



SEPTEMBER 2013

Tenure Of American Workers

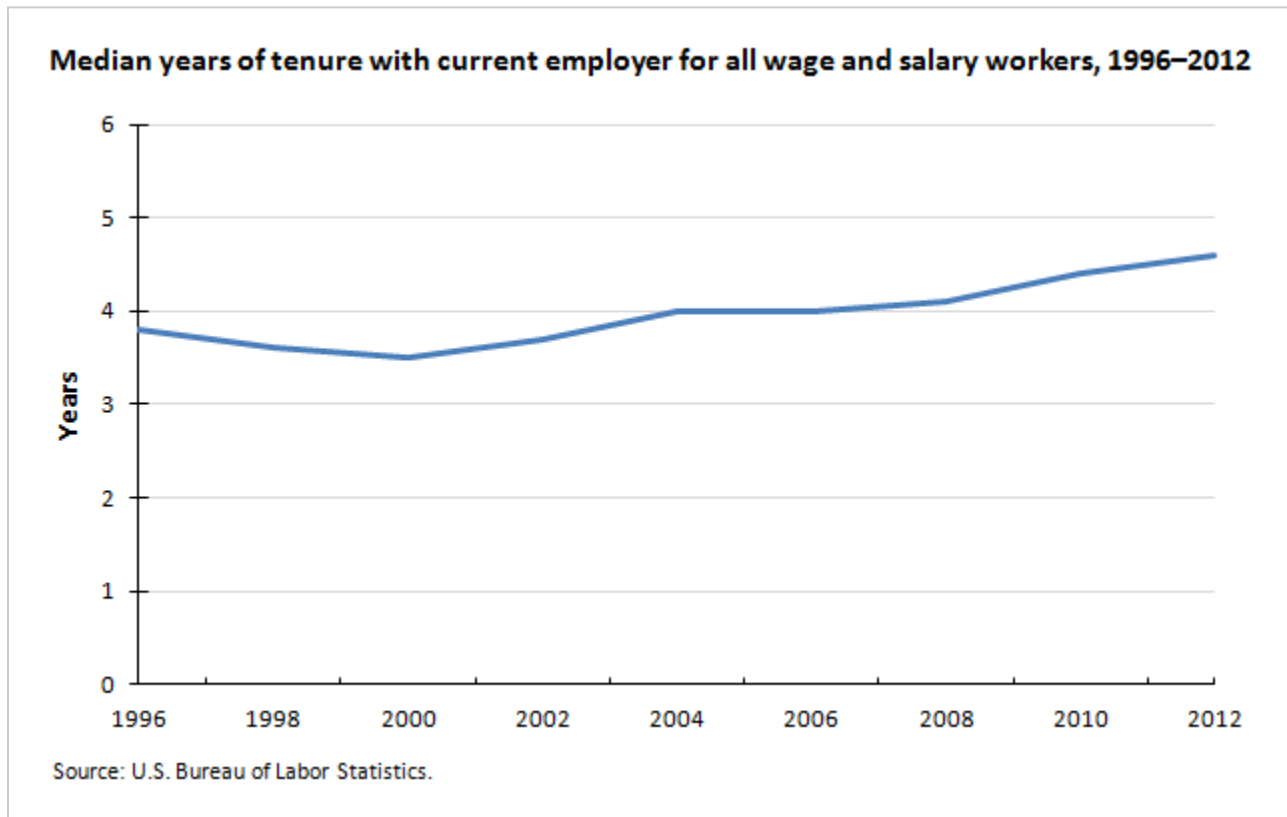
Steven F. Hipple and Emy Sok

Information on employee tenure—the length of time that workers have been with their current employer—may not grab headlines or get mentioned in social media as frequently as other measures of the labor market, such as employment growth, the unemployment rate, or earnings trends. Nevertheless, measures of employee tenure can be useful in understanding long-term trends in the labor market.

A number of factors can affect the median tenure of workers, including changes in the age profile among workers, as well as changes in the number of hires and separations. This Spotlight on Statistics examines trends in employee tenure by various demographic and socioeconomic characteristics, and highlights some of the factors that affect these trends for the period from 1996 to 2012.

