

## Trends in Public-Sector Employee Tenure

*By Craig Copeland, Ph.D., Employee Benefit Research Institute, on behalf of the Public Retirement Research Lab*

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### S U M M A R Y

Employee tenure — the amount of time an individual has been in his or her current job — varies significantly between workers in the private and public sectors. The public sector consists of workers at different levels of government, in which tenure varies. This study identifies the differences in tenure trends among public-sector workers (federal, state, and local) while comparing them with those of private-sector workers. Data from the U.S. Census Bureau's Current Population Survey (CPS) are the basis of the tenure trend comparisons of the different classes of workers who make up all of the wage and salary workers in the American work force.

In prior research, the Employee Benefit Research Institute (EBRI) has shown that data on employee tenure contradicted the belief that individuals in past generations held only one job for their entire career (career jobs) and instead revealed that career jobs never actually existed for most workers and still do not today. However, workers in the public sector do have longer tenures, on average, than those in the private sector.

This study, conducted on behalf of the Public Retirement Research Lab (PRRL), builds on that research by more closely examining tenure of public-sector workers.

Here are the key findings:

- Federal government workers had the longest median tenures, while state and local workers had median tenures that were just below those of federal government workers and nearly equal to each other. In 2018, the median tenure for state government workers was below that of local government workers — 7.0 vs. 6.0 years.
- Federal workers' median tenure had a significant decline from 2000–2018, while all of the other workers had similar levels of median tenure during that period.
- The median tenure of workers increased with their age through 50–59 for state and local government workers. Above these ages in most years, median tenure was shorter for workers ages 60 or older.
- The percentage of local government workers with 10 or more years of tenure experienced an uptick from 2000–2016 before falling back to its 2000 level in 2018, while the percentage of state workers with this tenure declined before returning to its 2000 level in 2018.
- The percentage of workers in each class with 25 or more years of tenure was essentially flat from 2000–2018, with private-sector workers having the lowest percentage and federal workers having the highest.
- Workers from the Northeast tended to have the longest tenures across each class of worker, while workers from the West tended to have shorter tenures than those in the other regions, except for local workers, whose tenures were just below those of workers from the Northeast.

- The tenure distribution of federal workers clearly moved to shorter tenures from 2000–2018. In 2000, 59.3 percent of federal workers had 10 or more years of tenure. By 2018, 45.8 percent had this level of tenure. The other three worker classes did not have such a large shift in the tenure distribution from 2000–2018. However, there was a small shift away from shorter tenures in each of the remaining worker classes.
- All classes of public-sector workers had longer tenures, on average, than those of private-sector workers. Consequently, retirement programs in the private sector are not likely models for the public sector given these tenure differences and the strong prevalence of defined benefit (DB) plans. Defined contribution (DC) plans in the public sector could have different appropriate asset allocation strategies given the guaranteed income coming from the DB plan, which could mean more investment in riskier assets and lesser need for income-generating assets in the DC plan. In addition, the public-sector workers were less likely to change jobs, which means fewer opportunities for leakage and more continuous participation. However, tenure for some groups of public-sector workers was shortening, so understanding how to incorporate more shorter-tenure workers may involve some tweaking of the retirement programs.
- The most striking result of this study is the age distribution of workers in the public sector, as the share of those in their 40s is sharply declining. This means that the work force will become significantly younger in 5 to 10 years, as the large share of workers ages 50 or older will be retiring while the smaller share now in their 40s starts to move into the 50-or-older age group. With the younger-than-age-50 cohort making up a larger and larger share of the public-sector work force going forward, retirement programs are likely going to need to encompass programs that look at the total finances of the workers, as these can be more important for younger workers. This could include various financial wellbeing programs, such as emergency savings programs, student loan debt programs, and overall budgeting programs. These programs can help establish the overall finances of the younger workers so that they have their finances in order to prepare for retirement instead of struggling to meet current financial obligations.

## Trends in Public-Sector Employee Tenure

### About the PRRL

A new program of the Employee Benefit Research Institute and The National Association of Government Defined Contribution Administrators, the **Public Retirement Research Lab (PRRL)** is dedicated to research aimed at a better understanding of the design and utilization of defined contribution public retirement plans. The PRRL provides unbiased and actionable findings to plan sponsors, providers, policymakers, and others to inform better decision-making surrounding public-sector defined contribution retirement plans.

Craig Copeland is Senior Research Associate at the Employee Benefit Research Institute (EBRI), which cosponsors the Public Retirement Research Lab along with the National Association of Defined Contribution Administrators. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), NAGDCA, or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. PRRL invites comment on this research.

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# Trends in Public-Sector Employee Tenure

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## Introduction

Employee tenure is a critically important topic when it comes to designing retirement programs. In a recently published Employee Benefit Research Institute (EBRI) report,<sup>1</sup> data on employee tenure were shown to contradict the belief that individuals in past generations held only one job for their entire career (career jobs). Instead, it revealed that so-called career jobs never actually existed for most workers and still do not today.

Still, workers in the public sector have significantly longer tenures, on average, than those in the private sector. In this report by the Public Retirement Research Lab (PRRL), the differences in tenure between public-sector worker classes are examined.

The latest data on employee tenure from the January 2018 Supplement to the U.S. Census Bureau's Current Population Survey (CPS) are examined and compared with trends from previous CPS data on employee tenure.<sup>2</sup> Furthermore, public-sector workers are broken out into the level of government in which they are employed — federal, state, or local. By segmenting tenure levels across each level of government, it is possible to show the different challenges various parts of the government face in providing retirement benefits and managing the work force as Baby Boomers retire and Millennials become the largest share of the labor force.

## Definitions

A few key terms to be used in this study are defined below:

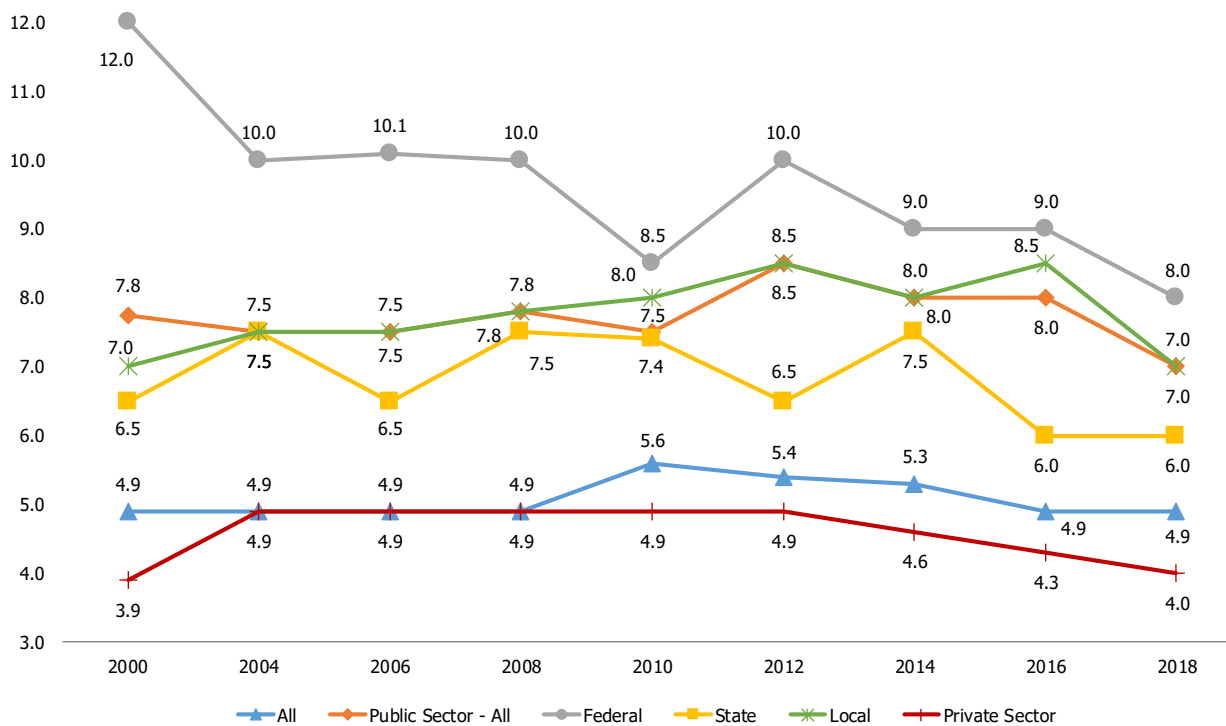
- Tenure — the length of time that workers have been employed at their current job (in years).
- Median tenure — the tenure that represents the middle (half have longer tenures and half have shorter tenures) of all the tenures of the workers in the cohort of interest.
- Class of worker — determined by the type of employers the workers are employed by in their current job. They consist of public-sector workers, who can work for a federal, state, or local government, and private-sector workers, including those employed at for-profit and not-for-profit companies.
- Wage and salary workers — workers who earn their wages through working for someone else or a company, which excludes unincorporated self-employed workers.

## Overall Median Tenure, by Class of Worker

The median tenure for all wage and salary workers ages 20 or older in 2018 was equal to its 2000 level at 4.9 years.<sup>3</sup> Since 2000, the median tenure reached as high as 5.6 years in 2010 but never fell below 4.9 years (Figure 1). The median tenure of public-sector workers was significantly higher than that of private-sector workers in each year, peaking at 7.8 years in 2000 vs. 3.9 years for private-sector workers in that same year. Notably, however, federal workers were the only group with a sizable decline in median tenure from 2000–2018, going from 12.0 to 8.0 years. Nonetheless, that remained considerably higher than the median tenure of private-sector workers, which was 4.0 years in 2018.

State workers had the shortest median tenure among the public-sector workers at 6.0 years in 2018, compared with 7.0 for local workers and 8.0 for federal workers. In contrast to federal workers, the tenure trends for private-sector, state, and local workers were relatively flat. Specifically, private-sector workers' median tenure in 2018 was very close to its 2000 level (4.0 in 2018 vs. 3.9 in 2000), local workers' median tenure was 7.0 years in 2000 and 2018, and state workers' median tenure was slightly lower in 2018 at 6.0 years compared with 6.5 years in 2000.

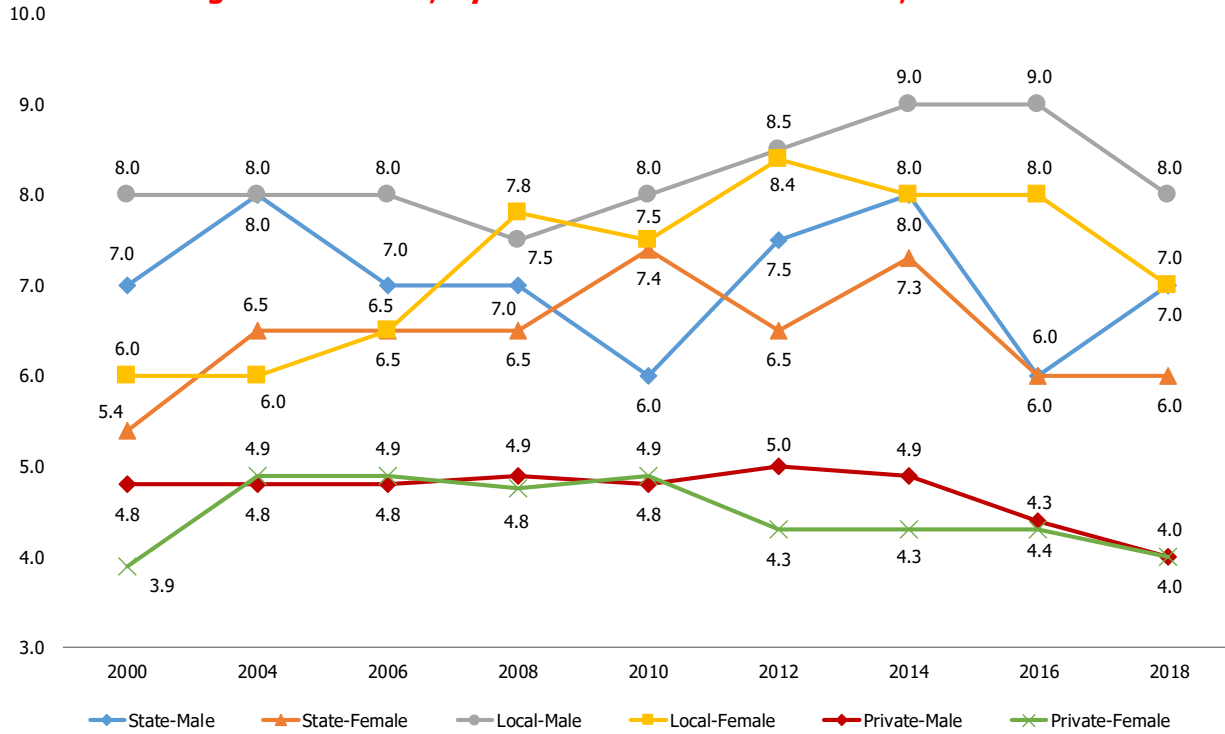
**Figure 1**  
**Median Years of Tenure at Current Job for Wage & Salary Workers**  
**Ages 20 or Older, by Class of Worker, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Gender**—When comparing by the gender of the workers, the median tenures of males have been a year longer than for females for most of the 2000–2018 period for state and local workers (e.g., in 2018 among state workers, 7.0 years for males vs. 6.0 for females) (Figure 2). However, the median tenures of both male and female local workers were longer than those of the same genders of state workers. Private-sector workers had the shortest median tenures with virtually no differences between the genders in this time period. In 2018, the median tenure for both male and female private-sector workers was 4.0 years, compared with 8.0 years for male local workers (the longest) and 6.0 years for female state workers (the shortest).

