Employee Tenure Trends, 1983–2012, by Craig Copeland, Ph.D., EBRI

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- However, the median tenure for male wage and salary workers was lower in 2012 at 5.5 years, compared with 5.9 years in 1983. In contrast, the median tenure for female wage and salary workers increased from 4.2 years in 1983 to 5.4 years in 2012. Consequently, the increase in the median tenure of female workers more than offsets the decline in the median tenure of male workers, leaving the overall level slightly higher.

- The data on employee tenure—the amount of time an individual has been with his or her current employer—show that career jobs never existed for most workers and have continued not to exist for most workers. These tenure results indicate that, historically, most workers have repeatedly changed jobs during their working careers, and all evidence suggests that they will continue to do so in the future.
Employee Tenure Trends, 1983–2012

By Craig Copeland, Ph.D., Employee Benefit Research Institute

Introduction

Past generations of American workers are believed to be represented by a typical worker holding a career job—staying with the same employer for most of his or her working years—then retiring with the proverbial “gold watch.” In contrast, current American workers are believed to change jobs more frequently and to have less employment security, and they are left without the gold watch.

However, the data on employee tenure—the amount of time an individual has been with his or her current employer—show that career jobs never existed for most workers and have continued not to exist for most workers. Although data on tenure do not measure workers’ security (generally defined as the workers’ perceptions of being able to continue in their current jobs), they do show stability (the actual length of time workers have been with their current employers). Consequently, tenure data show the results, not the perception, of the ability to stay in a current job.

This article updates previous Employee Benefit Research Institute (EBRI) publications that have examined employee-tenure data of American workers. The latest data on employee tenure from the January 2012 Supplement to the U.S. Census Bureau’s Current Population Survey (CPS) are examined and compared with trends from previous CPS publications on employee tenure.

The data for 2012 show that the overall median tenure of workers—the midpoint of wage and salary workers’ length of employment in their current jobs—was slightly higher in 2012, at 5.4 years, compared with 5.0 years in 1983. Even among older male workers (ages 55–64), who experienced the largest change in their median tenure, the median tenure fell from a level that would not normally be considered a career—14.7 years in 1963—to an even lower level of 10.7 years in 2012.

Overall Tenure

The median tenure for all wage and salary workers age 25 or older was slightly higher in 2012, at 5.4 years, compared with 5.0 years in 1983 (Figure 1). However, the median tenure for male wage and salary workers was lower in 2012 at 5.5 years, compared with 5.9 years in 1983. In contrast, the median tenure for female wage and salary workers increased from 4.2 years in 1983 to 5.4 years in 2012. Consequently, the increase in the median tenure of female workers more than offsets the decline in the median tenure of male workers, leaving the overall level slightly higher.

Age and Gender—A closer examination of age and gender median tenures using a longer time series shows that the median tenure for the oldest working males (ages 55–64) declined steadily from a peak of 15.3 years in 1983 to 9.5 years in 2006 before increasing and reaching 10.7 years in 2012 (Figure 2). However, because a male worker of this age with the median level of tenure would not have started this job until he was in his 40s, it would be difficult to consider it a career job. As the age category decreased, the median-tenure line became flatter, showing a smaller change in the tenure level across time. The 25–34-year-old-male tenure line was virtually flat, at around three years. For females, the median tenure was flat to increasing across all age groups (Figure 3). The largest increase was among females ages 55–64, whose median tenure increased from 7.8 years in 1963 to 10.0 years in 2012.