Tenure with current employer has trended up over the past decade

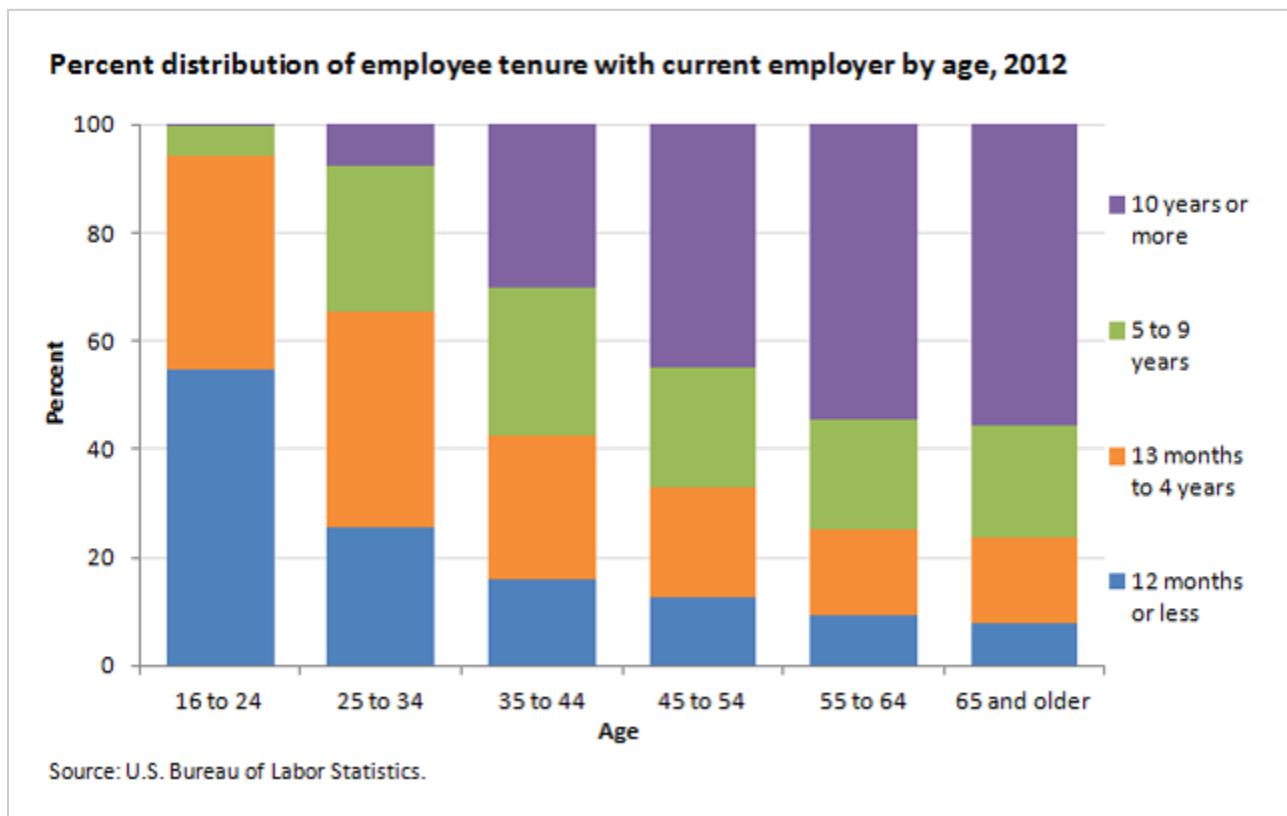
The median employee tenure—the point at which half of all workers had more tenure and half had less tenure—was 4.6 years in 2012. Median tenure has trended up since 2000, when it was 3.5 years. The long-term rise in tenure reflects, in part, the aging of the workforce. In 2012, the median age of employed persons was 42.3 years, up from 39.4 years in 2000.



Employee tenure increases with age

Over half of workers age 55 to 64 and those age 65 and over had 10 years or more of tenure in 2012, compared with less than 1 in 10 workers age 25 to 34. The median tenure figures also reflect this pattern; the medians for workers age 55 to 64 (10.3 years) and 65 and over (10.3 years) in 2012 were more than 3 times the median tenure for workers age 25 to 34 years (3.2 years).

Median tenure across almost all age groups has been little changed since 1996. A notable exception is the median tenure for persons age 65 and over, whose tenure has increased since 1996. In addition to rising tenure among persons age 65 and over, there has been a shift in the distribution of employment by age in recent years. Since 2000, workers age 65 and over have made up an increasing share of overall employment, rising from 2 percent in 2000 to 4 percent in 2012. This shift in the age distribution of employment, plus the growing tenure among workers over age 65, has helped push overall tenure up during the past decade.