**Figure 2**  
**Median Years of Tenure at Current Job for Wage & Salary Workers**  
**Ages 20 or Older, by Class of Worker and Gender, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

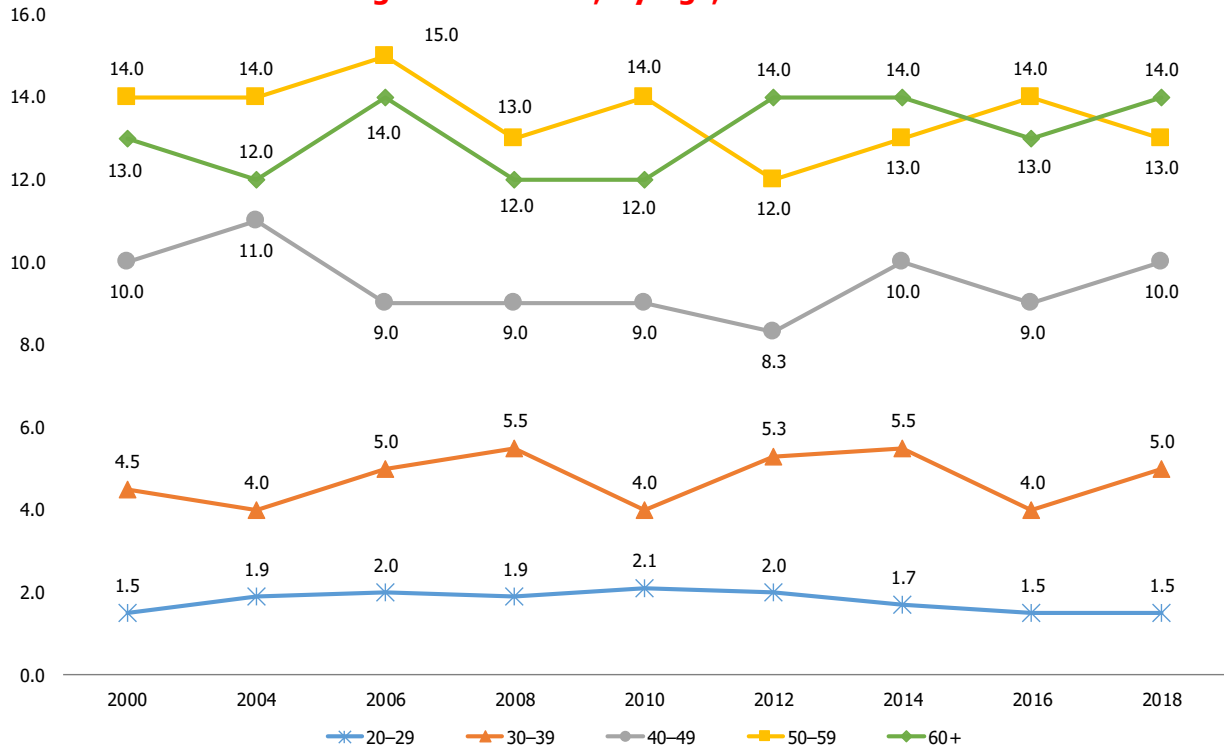
**Age**—The median tenure of workers increased with their age for state and local government workers until ages 50–59. As shown in figures 3 and 4, workers ages 50–59 had longer job tenures during the period examined than workers ages 60 or older. In addition, state and local workers had very similar median tenures in each age group (although local workers in their 20s have slightly longer median tenures). In 2018, both state and local workers ages 60 or older had a median tenure of 14.0 years, up from 12.0 years for local workers and 13.0 years for state workers in 2000. For those in their 50s, the median tenure ranged from 12.0 years to 15.0 years for both state and local workers, with state workers having a median tenure of 13.0 years and local workers having a median tenure of 14.0 years in 2018.

Among state and local workers ages 40–49, the median tenure ranged from 8.0 years to 11.0 years from 2000–2018. By 2018, both types of workers these ages had a median tenure of 10 years. Local workers in their 30s reached a longer tenure in 2012 than state workers ever reached from 2000–2018, but both worker types had a median tenure of 5.0 years in 2018. Local workers in their 20s had median tenures consistently just above those of the state workers by approximately one-half of a year. In 2018, local workers’ median tenure was 1.9 years compared with 1.5 years for state workers.

In the private sector, workers’ median tenure also increased with their ages. But unlike public-sector workers, the highest median tenure was not for those ages 50–59. The median tenures for each age group were equal to or very close to their 2000 levels in 2018, ranging from 1.6 years for those in their 20s to 10.0 years for those ages 60 or older (Figure 5). State and local workers had longer median tenures than private-sector workers in each age group except for ages 20–29. Among young workers, median tenure was lower for state workers (ages 20–29) than for private-sector workers of the same ages (1.5 years and 1.6 years, respectively, in 2018).

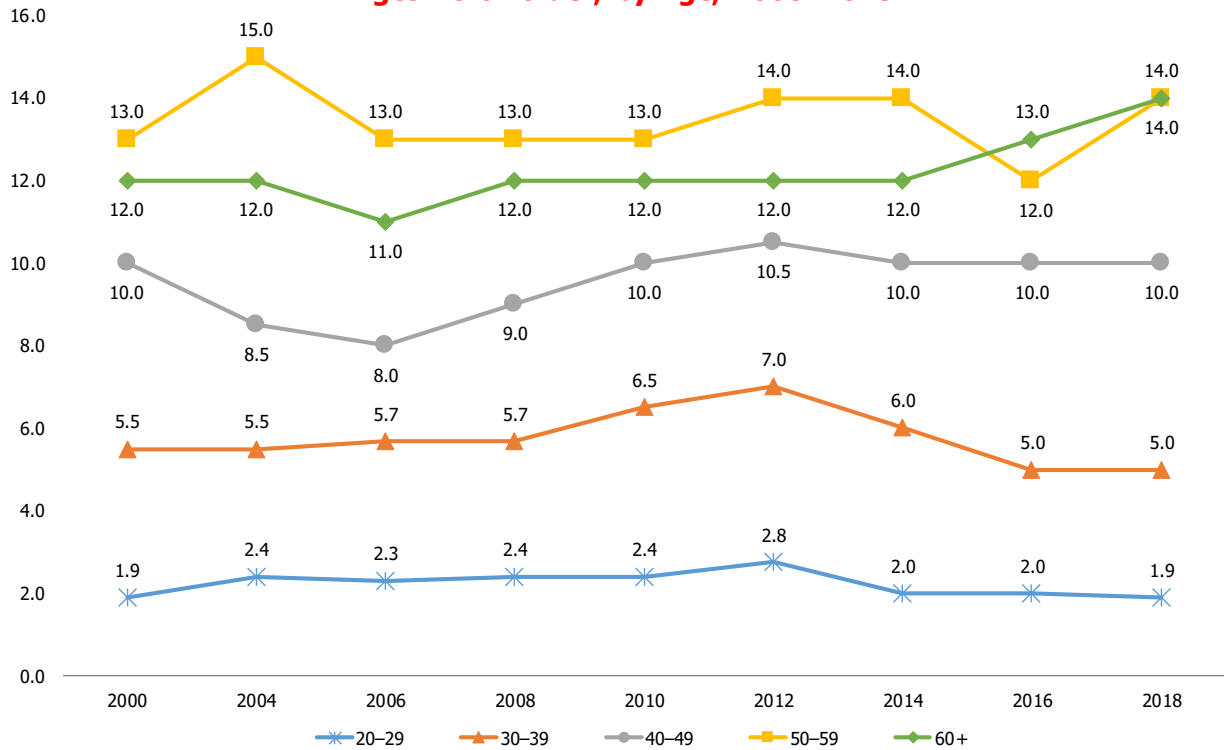


**Figure 3**  
**Median Years of Tenure at Current Job for State Wage & Salary Workers**  
**Ages 20 or Older, by Age, 2000–2018**



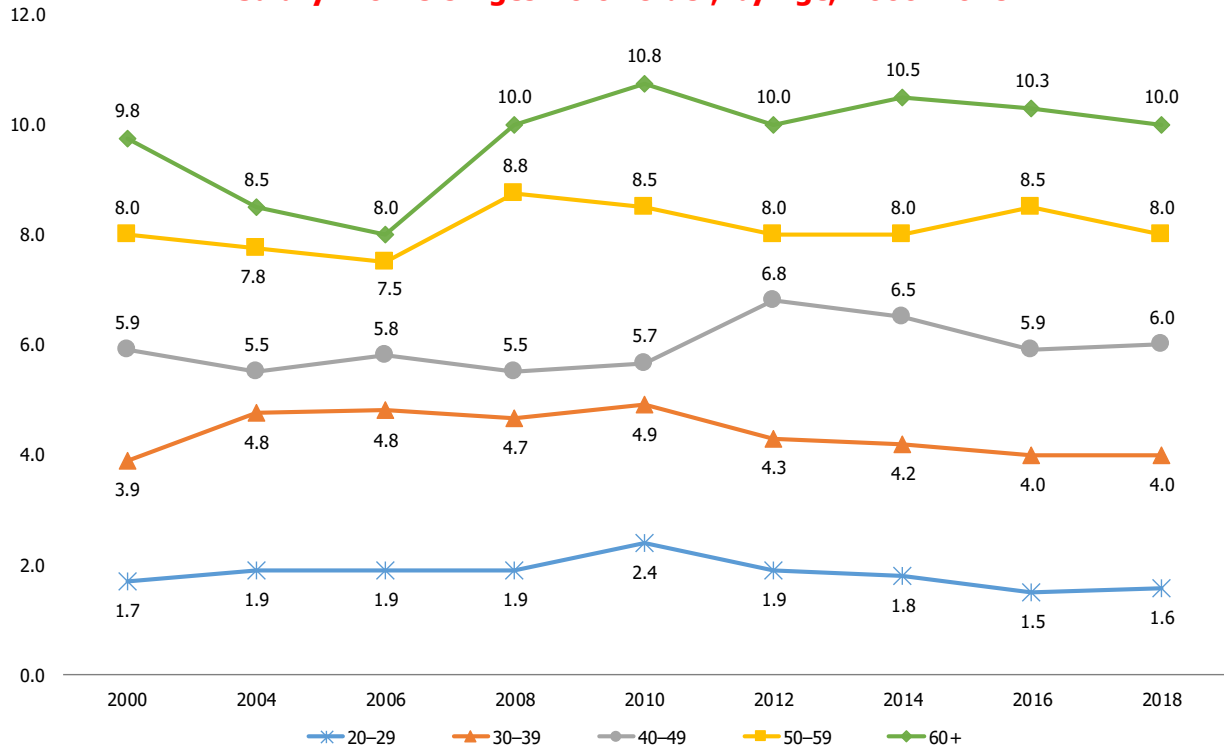
Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Figure 4**  
**Median Years of Tenure at Current Job for Local Wage & Salary Workers**  
**Ages 20 or Older, by Age, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Figure 5**  
**Median Years of Tenure at Current Job for Private-Sector Wage & Salary Workers Ages 20 or Older, by Age, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