Public vs. Private Sector—Among all wage and salary workers age 20 or older, the median tenure level held steady, at or just above 4.0 years from 1983 to 2008, with somewhat of a jump to 4.5 years in 2010 and to 5.1 years in 2012 (Figure 4). Private-sector workers’ median tenure also held relatively steady from 1983 to 2002, at around
Figure 1
Median Years of Tenure For Wage and Salary Workers
Ages 25 or Older by Gender, 1983–2012


Figure 2
Male Prime-Age (25–64) Workers Median Tenure Trends, By Age, 1951–2012

Figure 3
Female Prime-Age (25–64) Workers' Median Tenure Trends, by Age, 1951–2012


Figure 4
Median Tenure Levels For Wage and Salary Workers (Ages 20 or Older), By Sector, 1983–2012

3.5 years. Subsequently, the median tenure trended upward, reaching 4.3 years in 2012. However, the median tenure for public-sector workers increased from 6.0 years in 1983 to 7.5 years in 1998 before declining to 7.0 years in 2004. It remained at 7.0 years in 2006 and 2008 before increasing in 2010 to 7.1 years. In 2012, the median tenure jumped to 8.3 years.

From 1983 to 1998, median job tenure in the public sector increased significantly relative to the private sector until declining in 2000. Calculations from Figure 4 show that the public-sector median tenure was 2.14 times higher than that of the private sector in 2000, before it declined to 1.79 times higher in 2004. It remained at that level until it increased in 2012 to 1.93 times higher.

For male, private-sector, wage and salary workers age 20 or older, the median tenure trended slightly downward, from 4.2 years in 1983 to 3.8 years in 2002 before increasing to 4.0 years in 2004, to 4.5 years in 2010, and to 5.3 years in 2012 (Figure 5). In contrast, the median tenure of female, private-sector workers had a relatively consistent upward trend (except for slight dips in 1987 and 1998), from 3.1 years in 1983 to 4.6 years in 2012.

For male, public-sector workers, the median tenure had a flat-to-upward trend from 7.9 years in 1983 to 8.5 years in 2004 before falling to 8.0 years in 2006–2010 and increasing to 8.5 years in 2012. Female, public-sector workers’ median tenure level had an upward trend during the 1983–1998 period, reaching a peak of 6.9 years in 1998 before falling to 5.9 years in 2002, subsequently increasing again to 6.5 years in 2006, and reaching 8.3 years in 2012.

### Tenure Distribution

The distribution of all wage and salary workers age 20 or older across various levels of tenure was relatively stable from 1983 through 2012 (Figure 6). The changes that did appear over the period were increases in the percentage of workers with higher levels of tenure. The percentage of workers with 20 or more years of tenure increased from 8.9 percent in 1983 to 10.7 percent in 2008 and to 11.0 percent in 2012. A corresponding decrease in the percentage of workers with one or less of tenure also resulted, declining from 25.7 percent in 1983 to 20.8 percent in 2008 and to 17.4 percent in 2010 before increasing in 2012 to 19.5 percent. The tenure-level categories in between varied within fairly small ranges but generally toward longer tenure levels. In 2012, the percentage of workers in the tenure categories more than one through two years and three to four years saw significant declines from 2010: from 12.4 percent in 2010 to 10.9 percent in 2012, and from 19.2 percent to 16.9 percent, respectively, due to the higher percentages in longer-tenured workers and very short-tenured workers. The percentage of workers having at least five years of tenure reached 52.6 percent in 2012, the highest percentage over the 1983–2012 period.

The constancy of the tenure distribution over time is less pronounced when analyzed by workers’ genders. While the percentage of male workers with the longest tenures (20 or more years) in 2012 was similar to its 1983 level, there was an upward trend in the percentage of male workers with less than five years of tenure from 1983 to 2002, but the percentage with less than five years of tenure started to decrease in 2004, with a 2.6 percentage-point drop in 2010 and 0.4 percentage-point drop in 2012 (Figure 7). In 1983, 49.4 percent of male workers had less than five years of tenure, and by 1998 this had increased to 52.5 percent before falling back to 47.1 percent by 2012.