The gap in median tenure between men and women has narrowed in recent years

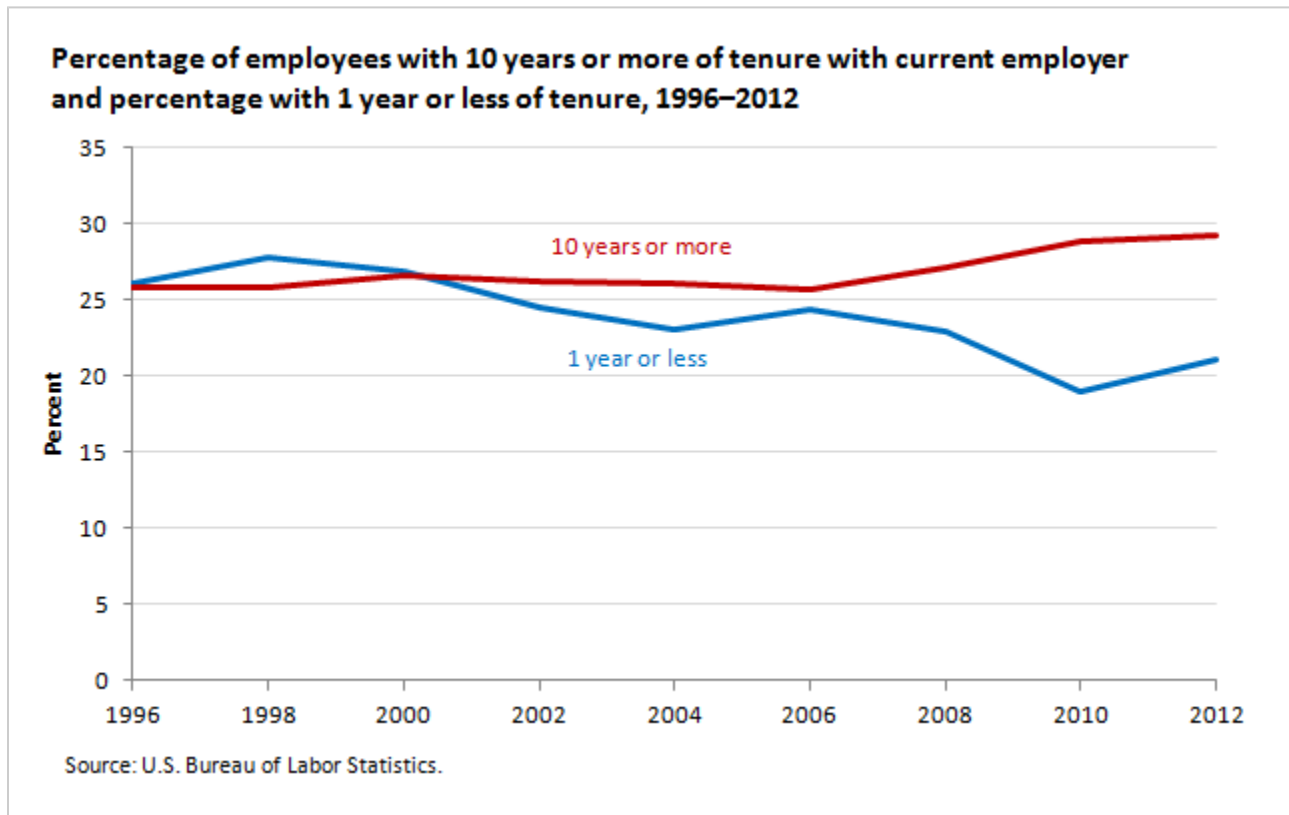
In 1996, median tenure for men was 4.0 years and the median for women was 3.5 years. By 2012, the median tenure was nearly equal for men and women, at 4.7 years and 4.6 years, respectively.

The narrowing gap in median years of tenure between men and women may partly reflect the different occupational make-up of employment growth for the two sexes. Since 1996, women have accounted for a relatively large share of the employment growth in management and professional occupations; workers in these fields tend to have higher tenure than workers in other jobs.



The proportion of workers with at least 10 years of tenure has risen over the past several years