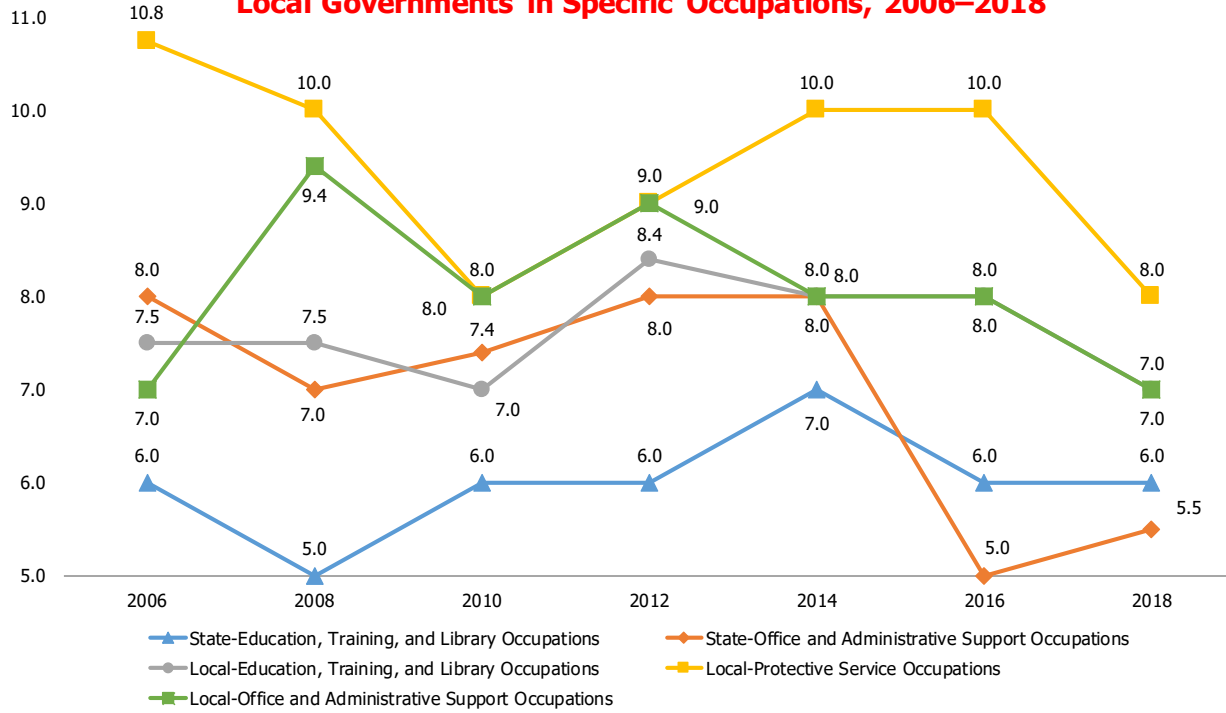
## Specific Occupations, State and Local Workers

Only a limited number of occupations had sufficient sample sizes across the years to show a trend in the median tenure of workers. These include education, training, and library (state and local); office and administrative support (state and local); and protective service (local) occupations. Median tenure for local protective service workers tended to be highest in the period but declined from 10 years in 2016 to 8 years in 2018 (Figure 6). However, a similar decline occurred in 2010 before tenure again rebounded. Consequently, another year of data is necessary to determine if this is a trend or if it will rebound again like it did in 2012 and 2014. In contrast, state education, training, and library workers trended toward their lowest in 2018, where state office and administrative support workers had a shorter tenure level than all other workers.

## Geographic Region

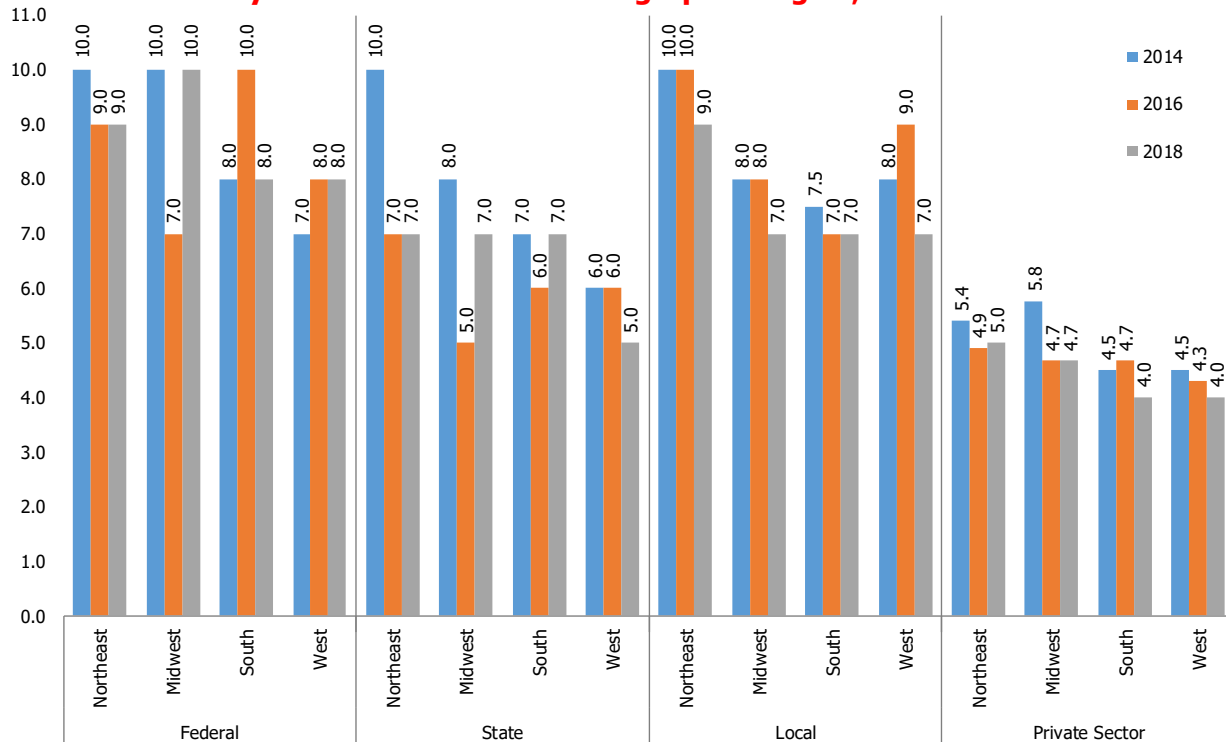
A much shorter trend is available for geographic regions (2014–2018), but some revealing observations can be seen with only this short time frame. Workers from the Northeast tended to have the longest tenures across each class of worker (Figure 7). In contrast, workers from the West tended to have shorter tenures than those in the other regions. The exception is local workers from the West, whose tenure was only lower than that of local workers from the Northeast. Federal and local workers had the longest tenures across each region, while private-sector workers generally had the shortest tenures across each region. For example, in the Northeast in 2018, public-sector workers had median tenures ranging from 7.0 years to 9.0 years compared with 5.0 years for private-sector workers. Similar disparities persisted across all of the regions.

**Figure 6**  
**Median Years of Tenure at Current Job for Wage & Salary Workers Ages 20 or Older Working for State or Local Governments in Specific Occupations, 2006–2018**



Source: EBRI estimates from the January 2006–2018 Current Population Surveys.

**Figure 7**  
**Median Years of Tenure at Current Job for Wage & Salary Workers Ages 20 or Older, by Class of Worker and Geographic Region, 2014–2018**



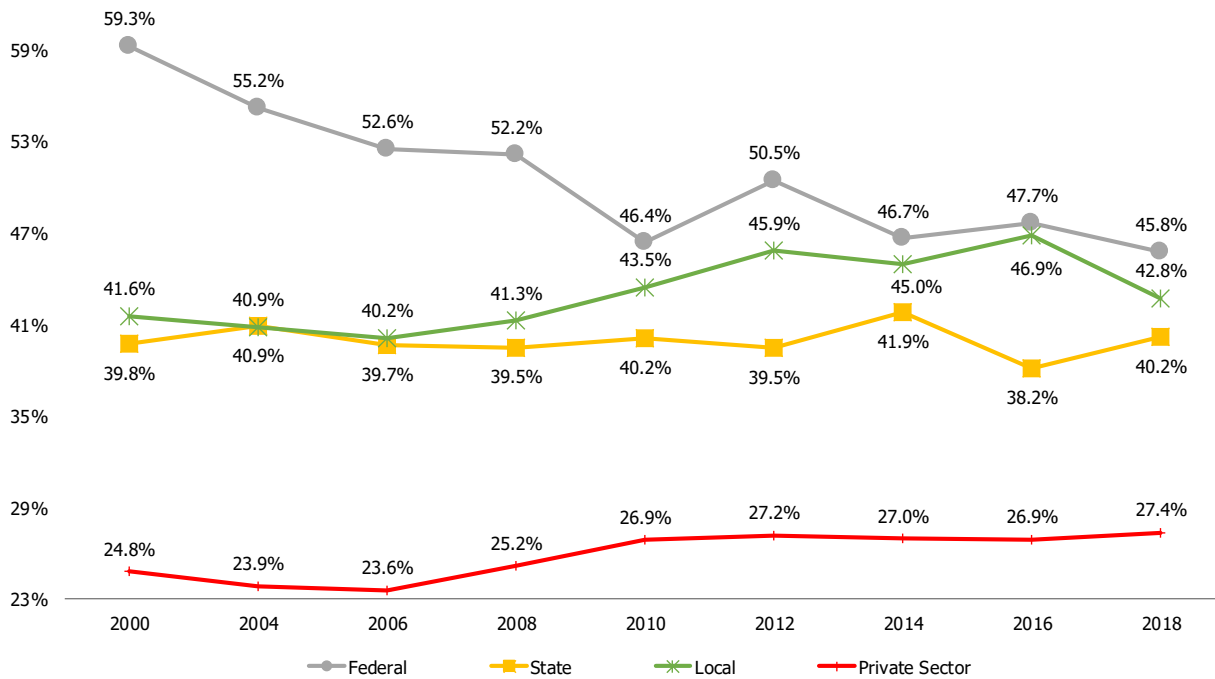
Source: EBRI estimates from the January 2014–2018 Current Population Surveys.

## Percentage of Workers Above Various Thresholds of Tenure

The percentage of state workers with 10 or more years of tenure held relatively constant from 2000–2018 at around 40 percent, going from 39.8 percent in 2000 to 40.2 percent in 2018 (Figure 8). The fraction of local workers with this many years of tenure trended upward over the same period, from 41.6 percent in 2000 to 42.8 percent in 2018 after peaking at 46.9 percent in 2016. In contrast, the share of federal workers with 10 or more years of tenure showed a downward trend, from 59.3 percent in 2000 to 45.8 percent in 2018. Conversely, private-sector workers were the only class of workers that saw the proportion with 10 or more years of tenure peak in 2018, reaching 27.4 percent (up from 24.8 percent in 2000).