Female workers’ tenure distribution had a clearly different pattern, as the percentage with 20 or more years of tenure increased substantially, from 4.9 percent in 1983 to 10.1 percent in 2012 (Figure 8). Furthermore, the percentage of female workers who had 10 or more years of tenure increased by more than 8.5 percentage points from 1983 to 2012. Consequently, the percentage of female workers with less than five years of tenure decreased, particularly among those with one year or less of tenure. However, in 2012, the percentage of female workers with less than one year of tenure increased from 2010, but the percentage of workers with more than one year of tenure through four years of tenure decreased more in 2012, leading to the overall decline in the percentage of the female workers with less than five years of tenure.
Figure 5
Median Tenure Levels For Wage and Salary Workers (Ages 20 or Older), By Sector and Gender, 1983–2012

Figure 6
Employee Tenure Distribution: All Wage and Salary Workers (Ages 20 or Older), 1983–2012

**Employee Tenure Distribution: Male Wage and Salary Workers (Ages 20 or Older), 1983–2012**


**Employee Tenure Distribution: Female Wage and Salary Workers (Ages 20 or Older), 1983–2012**

Older male and female workers (ages 45–64) had different trends in the percentages with 10 or more years of tenure over the 1983–2012 period. Among the male age groups examined, a decrease of just over 9 percentage points was the minimum change between 1983 and 2012 in the share of workers with 10 or more years of tenure (Figure 9). Males ages 45–49 experienced the largest decline: from 57.8 percent in 1983 to 44.8 percent in 2012. However, in 2012, each age category within the age range of 45–64 years (except for those ages 60–64 years old) had an increase in the percentage with 10 or more years in tenure, with those ages 55–59 years old jumping from 53.6 percent in 2010 to 55.7 percent in 2012.

In contrast, the percentage of female workers of this age who had 10 or more years in tenure increased for each age group during the 1983–2012 period (Figure 10). The share of female workers ages 45–49 with 10 or more years of tenure went up from 33.0 percent in 1983 to 38.3 percent in 2012, a 5.3 percentage-point increase and the largest change. However, this trend peaked at 41.4 percent in 2000, declined to below 37 percent in 2004, and trended back upward through 2012. In 2012, the percentage of female workers with 10 or more years of tenure in each age category increased, except for those ages 50–54.

Among older workers (ages 45–64), the percentage having 25 or more years of tenure declined from 1983 to 2012 (Figure 11). However, among those ages 60–64, the percentage with 25 or more years of tenure increased by more than 3 percentage points from 2006 to 2008, after a fairly steep decline from 1983 to 2006 (23.3 percent to 16.6 percent). In 2010, the downward trend resumed for this age group with the percentage declining to 19.3 percent from 19.9 percent in 2008 before posting a nominal increase in 2012 to 20.0 percent. For those ages 55–59, a persistent decline occurred: from 22.7 percent in 1983 to 17.1 percent in 2012. The decline in the percentage of workers ages 45–54 with 25 or more years of tenure was less dramatic: from 12.9 percent in 1983 to 9.7 percent in 2012.

In addition to differences by age and gender, tenure distribution is also significantly different across employment sectors. Among the longest-tenured, private-sector workers (25 or more years), the percentage of all workers (both male and female) with this tenure had a steady upward trend from 1991–2012 after a significant drop in 1987 from 1983 (Figure 12). The trend for male, private-sector workers with 25 or more years of tenure was downward from 7.7 percent in 1983 to 5.4 percent in 2006, but has increased since 2006. The trend for female, private-sector workers has been upward, from 2.6 percent in 1983 to 4.4 percent in 2012, leading to the overall percentage of private-sector workers remaining stable at approximately 5.0 percent. In contrast, the percentage of public-sector workers (again both male and female) with 25 or more years of tenure increased sharply during this period:

- Among male, public-sector workers, those with the longest tenure went from 8.1 percent in 1983 to 12.7 percent in 2004 before falling to 10.2 percent in 2010 and then increasing again in 2012 to 10.3 percent.
- The increase was even greater among female, public-sector workers. Those with 25 or more years of tenure rose from 2.6 percent in 1983 to 9.1 percent in 2012.

