by \$48.4 billion, dropping from 6.4 percent to 4.7 percent of GDP. Defense employment dropped by 1.6 million. About forty percent of these lost jobs, or 631,000, were in government—either among civilian Pentagon workers or in the uniformed armed services. The remaining losses were in the private sector.

The Labor Department predicts that by 1999, defense-related employment will fall to 4.3 million jobs, approximately 574,000 fewer than a 1977 low of 4,864,000 (Figure 1). Figure 2 shows the trend of employment by sector and industry.



Employment by Sector and Industry
(in thousands)

	1977	1987	1993	1999
Total defense-related	4,863.7	7,231.4	5,595.3	4,289.8
Agriculture, mining, and construction	147.3	243.9	176.5	136.0
Manufacturing	1,088.0	1,857.4	1,206.5	899.0
Aircraft	123.9	192.5	111.9	78.6
Ship-building and repair	82.9	101.7	82.3	55.3
Guided missiles and space vehicles	44.2	116.6	76.3	53.7
Aircraft and missile parts	34.7	98.2	82.4	64.4
Aircraft and missile engines	64.4	108.7	64.6	47.5
Search and navigation equipment	71.0	119.2	59.1	43.3
Communications equipment	37.8	67.3	42.2	31.1
Miscellaneous electronic components	38.7	83.2	47.8	36.8
Ammunition and ordnance	18.6	37.8	27.0	18.2
Transportation, Communications, Public Utilities	159.8	273.4	200.9	156.5
Trucking and warehousing	65.3	112.0	82.0	64.4
Other Service-Producing	424.0	1,504.6	1,306.7	1,046.7
Wholesale trade	115.2	223.2	162.7	124.1
Personnel supply services	9.3	157.6	163.2	129.0
Services to buildings	21.4	92.4	89.7	63.7
Eating and drinking establishments	47.4	124.7	88.0	63.6
Retail trade	41.3	148.9	124.2	107.7
Research and testing services	0.0	159.5	155.3	139.3
Management and public relations	0.0	78.3	83.6	69.3
Hotels and other lodging places	42.4	71.2	59.1	45.0
Accounting and auditing services	13.8	42.7	37.7	29.2
Government	3,044.6	3,352.1	2,704.7	2,051.6
Uniformed armed forces	2,074.0	2,243.0	1,776.0	1,338.0
Civilian defense	938.0	1,049.0	885.0	679.0
Civilian nondefense	20.1	38.5	27.2	21.2
State and local	12.5	21.6	16.5	13.4

Source: US Department of Labor, Bureau of Labor Statistics, "Issues in Labor Statistics," May 1995.