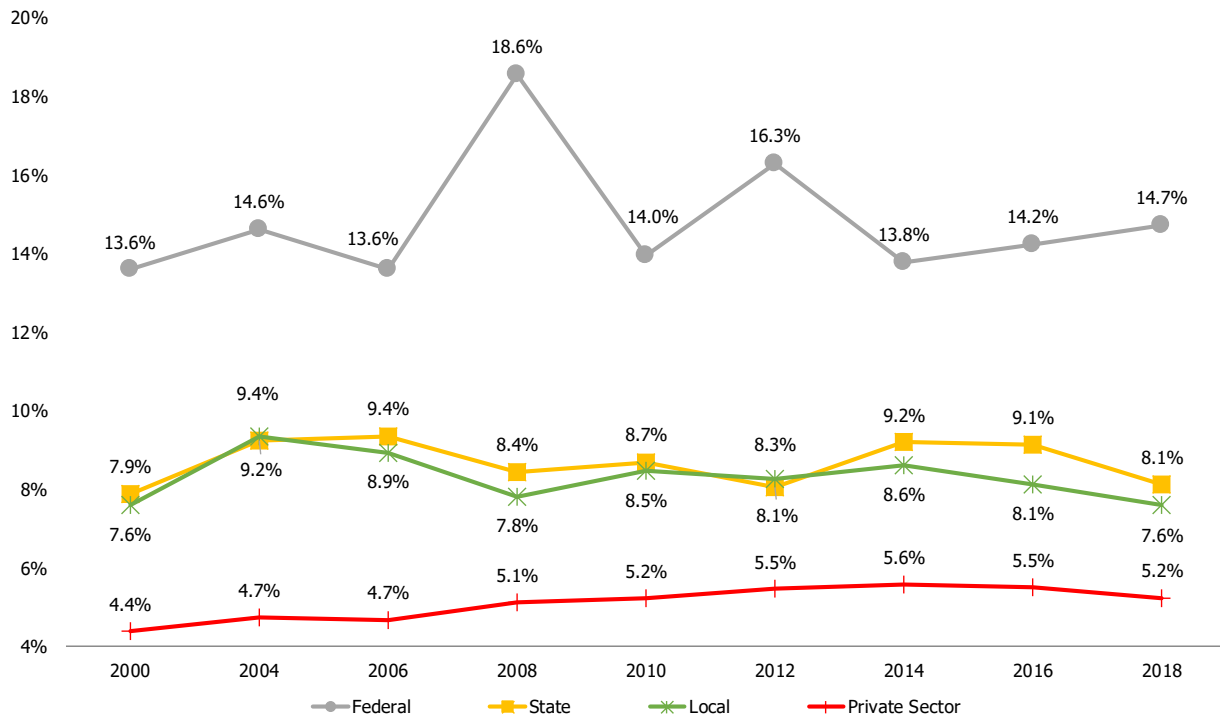
Moving to a longer threshold of tenure, the percentage of state and local workers with 25 or more years of tenure stayed in a relatively narrow band from 2000–2018 (Figure 9). State workers’ percentage was 7.9 percent in 2000 and 8.1 percent in 2018, peaking at 9.4 percent in 2006. For local workers, 7.6 percent had this level of tenure in 2000. This percentage peaked in 2004 at 9.2 percent but then returned to 7.6 percent in 2018. The share of federal workers with 25 or more years of tenure was the most volatile over the period, increasing from 13.6 percent in 2000 to 14.7 percent in 2018 with a couple of jumps above 16 percent. Private-sector workers’ share was steadier, increasing gradually over time from 4.4 percent in 2000 to 5.2 percent in 2018. Again, as shown, the federal workers’ percentage was the highest and private-sector workers’ the lowest.

**Figure 8**  
**Percentage of Wage & Salary Workers Ages 20 or Older With 10 or More Years of Tenure at Current Job, by Class of Worker, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Figure 9**  
**Percentage of Wage & Salary Workers Ages 20 or Older**  
**With 25 or More Years of Tenure at Current Job,**  
**by Class of Worker, 2000–2018**



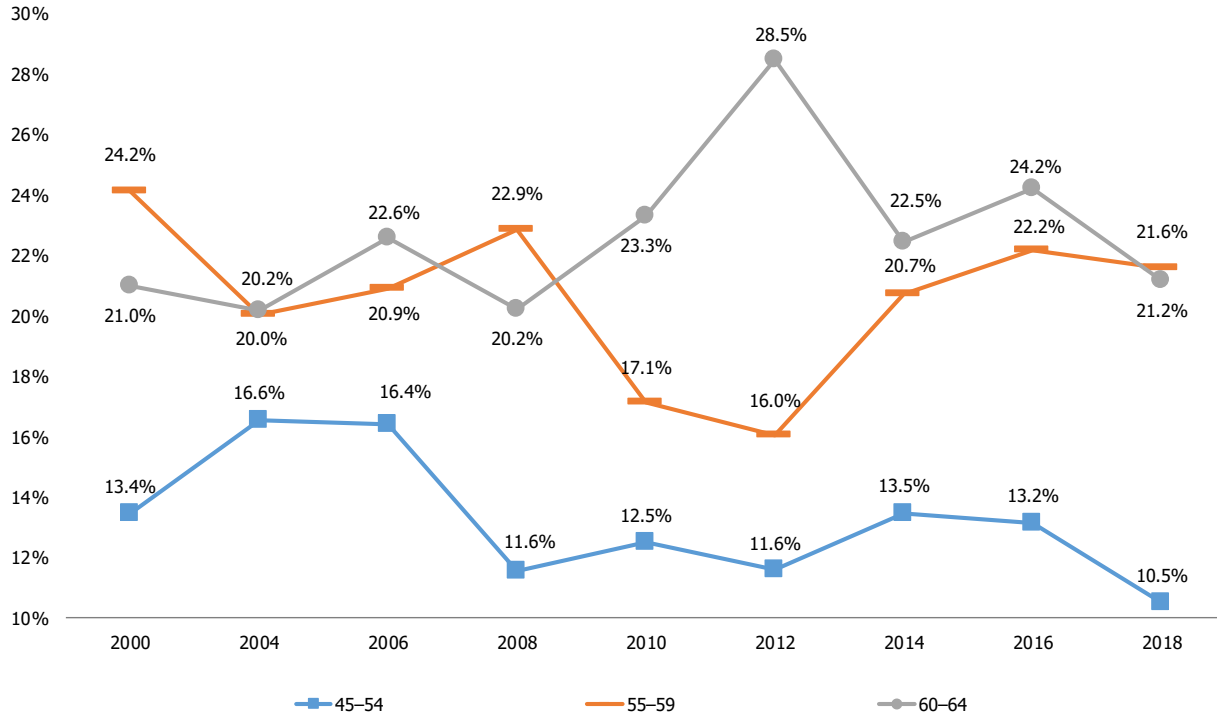
Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

Given that only so many workers could have worked more than 25 years at one job because of their ages, figures 10, 11, and 12 show the percentages of state, local, and private-sector workers with 25 or more years of tenure by ages 45–64. Among all three worker classes, the percentage of 45–54-year-olds with 25 or more years of tenure declined from 2000–2018. State workers’ share fell from 13.4 percent to 10.5 percent, local workers’ share 12.9 percent to 8.9 percent, and private-sector workers’ (the smallest share in all years) 10.4 percent to 7.2 percent.

The trend for workers ages 55–59 and 60–64 does not display a clear pattern. While the share with 25 or more years of tenure for each worker class of those ages 55–59 was lower in 2018 than it was in 2000, the trend increased and decreased before the 2018 levels were reached. State workers’ share fell to 16.0 percent in 2012 before reaching 21.6 percent in 2018. The share of local workers was as high as 26.4 percent (2006) and as low as 16.5 percent (2012) before settling at 21.6 percent in 2018. Private-sector workers’ percentage climbed to 17.3 percent in 2016 and then fell to 14.9 percent in 2018 (figures 10, 11, and 12).

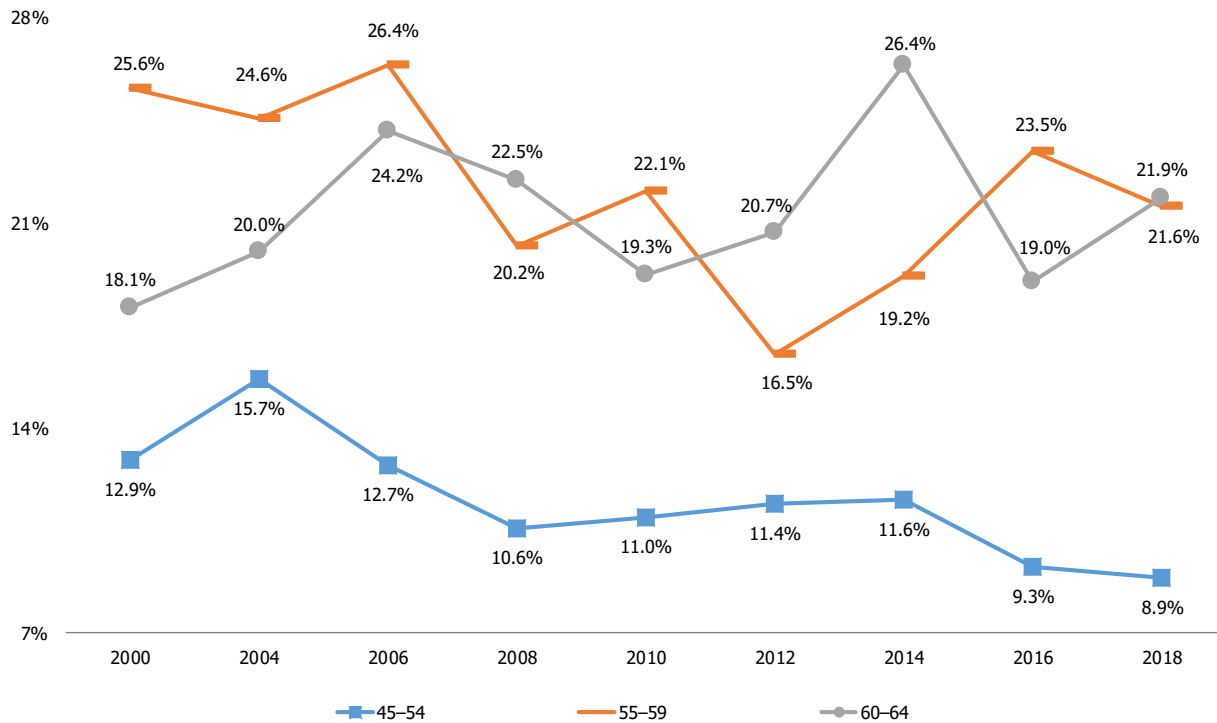
While the trends for each of the worker classes of those ages 60–64 were not straight lines, each class had a higher share of workers with 25 or more years of tenure in 2018 than in 2000. The state worker share in 2018 was closest to its 2000 level, while both the local worker and private-sector worker shares were over 1.5 percentage points higher in 2018 than in 2000. The local worker share was the highest and again the private-sector worker share was the lowest.

**Figure 10**  
**Percentage of State Wage & Salary Workers Ages 45–64 With 25 or More Years of Tenure at Current Job, by Age, 2000–2018**



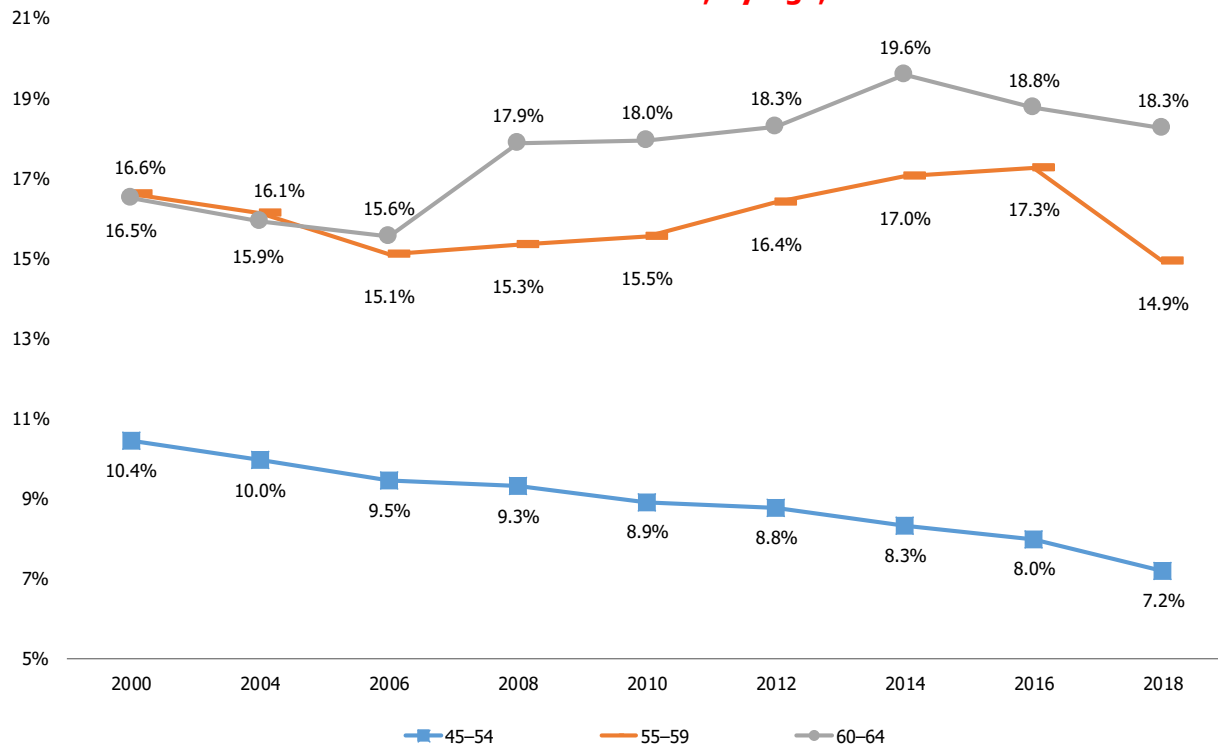
Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Figure 11**  
**Percentage of Local Wage & Salary Workers Ages 45–64 With 25 or More Years of Tenure at Current Job, by Age, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Figure 12**  
**Percentage of Private-Sector Wage & Salary Workers Ages 45–64 With 25 or More Years of Tenure at Current Job, by Age, 2000–2018**