The substantial decline in the percentage of male, public-sector workers with 25 or more years in tenure in 2010 resulted in an overall decline in this percentage for public-sector workers. Consequently, the significant difference between the public and private sectors in the percentage of the longest-tenured workers narrowed—the gap was 117 percent higher in 2004, but 83 percent higher in 2010. This gap declined again to 75 percent in 2012 (despite the public-sector percentage increase) because the private-sector increase was larger.

This result has significant implications for public-sector employers, as a considerable portion of their work force has reached retirement age and either has retired or will be retiring in the near future. Thus, at a time of growth in the nation’s elderly population (which is more likely to need social services than the nonelderly population), the most experienced workers within state and federal agencies providing these services have retired or will be retiring soon. In contrast, private-sector employers, in general, do not appear to be facing this issue, as they have employed a consistent percentage of long-term workers from 1983–2006 (even though this trend has changed with the uptick in this percentage of long-tenured workers in 2008–2012).
Figure 9
Percentage of Male Wage and Salary Workers Ages 45–64 Who Had 10 or More Years of Tenure, by Age, 1983–2012


Figure 10
Percentage of Female Wage and Salary Workers Ages 45–64 Who Had 10 or More Years of Tenure by Age, 1983–2012

Figure 11
Percentage of Wage and Salary Workers Ages 45–64 Who Had 25 or More Years of Tenure by Age, 1983–2012


Figure 12
Percentage of Wage and Salary Workers (Ages 20 or Older) With 25 Years or More of Tenure, by Sector and Gender, 1983–2012

Discussion

Over the past nearly 30 years, the median tenure of all wage and salary workers age 20 or older has stayed at approximately five years. However, the overall trend masks a small but significant decrease in median tenure among men (which has been increasing in recent years), offset by an increase in median tenure among women. Furthermore, the distribution of tenure among workers age 20 or older has remained relatively constant over this period, but with a tendency toward longer tenures. Consequently, overall employee tenure has been remarkably stable since 1983, although trends between the genders generally moved in opposite directions until recently, when the median tenures by gender have been moving upward together. In 2012, tenure median levels increased virtually across the board.

As for career jobs, the highest median tenure level for any age group (15.3 years in 1983 for males ages 55–64) certainly does not cover an entire lifetime career, since the median worker would not have started his or her current job until after age 40.

The difference between private-sector and public-sector workers’ tenure distributions is quite striking. While private-sector employers in general have been able to maintain a fairly constant percentage of long-term employees (25 or more years of tenure), public-sector employers have seen this group grow significantly from 2002–2004 before dropping in 2006–2010 and increasing again in 2012. Consequently, public-sector employers are facing the retirement of a significant number of their most experienced workers. This trend has narrowed in the three most recent years of the data, showing that long-time, public-sector workers may have reached a peak, while the private sector may be headed for higher percentages of longer-tenured workers.

While the tenure levels presented in this article show that job stability has remained relatively constant over the past two decades, these data do not measure job security. For instance, an increase in workers’ median tenure may be interpreted to mean that job security has declined because those with shorter tenures have been let go and no longer have jobs, leaving the longer-tenured workers less secure. Or the median tenure could decline when workers feel more secure, have an increased ability to find other employment, and switch to better jobs. Conversely, workers who feel more secure in their current jobs may not be motivated to switch employers due to their security, which could lead to a higher median tenure. Consequently, although tenure is not a good measure of job security, it does provide insight into how long workers choose to or are allowed to remain with their current employers. These ideas are particularly relevant in the most recent years as unemployment has remained high in 2009–2012, but median tenure levels have increased in 2012. Therefore, it appears that workers who have been at their jobs five or more years are mostly staying in them, while those with less than five years of tenure are the ones in new jobs, as the percentage of workers with one year or less of tenure increased in 2012 and those with one to four years of tenure declined.