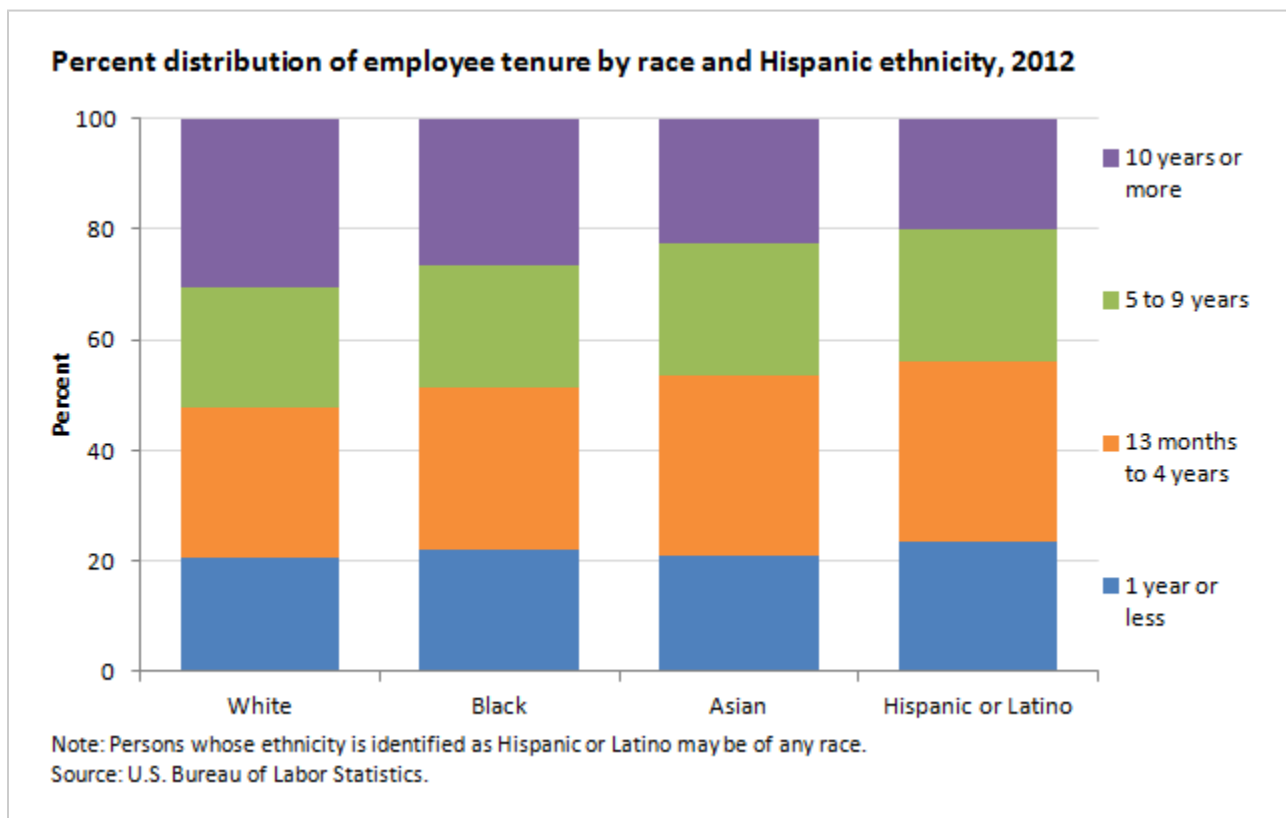
After holding fairly steady from 1996 to 2006, the proportion of workers with at least 10 years of tenure with their current employer has risen over the past several years. Despite an increase in 2012, the share of workers with 1 year or less of tenure trended down over the 1996–2012 period. From 2006 to 2010, the decline in the proportion of workers with 1 year or less of tenure may have reflected, in part, the large job losses among low-tenured workers that occurred during the most recent recession.



Employee tenure varies by race and ethnicity

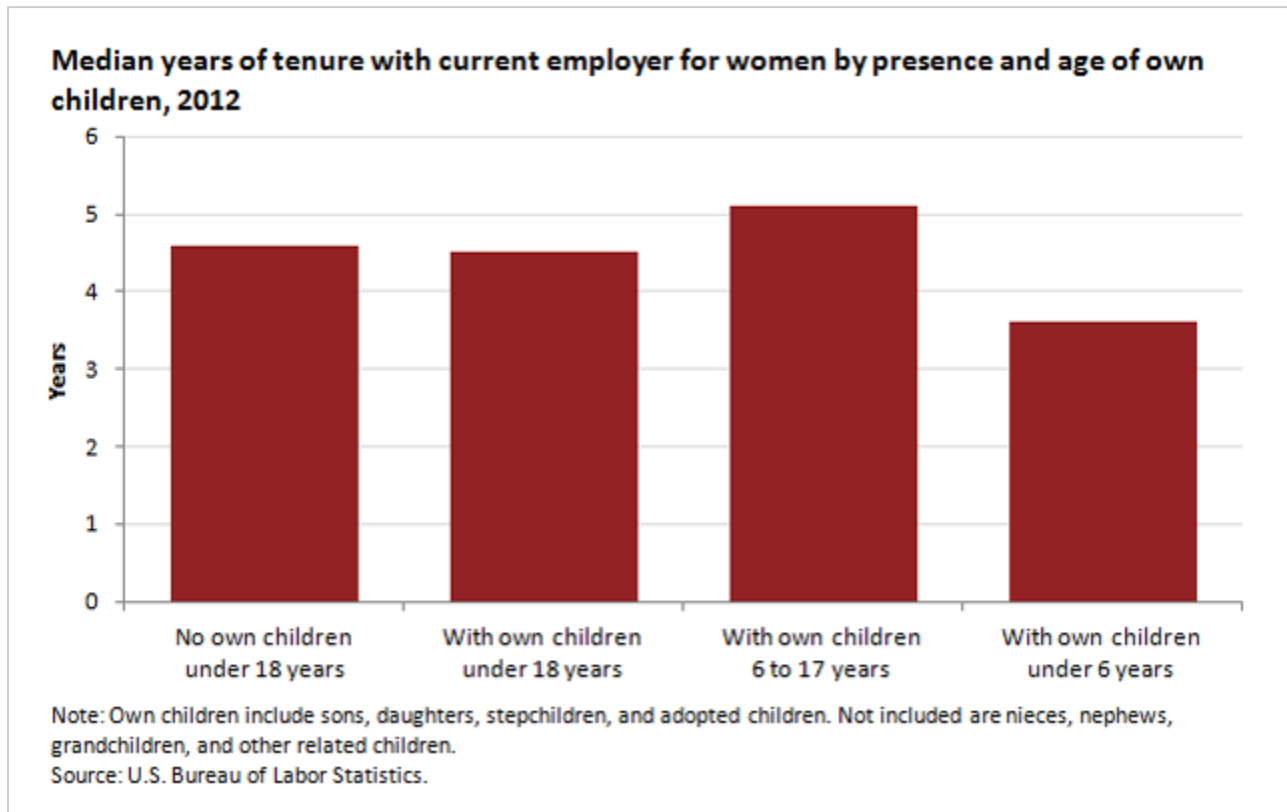
Among the major race and ethnicity groups, a higher proportion of White workers had at least 10 years of tenure with their current employer than did Black, Asian, and Hispanic workers. The longer job tenure among White workers reflects, in part, an older age profile relative to other race or ethnicity groups. In 2012, the median age for White employees (43.0 years) was higher than Asian (41.0 years), Black (40.7 years), and Hispanic (37.3 years) workers.