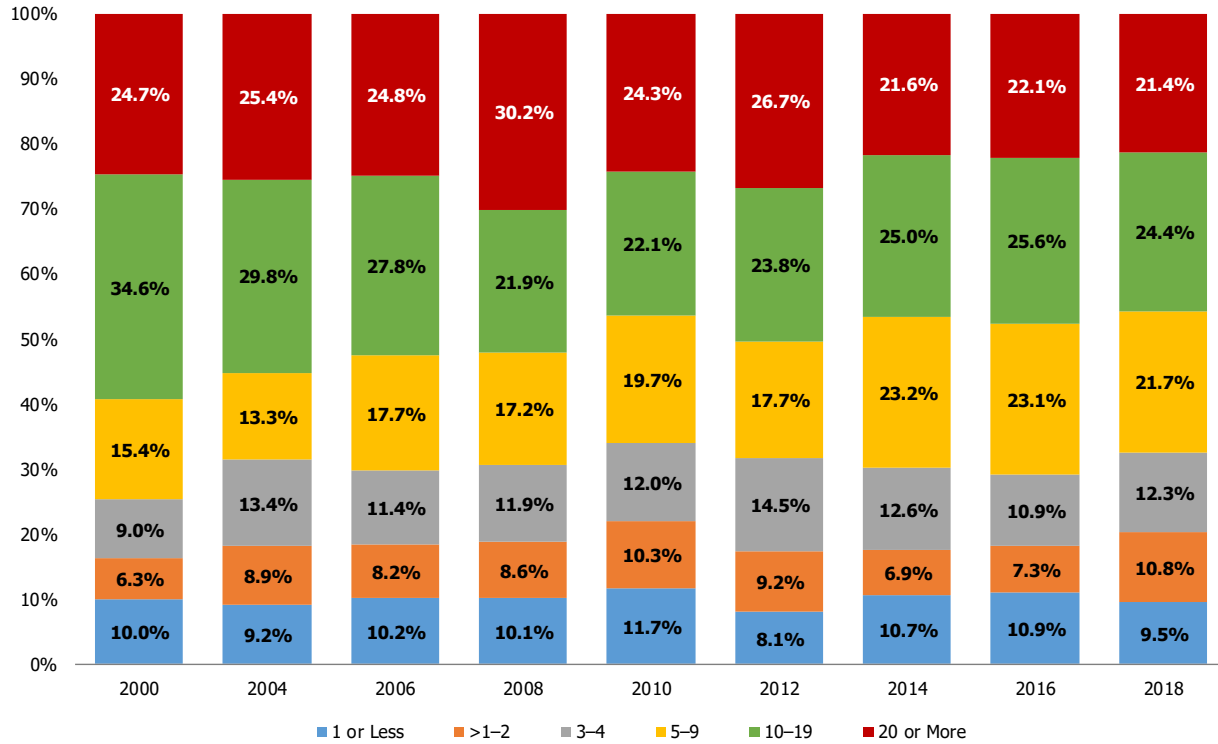
Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

## Tenure Distribution Trends

Taking the additional step to examine the full tenure distribution of the workers in each class shows a clear movement of federal workers to shorter tenures (Figure 13). In 2000, 24.7 percent of federal workers had 20 or more years of tenure and 34.6 percent had 10–19 years of tenure (59.3 percent combined). By 2018, these numbers had fallen to 21.4 percent and 24.4 percent (45.8 percent combined), respectively. Federal workers with more than 1 year of tenure to 2 years and 5–9 years of tenure had the largest gains.

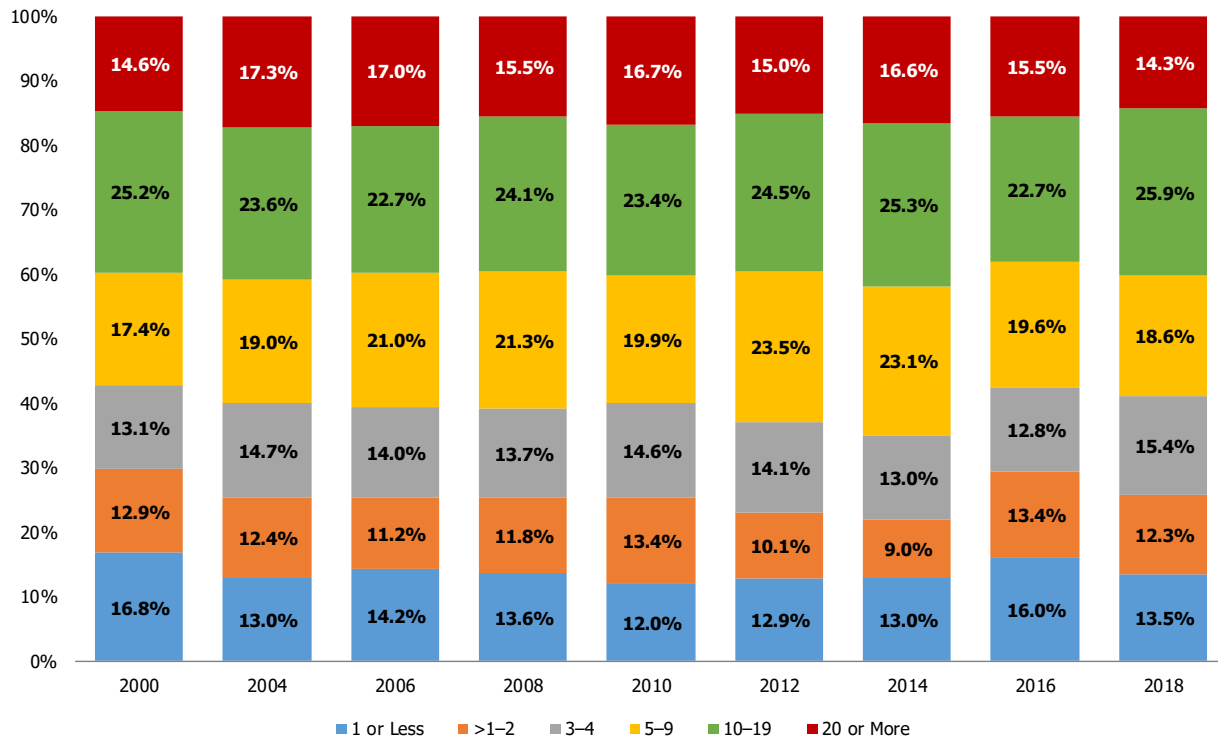
The other three worker classes did not have such a large shift in the tenure distribution from 2000–2018. However, there was a small shift away from the shortest tenures in each of the remaining worker classes. The percentage of state workers with 1 year or less of tenure decreased, while the share with 3–4 years increased (Figure 14). The percentage of local workers with 2 years or less of tenure decreased, whereas the percentages with 3–4 and 10–19 years increased (Figure 15). The share of private-sector workers with 2 years or less of tenure had a similar decrease, going from 41.2 percent in 2000 to 36.2 percent in 2018 (Figure 16).

**Figure 13**  
**Distribution of the Years of Tenure at Current Job for Federal Wage & Salary Workers Ages 20 or Older, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

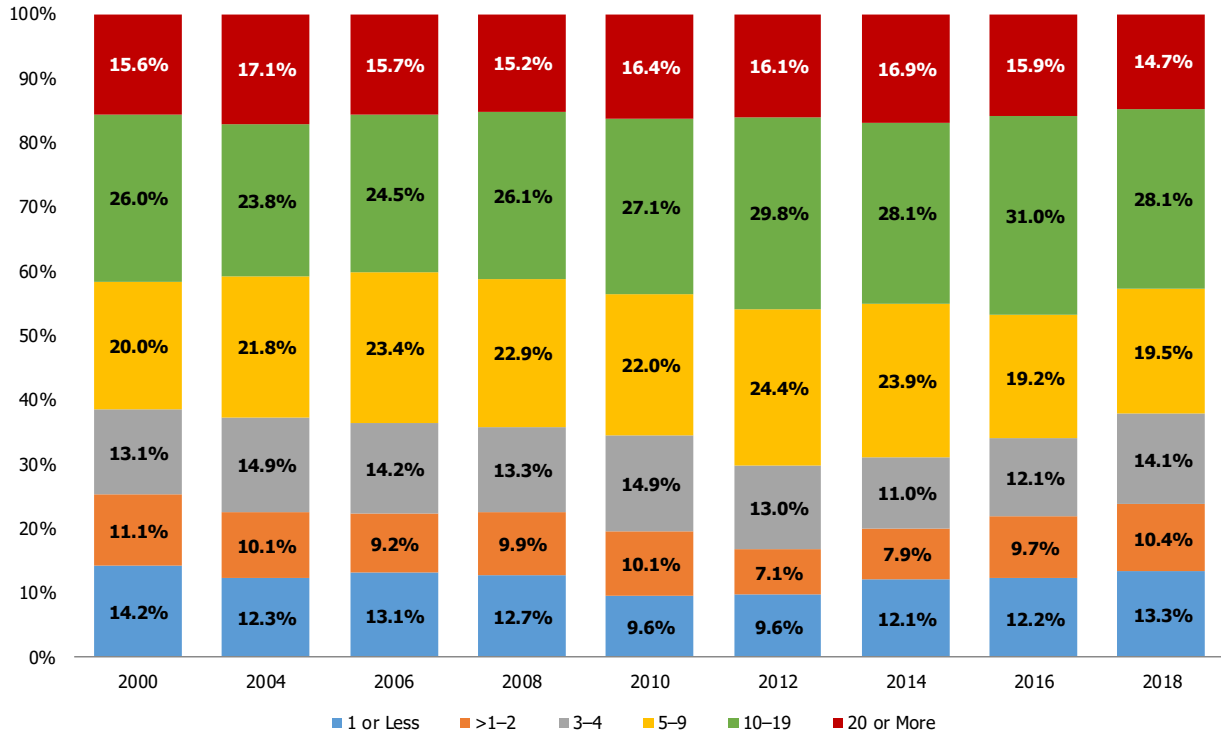
**Figure 14**  
**Distribution of the Years of Tenure at Current Job for State Wage & Salary Workers Ages 20 or Older, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

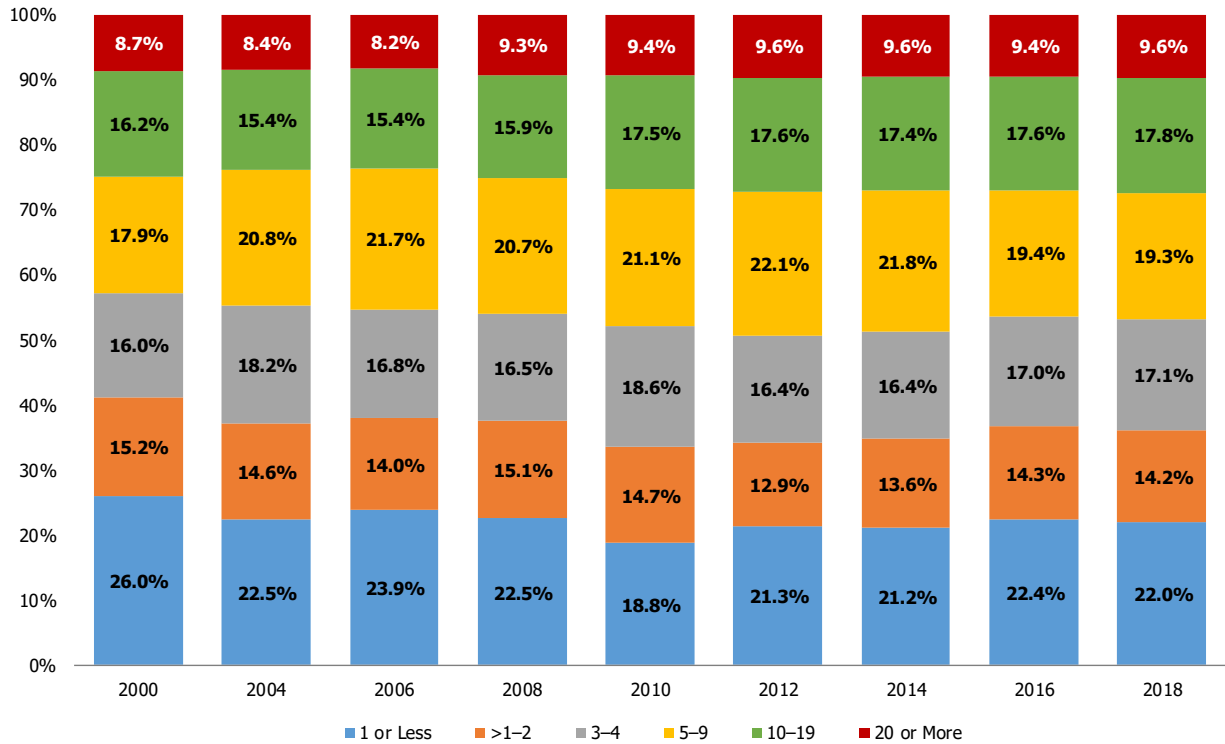


**Figure 15**  
**Distribution of the Years of Tenure at Current Job for Local Wage & Salary Workers Ages 20 or Older, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Figure 16**  
**Distribution of the Years of Tenure at Current Job for Private-Sector Wage & Salary Workers Ages 20 or Older, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

