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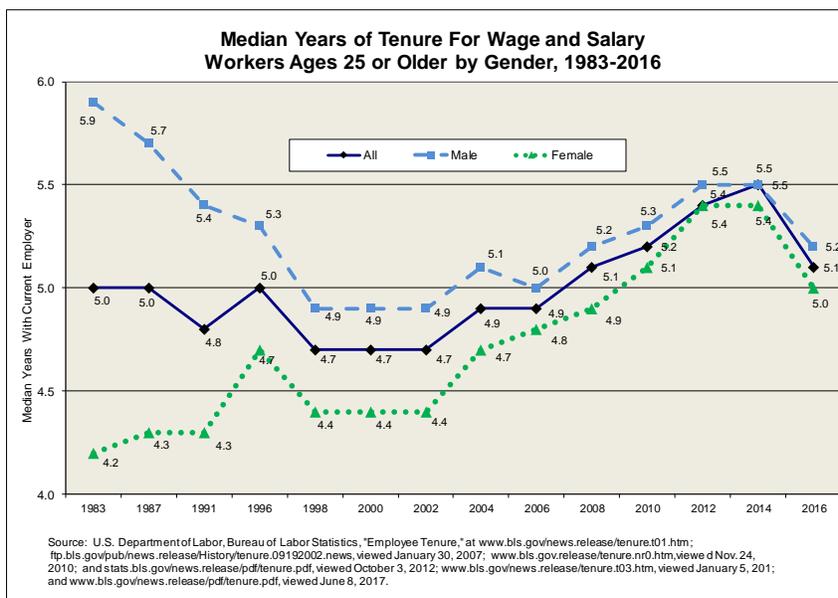
New Research from EBRI:

U.S. Job Tenure Ticks Down to 5.1 Years

WASHINGTON—The typical American worker stayed at their job just over five years last year, down slightly from the record high since 1983 set in 2014, according to new research by the nonpartisan Employee Benefit Research Institute (EBRI).

Specifically, EBRI found that the median tenure (mid-point, half above and half below) for all wage and salary workers ages 25 or older with their current employers was 5.1 years in 2016, compared with the high since 1983 of 5.5 years in 2014 and the low of 4.7 years in 1998-2002.

This appears to be a result of the continued decline in the unemployment rate through 2016 that has coincided with an increase in the percentage of workers with shorter tenures. While workers who have been at their jobs 10 or more years seem to be staying in them, more workers have been starting to work or have changed jobs, particularly those who previously had 5-9 years of tenure, driving up this percentage of workers with the shortest tenure levels.



The EBRI report notes that historical job tenure data demonstrates that so-called “career jobs”—where a person stays with one employer their entire working career—has always been rare. The American workforce has always been mobile.

“The data on employee tenure—the amount of time an individual has been with his or her current employer—show that career jobs never actually existed for most workers and continue not to exist for most workers,” said Craig Copeland,

senior research associate at EBRI and author of the report. “The idea that current American workers change jobs more frequently and have less employment security than past generations is not borne out by the numbers.”

Among the other findings of the study:

- The median tenure of public-sector workers has been significantly longer than the median tenure of private-sector workers from 1983 to 2016. The public sector median tenure has ranged from two-thirds longer to just over two times longer. In 2016, the median tenure for public-sector workers was 8.5 years compared to 4.1 years for private-sector workers.
- The distribution of tenure had been moving to longer tenures from 1983-2012, when 52.7 percent of wage and salary workers ages 20 or older had been with their current employers for 5 or more years. In the most recent years, shorter tenures have increased where in 2016 50.6 percent of these workers have tenure less than five years.
- These tenure results indicate that, historically, most workers have changed jobs during their working careers, and all evidence suggests that they will continue to do so in the future. This persistence of job changing over working careers has several important implications—potentially reduced or no defined benefit plan payments due to vesting schedules, lump sum distributions that can occur at job change, and public policy issues both through lower retirement incomes of the elderly population because of benefits lost at job change and the experience of the public-sector labor force, which has workers with higher levels of longer tenure who are likely to be retiring soon.
- From 2014 to 2016, the median tenure decreased for private-sector workers and the share of workers with shorter tenure levels increased, suggesting that both new workers have been added to the private sector labor force and workers already there have changed jobs, potentially to better jobs, as the economy has improved.
- The median tenure for male wage and salary workers ages 25 or older was 5.2 years in 2016 (down from 5.5 years in 2014), compared with 4.9 years in 1998-2002 (lowest years) and 5.9 years in 1983 (highest year). By comparison, the median tenure for female wage and salary workers ages 25 and older was 5.0 years in 2016, which was down from 5.4 years in 2014 (highest year) but up from 4.2 years in 1983 (lowest year).

The EBRI study examines employee-tenure data of American workers. It uses U.S. Census Bureau data from the Current Population Survey (CPS), including the most recent January CPS data, to examine the tenure with current employers of wage and salary workers from 1983–2016.

The full report is published in the Sept. 20 *EBRI Notes*, “Employee Tenure Trends, 1983-2016,” available online at www.ebri.org

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to www.ebri.org

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