The shorter job tenure among Asians and Hispanics also reflects, in part, their greater likelihood of being recent entrants into the United States. In 2012, the proportions of Asian (28 percent) and Hispanic (18 percent) workers who had entered the United States in the prior 10 years were much higher than the proportions for White (1 percent) and Black (5 percent) workers. (Data on year of entry into the United States by race refer to non-Hispanics.)



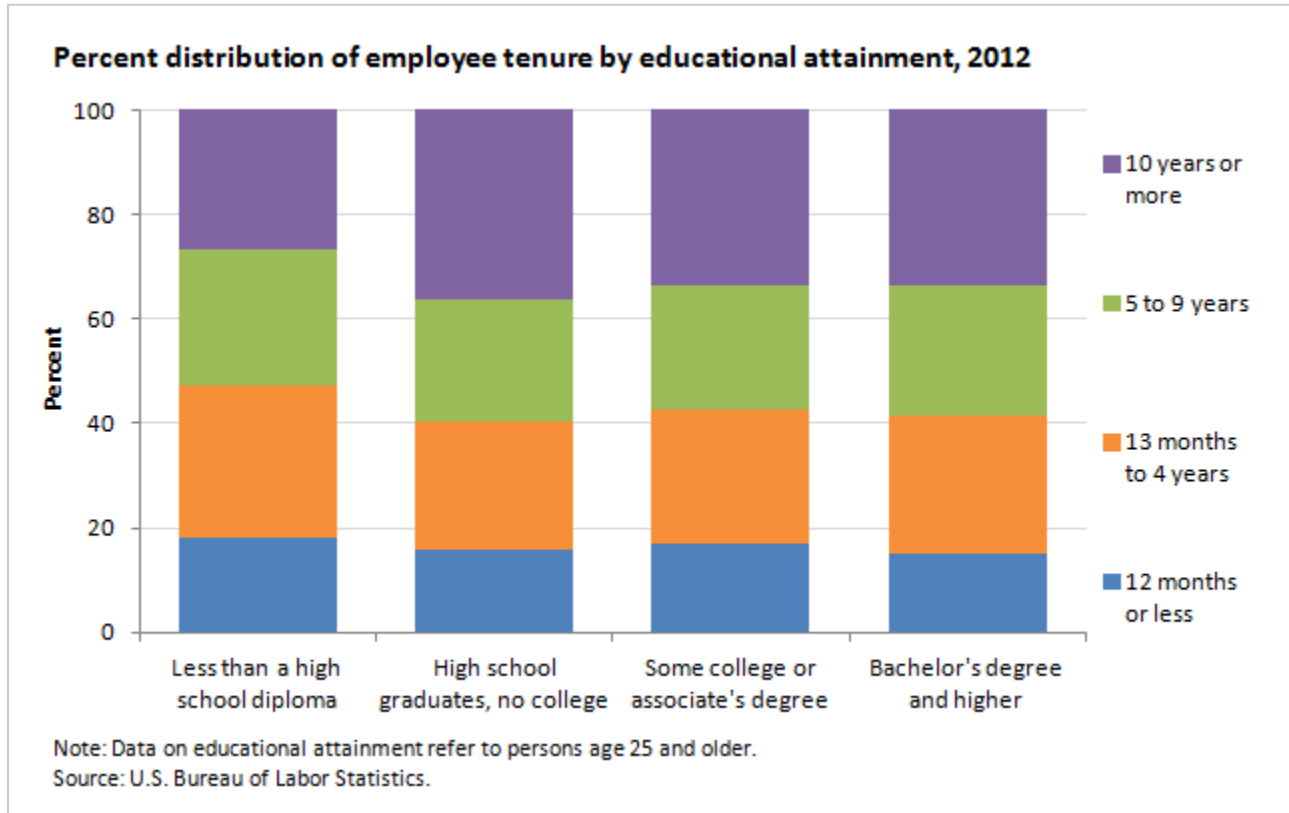
Mothers with young children have lower tenure than those with older children