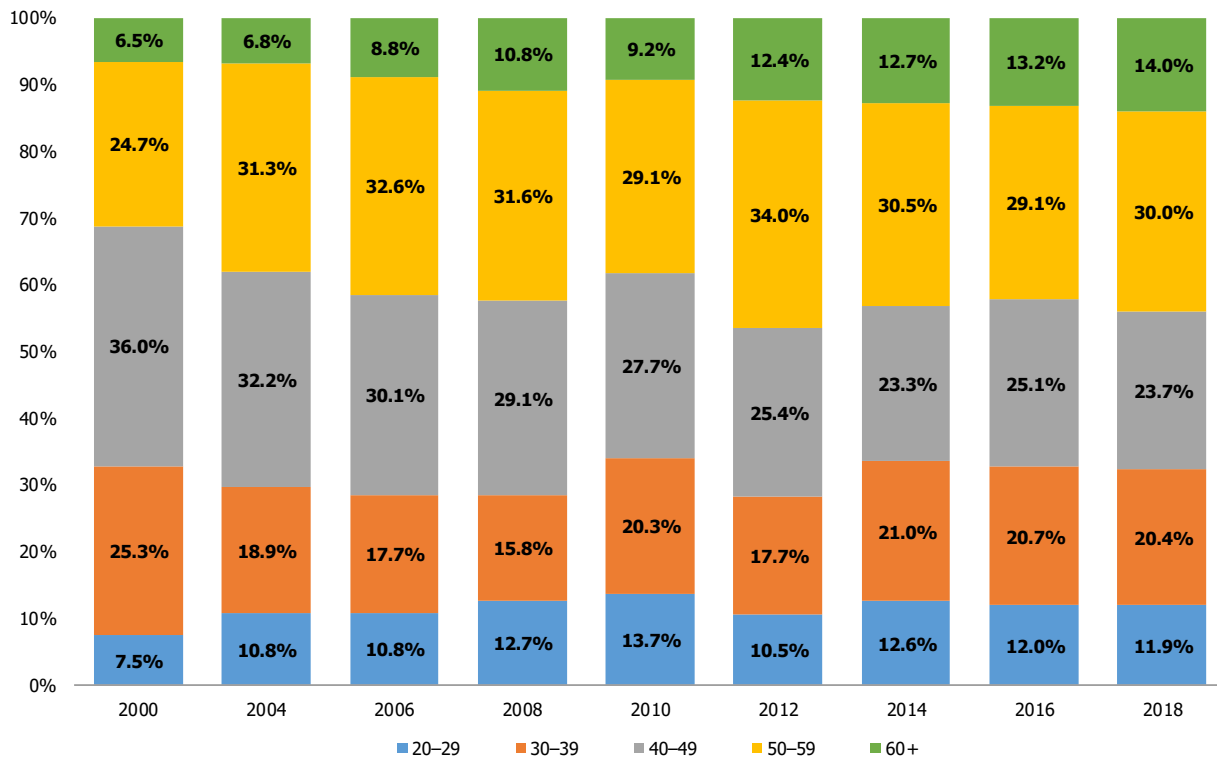
## Age Distribution Trends

Shifts in the age distribution were much larger than changes in tenure distribution. Starting with federal workers, the share of these workers ages 50 or older increased from 31.2 percent in 2000 to 44.0 percent in 2018 (Figure 17). The age group of workers that had the corresponding decrease was the 40-year-olds, falling from 36.0 percent to 23.7 percent.

State and local workers experienced a similar aging. The percentage of state workers ages 50 or older increased from 27.6 percent to 36.8 percent (Figure 18). Again, the percentage of the 40-year-old age group represented decreased, from 31.5 percent to 22.4 percent. The fraction of local workers who were ages 50 or older moved from 30.2 percent to 37.6 percent, with the share of those ages 40–49 decreasing to 25.5 percent from 31.1 percent (Figure 19).

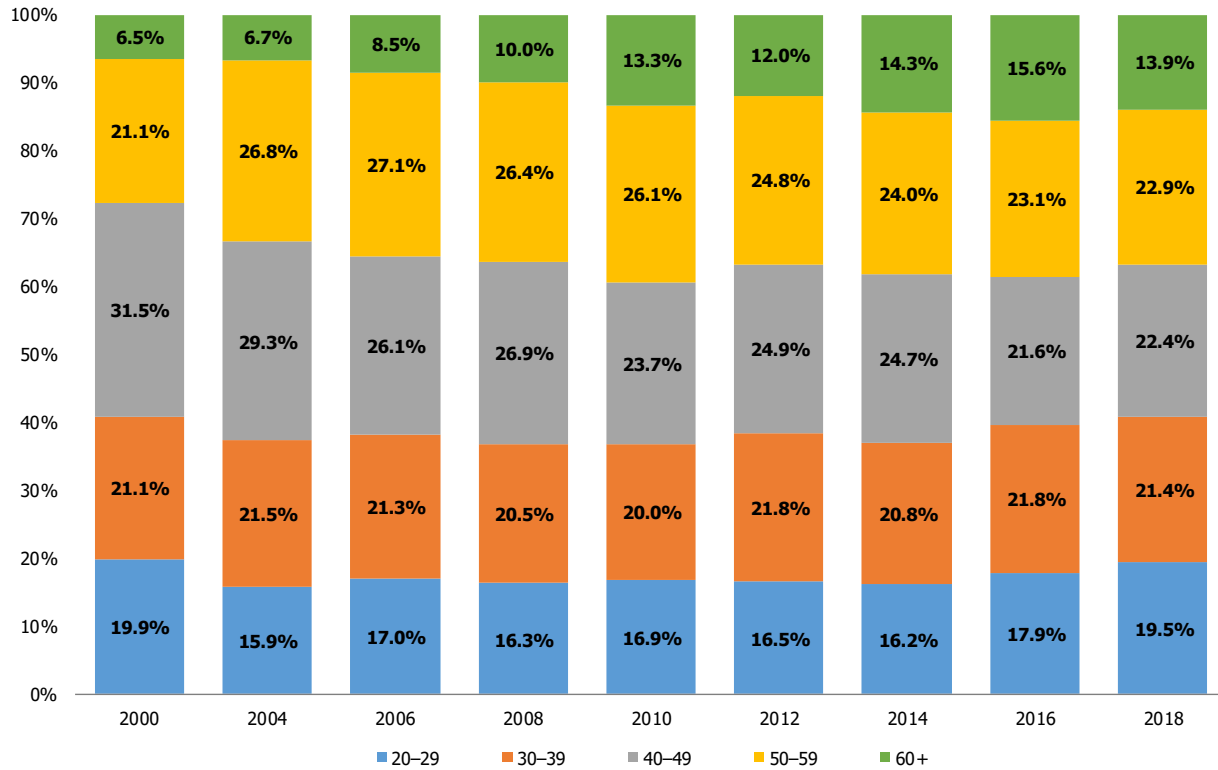
Private-sector workers also aged from 2000–2018, where the percentage of those ages 50 or older increased from 21.0 percent in 2000 to 31.4 percent in 2018 (Figure 20). Among private-sector workers, not only did the share of 40-year-old workers decline but so did the share of 30-year-old workers – 26.0 percent to 21.0 percent and 28.0 percent to 23.5 percent, respectively.

**Figure 17**  
**Age Distribution of Federal Wage & Salary Workers Ages 20 or Older, 2000–2018**



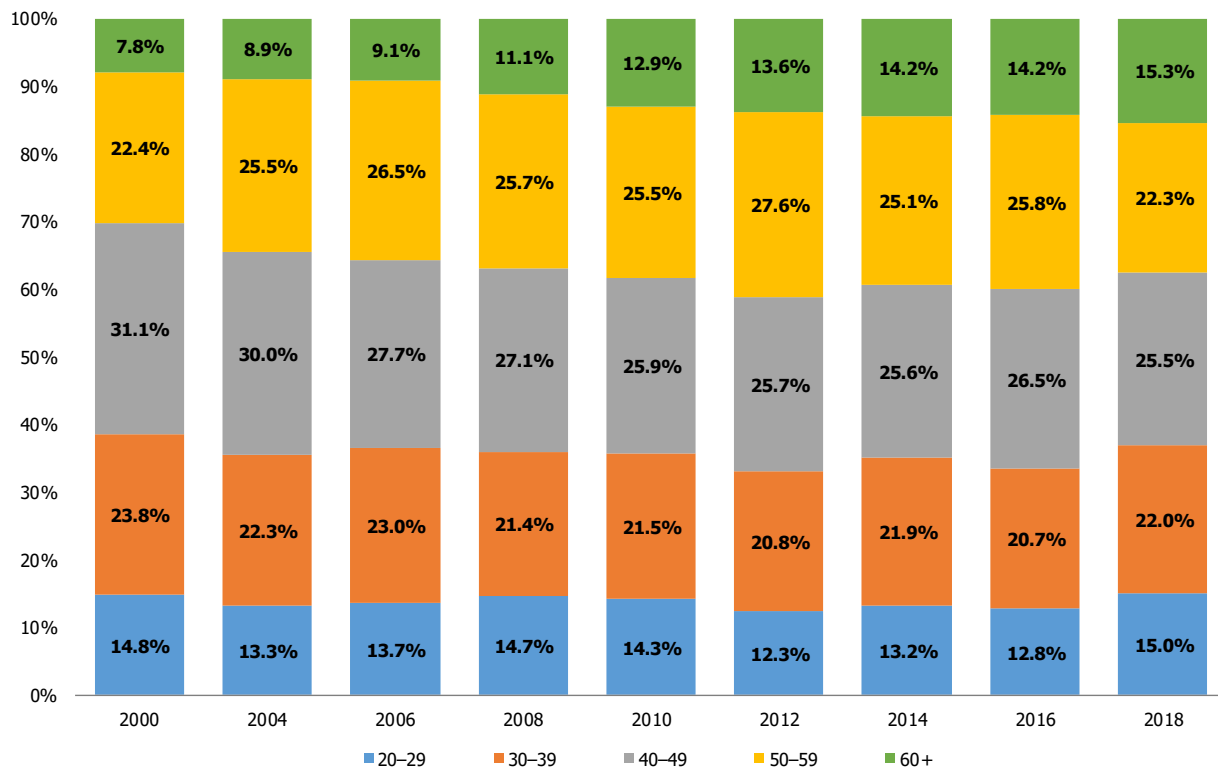
Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Figure 18**  
**Age Distribution of State Wage & Salary Workers Ages 20 or Older, 2000–2018**



