

US goes back to school

By Lesley Parker, October 1, 2011



Sectors set to soar in the US

- * Home health care
- * Technical and trade schools
- * Data processing, hosting and related services
- * Pharmaceutical and medicine manufacturing
- * Drinking venues (alcoholic beverages)

US industries in decline

- * Non-residential building construction
- * Newspaper, periodical, book and directory publishing
- * Other amusement and recreation industries
- * Dry cleaning and laundry services
- * Printing and related support activities

SOURCE: SAGEWORKS

Difficulties in the US economy are determining not just which industries are likely to struggle there in the next few years, but also, in some ways, which ones may thrive.

When In The Black asked US researcher Sageworks for its views on which industries would do best in the next five years and which might fall behind, a couple of results stood out.

Alongside the usual suspects, technical and trade schools came in at No 2 in the list of industries most likely to perform well. Sageworks spokeswoman Sara Baker says that in the US, this type of tertiary education experienced striking 17 percent growth in the past year and is expected to continue to grow.

“Given the current unemployment slump, more people are returning to education to improve their professional skills with an additional, or more specialized, degree,” Baker says. “That means that there’s also an increasing need for technical and trade professors.”

Perhaps counter-intuitively, because consumer spending is discretionary in this sector, drinking places also make it into Sageworks’ list of leaders. “Alcohol is recession-proof,” Baker says. “Through the recession there was not a significant decline in the alcoholic beverage industry.”

Otherwise the trends will be familiar to Australians. The retiring baby boomers are also having an impact in the US, making home healthcare services Sageworks’ top pick for growth industry over the next five years. Pharmaceutical and medicine manufacturing comes in at No 4.

Baker says nearly 76 million Americans who were born between 1946 and 1964 start retiring this year, generating a need for more healthcare professionals across the board. This group of people heading into retirement makes up about 25 percent of the US population, she says.

Data processing, hosting and related services make up the rest of the top five in the US, in line with the continuous growth of the technology industry across the globe.

On the down side, non-residential building construction is suffering in the US, Sageworks says, and the sector will achieve only minimal growth in coming years. And it's no secret print media is going downhill, Baker says, along with printing and related support activities.

Also in Sageworks' bottom five are other amusement and recreation industries (which include golf course, marinas, fitness centres and bowling alleys) along with dry cleaning and laundry services.

“[These are] other luxuries that perhaps people are not going to be able to afford,” Baker says.

For the full story featuring Sageworks' private industry data, please visit [INTHEBLACK - US goes back to school](#).