For women with no children under age 18, median tenure was 4.6 years in 2012, about the same as the median for women with children under age 18 (4.5 years). Mothers with children under age 6 had median tenure of 3.6 years, compared with 5.1 years for mothers with children age 6 to 17.



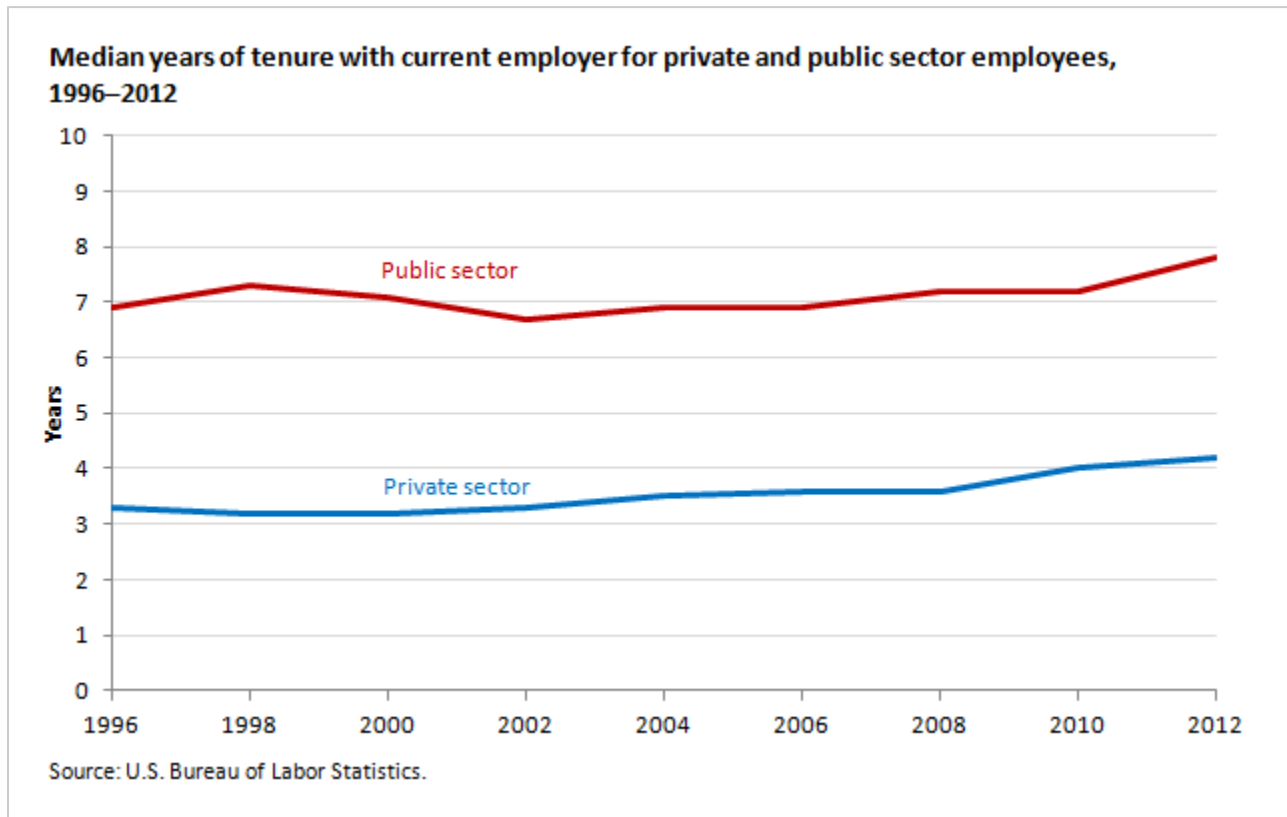
Workers with more education have higher tenure than those with less education

Among workers age 25 and older, those with at least a high school education were more likely to have 10 years or more with their current employer than those with less than a high school education. For example, 27 percent of workers with less than a high school diploma had 10 years or more of tenure, compared with 36 percent of those with only a high school diploma (no college).