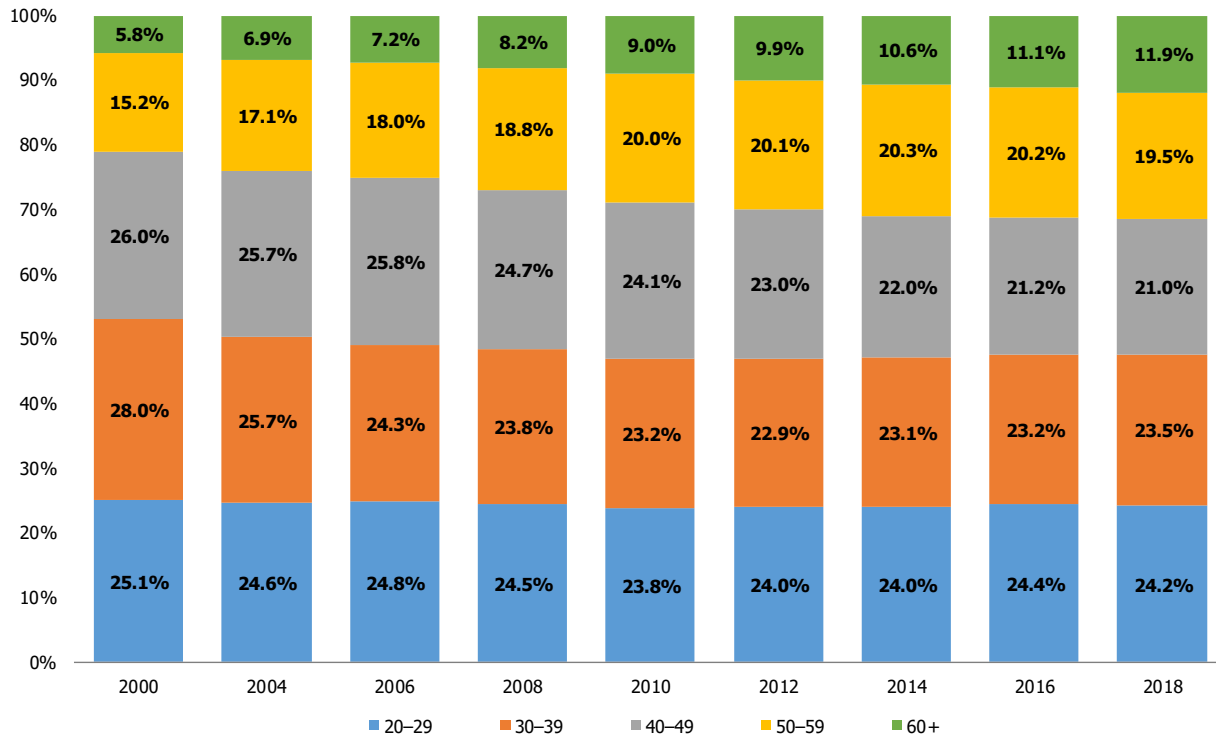
Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Figure 19**  
**Age Distribution of Local Wage & Salary Workers Ages 20 or Older, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

**Figure 20**  
**Age Distribution of Private-Sector Wage & Salary**  
**Workers Ages 20 or Older, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2004–2018 Current Population Surveys.

## Tenure Age Distribution Trends

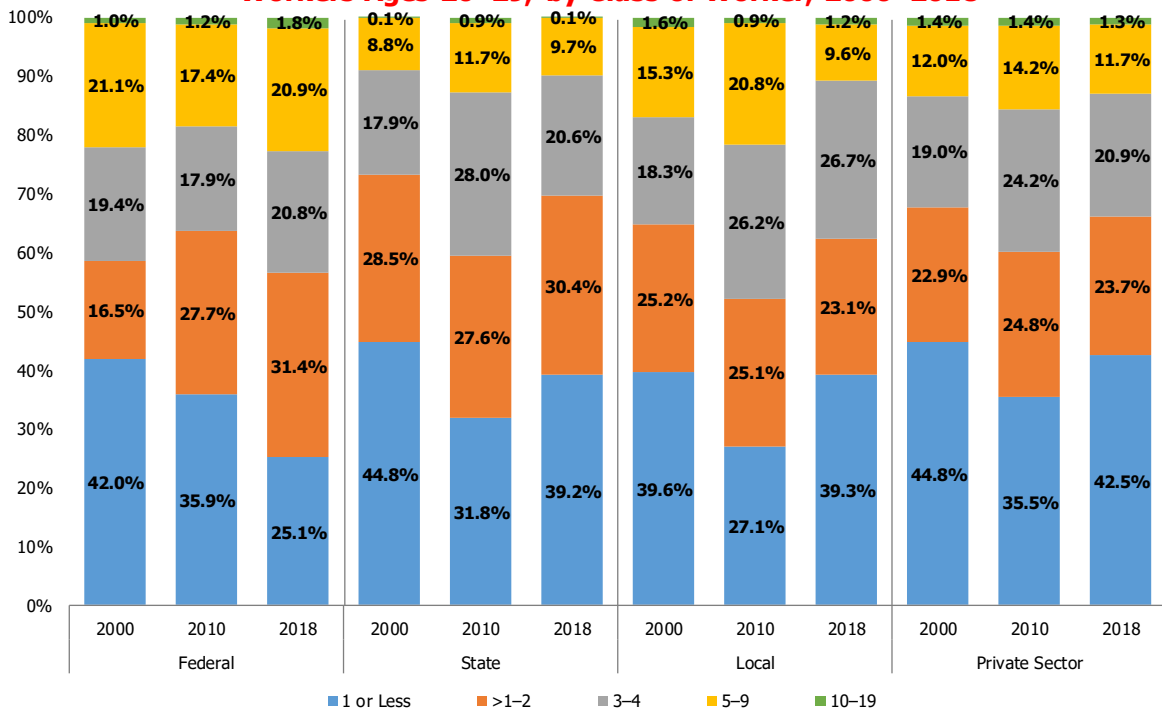
Tenure distributions in each age group provide additional information on how future tenure is likely to look as workers age and move out of the work force and younger workers take over as the largest share of the work force. With that said, the shifts within age groups were not pronounced for most ages and worker classes.

The exception was among federal workers. The share of federal workers in their 20s with the shortest tenure (1 year or less) decreased substantially from 2000 to 2018 (42.0 percent to 25.1 percent), while the share with more than 1 year of tenure to 2 years had a corresponding increase from 16.5 percent to 31.4 percent (Figure 21). Likewise, the percentage of federal workers ages 60 and older with 1 year or less of tenure decreased, with a corresponding increase of those with 10–19 years of tenure resulting (Figure 25). In contrast, the share of federal workers in their 30s with 10 years or more of tenure declined sharply from 2000–2018 (from 41.9 percent to 24.1 percent), while those with 4 years or less increased from 32.5 percent to 47.5 percent (Figure 22). And federal workers in their 40s also had a significant shift to shorter tenures: The share with 10 or more years of tenure dropped from 70.4 percent to 41.9 percent. The percentage of those with 3–9 years of tenure correspondingly increased (Figure 23).

Among state, local, and private-sector workers, shifts in tenure distribution by age were less clear. For workers in their 20s, the share with the shortest tenures declined in 2010 before returning to their 2000 levels in 2018 (Figure 21). The overall distributions of tenures for these workers looked very similar in 2000 and 2018 despite shifts in 2010. The share of state workers in their 30s with less than 2 years of tenure declined by 2018 from 31.2 percent to 24.3 percent, while those with 3–9 years of tenure increased to 51.8 percent from 43.9 percent (Figure 22). But the tenure distributions of local and private-sector workers in their 30s were very similar in 2000 and 2018. The tenure distributions for state, local, and private-sector workers all remained close to the same in 2018 as they were 2010. The one change that did stand out was

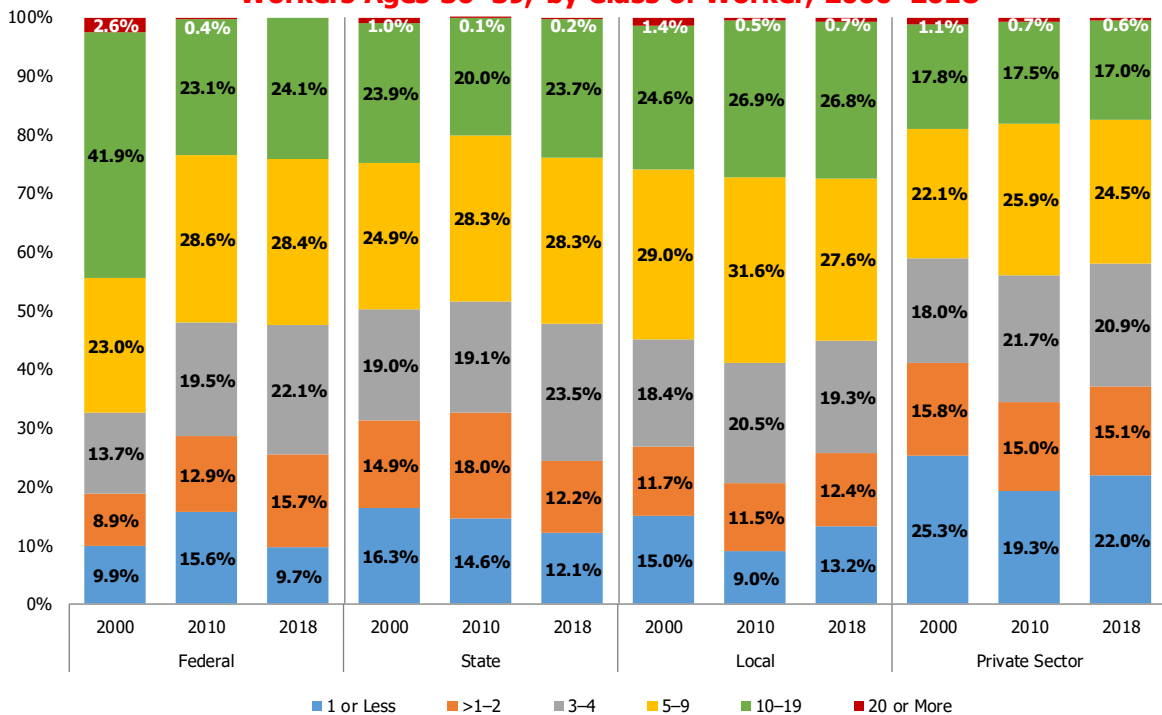
the lower share of local workers in their 50s with 20 or more years of tenure, while the share of those with 10–19 years of tenure increased (Figure 24). But for workers ages 60 or older, the tenure distributions of state, local, and private-sector workers from 2000–2018 held relatively stable (Figure 25).

**Figure 21**  
**Distribution of the Years of Tenure at Current Job for Wage & Salary**  
**Workers Ages 20–29, by Class of Worker, 2000–2018**



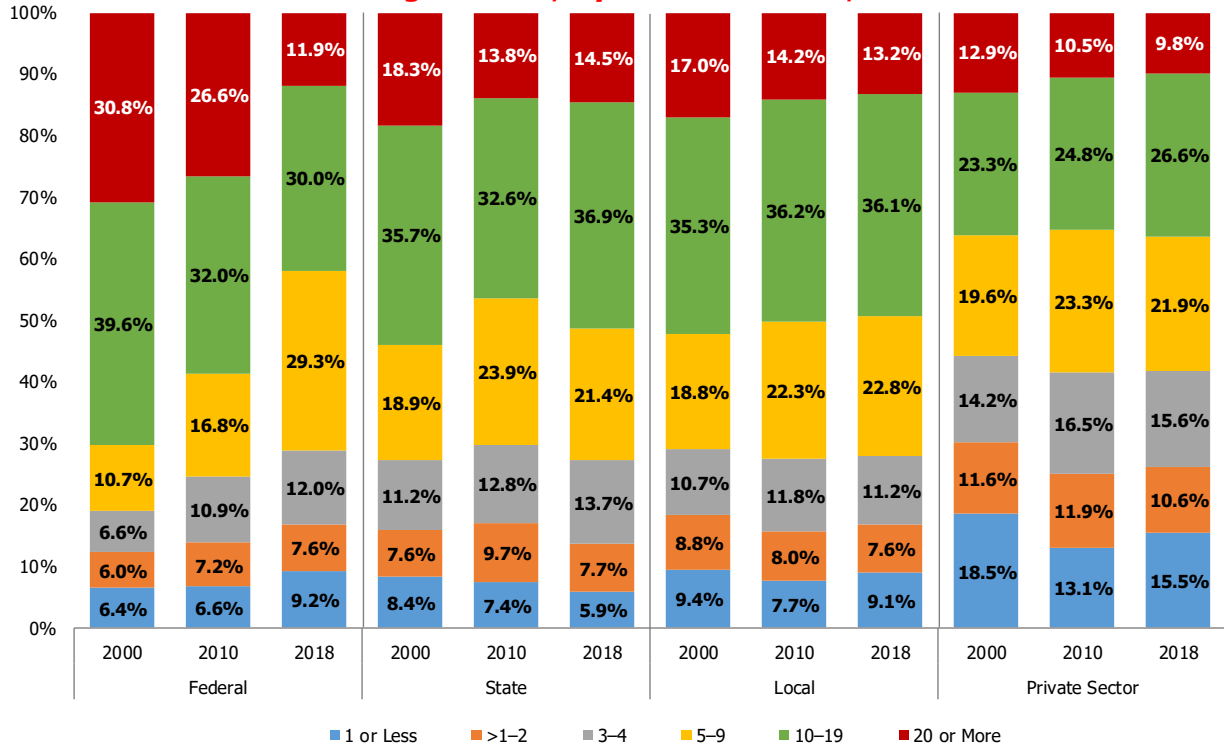
Source: EBRI estimates from the February 2000 and January 2010 and 2018 Current Population Surveys.