These tenure results indicate that, historically, most workers have repeatedly 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 has several important implications for a worker’s potential income in retirement:

**Defined Benefit Pensions**—Since defined benefit (DB) pensions that are final-average plans have formulas based on tenure and average salary, workers who frequently change jobs may not receive the maximum benefit from this type of plan because they do not remain with the same employers for extended periods; in fact, short-tenure workers (with less than five years in their jobs) may not qualify for any pension benefit at all. Since the median length of employment for all wage and salary workers age 25 or older is just 5.4 years, even many American workers who are currently participating in a DB plan are not likely to receive a significant benefit from the plan.

**Lump-Sum Distributions**—A worker who changes employers must decide what to do with any retirement plan assets he or she has accumulated, a situation that has become more the norm due to the growth in employment-based retirement plans that have a lump-sum distribution (LSD) option. Thus, benefit preservation becomes an
important concern for these employees as well as for their plan sponsors. If employees do not retain these assets in some type of savings vehicle for retirement, they may forgo an important source of supplemental income to their Social Security benefits or be forced to remain in the work force. Without this source of income, many workers may face financial difficulties in retirement as health care costs continue to rise and both Medicare and Social Security are experiencing long-term financing issues.

Public Policy—These decisions on LSDs and benefit preservation also have important implications for public policy, as enrollments in means-tested welfare programs could increase significantly if large numbers of retirees prematurely exhaust their own savings reserves. Furthermore, the number of experienced, public-sector employees will likely drop during the period when the social programs are about to face tremendous increases in enrollment. This suggests that the public sector must work to retain experienced workers or develop more workers to replace those nearing retirement.

Endnotes


3 Job tenure estimates from 1951 show male median tenure at levels nearly equal to those reported for 2012—9.3 years in 1951, compared with 10.7 years in 2012. The median tenure subsequently jumped to 14.7 years by 1963 and remained at around 14 years until dropping to 10.5 years in 1996.

4 BLS reports that the results prior to 1983 are not directly comparable to those in 1983 and after. The results from those prior years are presented here to give an idea of the best estimate for tenure during that time. The tenure questions were again changed in 1996, so while the 1983 questions are close, the most consistent numbers across years start in 1996. The 2006 tenure release from BLS updated numbers going back to 1996 and made some very minor changes to some of the previously published data. See note in tables of the 2006 BLS press release on tenure at [www.bls.gov/news.release/archives/tenure_09082006.pdf](http://www.bls.gov/news.release/archives/tenure_09082006.pdf) (last viewed December 3, 2012).

5 See Jack VanDerhei and Craig Copeland, “The Changing Face of Private Retirement Plans,” *EBRI Issue Brief* no. 232 (Employee Benefit Research Institute, April 2001) for a presentation of the increased reliance of retirees on assets from defined contribution plans. The *Issue Brief* also discusses the growth of cash balance plans, which typically allow retirees to take lump-sum distributions. Also, see Jack VanDerhei and Craig Copeland, “ERISA At 30: The Decline of Private-Sector Defined Benefit Promises and Annuity Payments? What Will It Mean?” *EBRI Issue Brief*, no. 269 (Employee Benefit Research Institute, May 2004) for an analysis of changes in defined benefit plans on retirees’ ability to maintain a similar lifestyle.
throughout retirement. See also Sudipto Banerjee, “Annuity and Lump Sum Decisions in Defined Benefit Plans: The Role of Plan Rules,” *EBRI Issue Brief*, forthcoming (Employee Benefit Research Institute, January 2013) for choices between annuities and LSDs from defined benefit plans.

6 See Craig Copeland, “How Are New Retirees Doing Financially in Retirement?” *EBRI Issue Brief*, no. 302 (Employee Benefit Research Institute, February 2007) for examination of how the cohort of retirees born in 1931–1941 were managing their wealth as they started their retirement years.
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