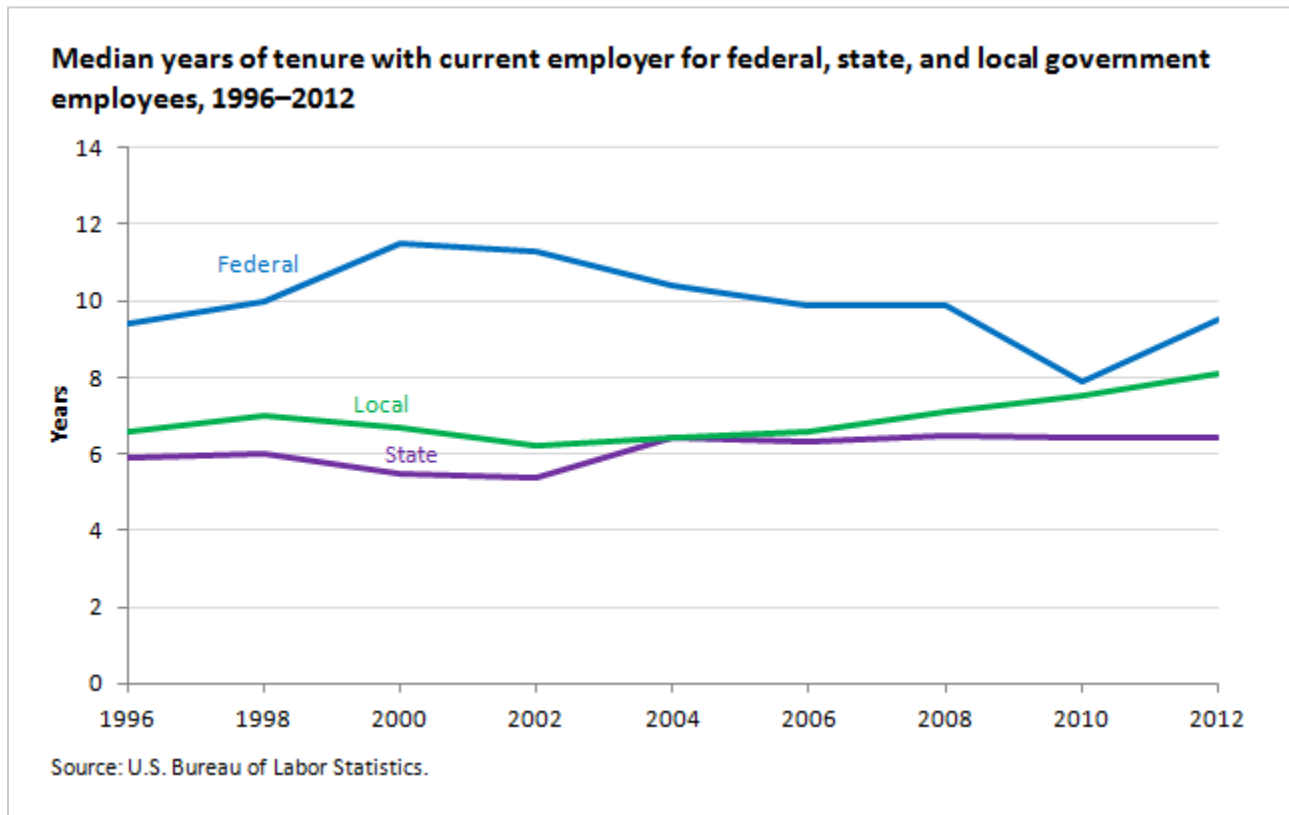
Employees in public-sector jobs have longer tenure than employees in private-sector jobs

In 2012, public-sector workers had median tenure of 7.8 years, compared with 4.2 years for those employed in the private sector. The higher median among workers in the public sector reflects, in part, the older age profile of workers in government. Since 2002, the median tenure among employees in private- and public-sector jobs has edged up.