**Figure 22**  
**Distribution of the Years of Tenure at Current Job for Wage & Salary**  
**Workers Ages 30–39, by Class of Worker, 2000–2018**



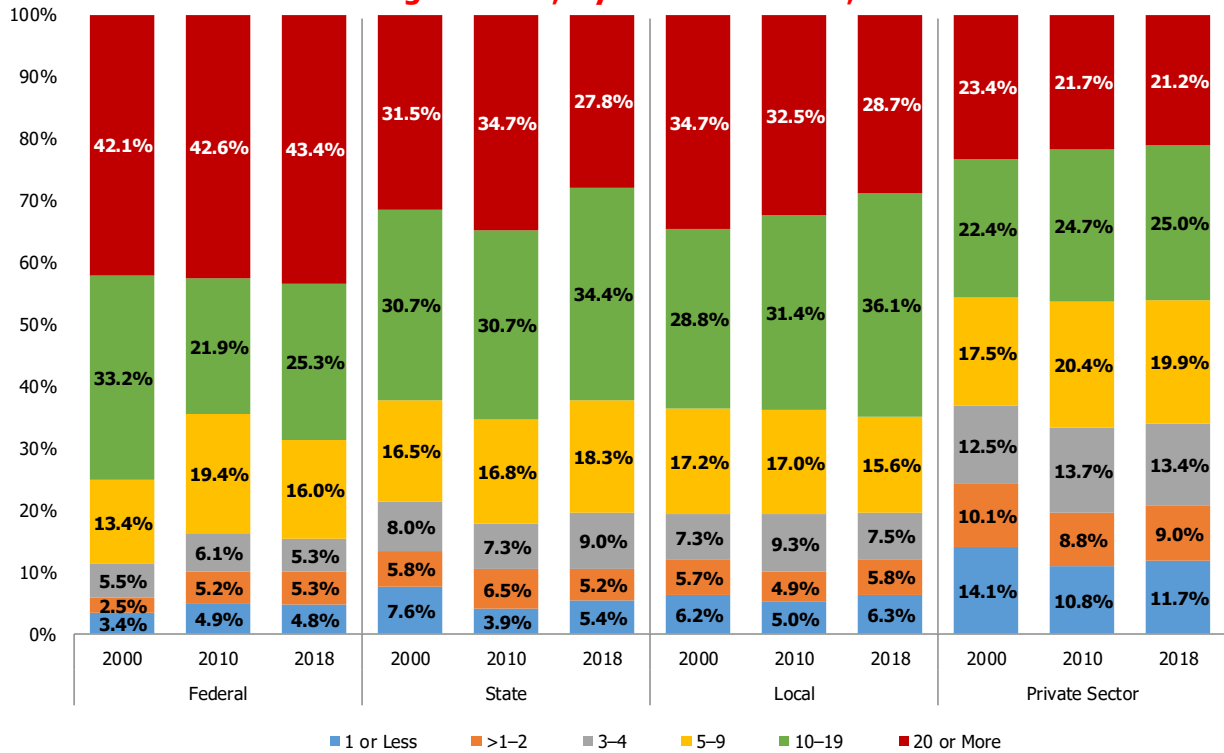
Source: EBRI estimates from the February 2000 and January 2010 and 2018 Current Population Surveys.

**Figure 23**  
**Distribution of the Years of Tenure at Current Job for Wage & Salary**  
**Workers Ages 40–49, by Class of Worker, 2000–2018**



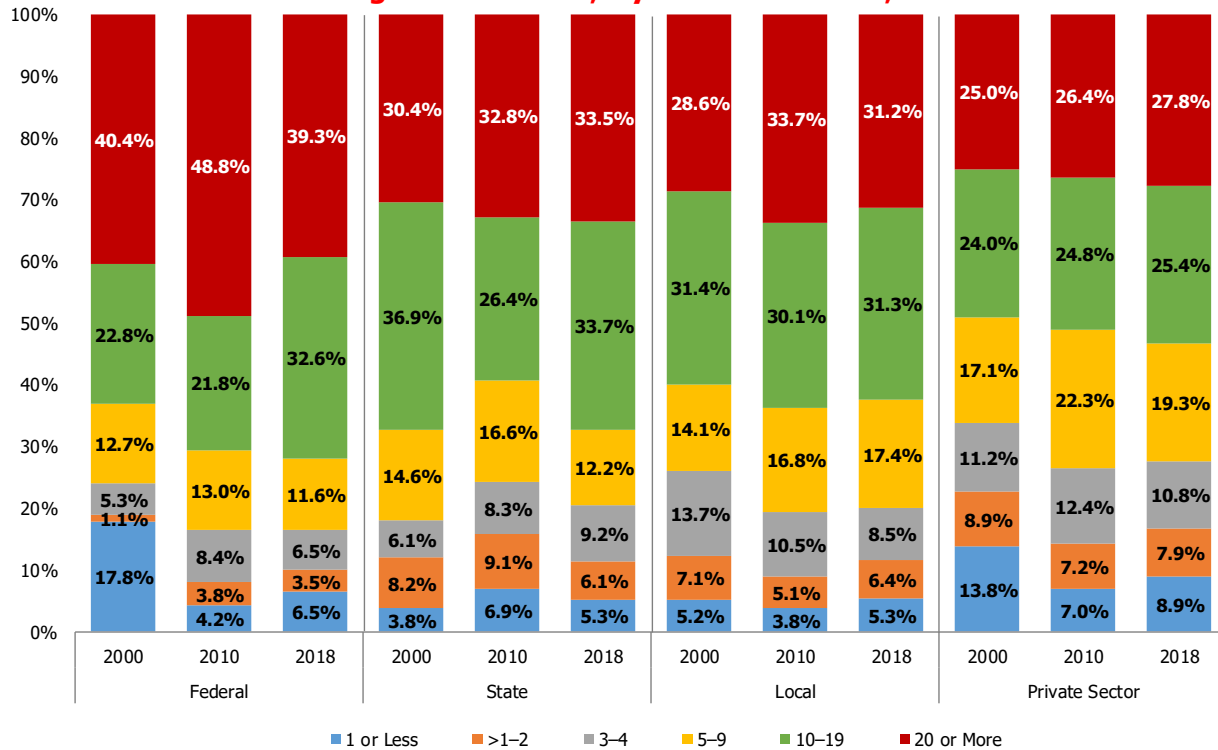
Source: EBRI estimates from the February 2000 and January 2010 and 2018 Current Population Surveys.

**Figure 24**  
**Distribution of the Years of Tenure at Current Job for Wage & Salary**  
**Workers Ages 50–59, by Class of Worker, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2010 and 2018 Current Population Surveys.

**Figure 25**  
**Distribution of the Years of Tenure at Current Job for Wage & Salary**  
**Workers Ages 60 or Older, by Class of Worker, 2000–2018**



Source: EBRI estimates from the February 2000 and January 2010 and 2018 Current Population Surveys.

## Conclusions

By examining the tenures of public- and private-sector workers, some important conclusions can be drawn. The most significant changes were among federal workers, where the work force was aging but the share of workers with the longest tenures were decreasing. Furthermore, all classes of public-sector workers had longer tenures, on average, than that of private-sector workers. Consequently, retirement programs in the private sector are not likely models for the public sector, given these tenure differences and the strong prevalence of defined benefit (DB) plans. Therefore, defined contribution (DC) plans in the public sector could have different appropriate asset allocation strategies given the guaranteed income coming from the DB plan, which could mean more investment in riskier assets and lesser need for income-generating assets. In addition, public-sector workers were less likely to change jobs, which would mean fewer opportunities for leakage and more continuous participation. However, tenures for some groups of public-sector workers were decreasing, so understanding how to incorporate more shorter-tenure workers may involve some tweaking of the retirement programs.

The most striking result from this study is the age distribution of workers in the public sector, as the share of those in their 40s is sharply declining. This means that the work force will become significantly younger in 5 to 10 years, as the large share of workers ages 50 or older will be retiring while the smaller share now in their 40s starts to move into the 50-or-older age group. With the younger-than-age-50 cohort making up a larger and larger share of the public-sector work force going forward, retirement programs are likely going to need to encompass programs that look at the total finances of the workers, as these can be more important for the younger workers. This could include various financial wellbeing programs, such as emergency savings programs, student loan debt programs, and overall budgeting programs. These programs can help establish the overall finances of the younger workers so that they have their finances in order to prepare for retirement instead of struggling to meet current financial obligations.

## Endnotes

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<sup>1</sup> Craig Copeland, “Trends in Employee Tenure, 1983–2018,” *EBRI Issue Brief*, no. 474 (Employee Benefit Research Institute, February 28, 2019). This publication was a continuation of numerous EBRI publications on this topic. See Paul Yakoboski, “Debunking the Retirement Policy Myth: Lifetime Jobs Never Existed for Most Workers,” *EBRI Issue Brief*, no. 197 (Employee Benefit Research Institute, May 1998); Paul Yakoboski, “Male and Female Tenure Continues to Move in Opposite Directions,” *EBRI Notes*, Vol. 20, no. 2 (Employee Benefit Research Institute, February 1999): 1–4; David Rajnes, “Update on Employee Tenure,” *EBRI Notes*, Vol. 22, no. 3 (Employee Benefit Research Institute, March 2001): 1–8; Craig Copeland, “Employee Tenure,” *EBRI Notes*, Vol. 24, no. 3 (Employee Benefit Research Institute, March 2003): 1–10; Craig Copeland, “Employee Tenure: Stable Overall, but Male and Female Trends Differ,” *EBRI Notes*, Vol. 26, no. 3 (Employee Benefit Research Institute, March 2005): 1–10; Craig Copeland, “Employee Tenure, 2006,” *EBRI Notes*, Vol. 28, no. 4 (Employee Benefit Research Institute, April 2007): 1–11; Craig Copeland, “Employee Tenure, 2008,” *EBRI Notes*, Vol. 31, no.1 (Employee Benefit Research Institute, January 2010): 1–12; Craig Copeland, “Employee Tenure Trend Lines, 1983-2010,” *EBRI Notes*, Vol. 31, no. 12 (Employee Benefit Research Institute, December 2010): 2–12; Craig Copeland, “Employee Tenure Trends, 1983-2012,” *EBRI Notes*, Vol. 33, no. 12 (Employee Benefit Research Institute, December 2012): 12–23; Craig Copeland, “Employee Tenure Trends, 1983-2014,” *EBRI Notes*, Vol. 36, no. 2 (Employee Benefit Research Institute, February 2015): 2–13; and Craig Copeland, “Employee Tenure Trends, 1983-2016,” *EBRI Notes*, Vol. 38, no. 9 (Employee Benefit Research Institute, September 20, 2017): 2–14.

<sup>2</sup> The latest data come from the January 2018 Supplement to the Current Population Survey (CPS), a monthly survey of approximately 60,000 households on demographics; labor force status; and other characteristics of the civilian, noninstitutionalized American population. The U.S. Census Bureau conducts this CPS supplement for the U.S. Department of Labor’s Bureau of Labor Statistics (BLS). Tenure levels for previous years come from various other supplements to the CPS. For a further discussion of the data sources, see the Bureau of Labor Statistics’ “Employee Tenure Technical Note” at [www.bls.gov/news.release/tenure.tn.htm](http://www.bls.gov/news.release/tenure.tn.htm) (last viewed March 5, 2020). Results of research from BLS and EBRI are compiled in this article to present various trends in employee tenure. See the EBRI publications, op. cit., and the Bureau of Labor Statistics’ “Employee Tenure” at [www.bls.gov/news.release/tenure.nr0.htm](http://www.bls.gov/news.release/tenure.nr0.htm) (last viewed March 5, 2020).

<sup>3</sup> For the remainder of this study, all worker classes contain wage and salary workers ages 20 or older, except when specific ages are presented. Therefore, “wage and salary workers ages 20 or older” will not be repeated but should be understood to be the case for each of the worker classes (federal, state, local, and private sector).