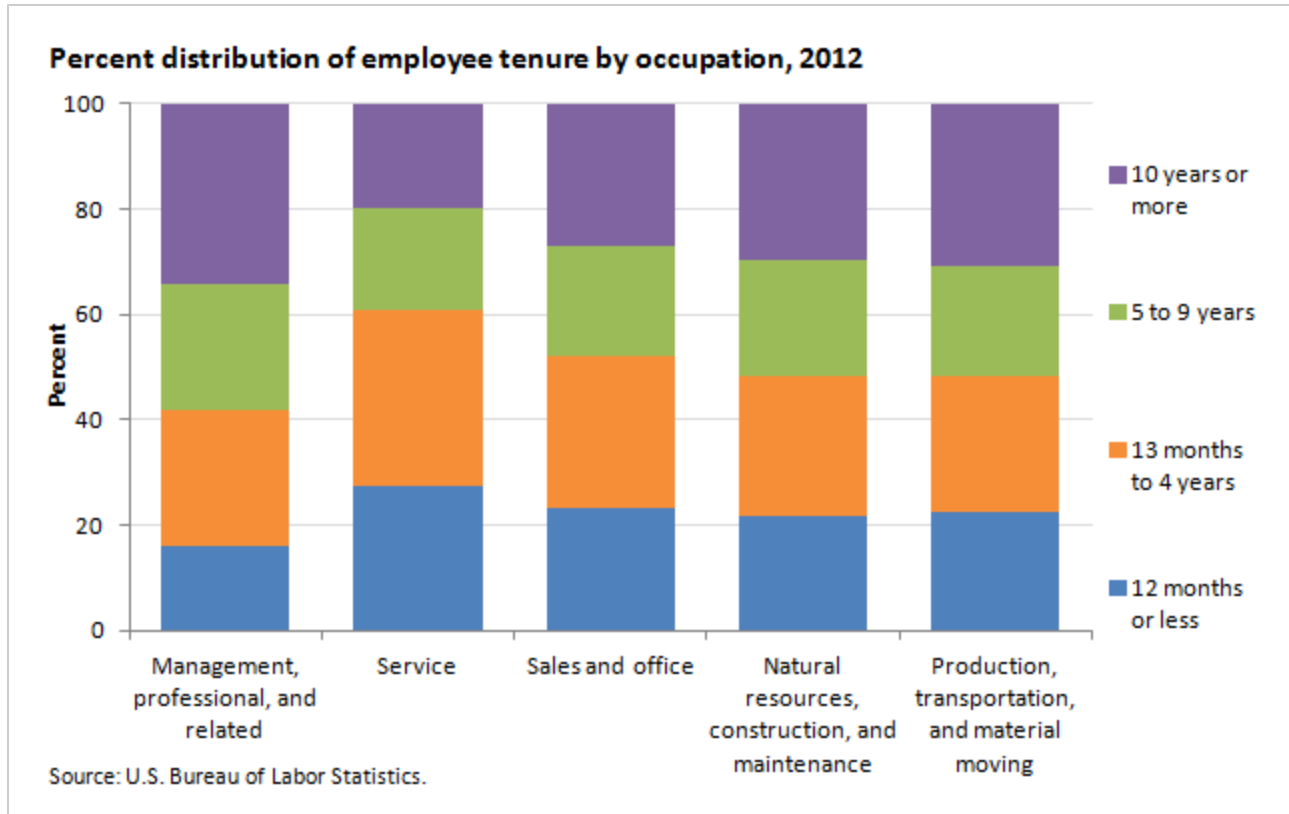
Employee tenure is higher among federal workers than among state and local government workers

In general, median tenure of federal workers is higher than the medians for their state and local government counterparts. The median tenure of federal workers increased in 2012 to 9.5 years. However, the median tenure of federal workers remains below the recent high of 11.5 years in 2000; prior to 2012, the median tenure of federal government workers had been trending down since 2000. Since 1996, median tenure of state government workers has been relatively stable, while tenure among local government workers has increased.



Employee tenure varies among different occupations

Workers in management, professional, and related occupations had the largest share of workers with 10 years or more of tenure with their current employer; in 2012, about a third of workers in these occupations had been with their employer for at least 10 years. Workers in service occupations, who are generally younger than persons employed in management, professional, and related occupations, had the largest share of workers (28 percent) with 1 year or less of tenure with their current employer.



More

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Information on employee tenure has been obtained from supplemental questions to the Current Population Survey (CPS) every 2 years since 1996. The CPS is a monthly survey of about 60,000 households that provides data on employment and unemployment for the nation's civilian noninstitutional population ages 16 and older. The most recent supplement on job tenure was conducted in January 2012.

Employee tenure is a measure of how long wage and salary workers have been with their current employer at the time of the survey. Data in this Spotlight are limited to employed wage and salary workers and refer to the sole or principal job of full- and part-time workers. The group includes employees in both the private and public sectors but excludes all self-employed persons, both those with incorporated businesses and those with unincorporated businesses. Additional data on employee tenure are available on the Internet at www.bls.gov/cps/lfcharacteristics.htm#tenure or by contacting the Division of Labor Force Statistics by telephone at (202) 691-6378 or by email at CPSInfo@bls.gov.