

Trends in Public-Sector Employee Tenure, 2000–2022

Introduction

In a recently published Employee Benefit Research Institute (EBRI) report,¹ data on employee tenure were examined to see how tenure had changed since the inception of the pandemic. Workers in the public sector were shown to have significantly longer tenures, on average, than those in the private sector, even after the onset of the pandemic. This chartbook builds upon that publication by more closely examining public-sector workers.

The latest data on employee tenure from the January 2022 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.² Public-sector workers are broken out into the level of government in which they are employed — federal, state, or local. This allows for differentiating the tenure levels across the levels of government to see if they are facing different challenges for providing retirement benefits and managing their work force going forward as the Baby Boomers retire and the Millennials grow in their 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 either work for a federal, state, or local government, and private-sector workers, including 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.

¹Copeland, Craig, "Trends in Employee Tenure, 1983–2022," *EBRI Issue Brief*, no. 578 (Employee Benefit Research Institute, January 19, 2023).

²The latest data come from the January 2022 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.nr0.htm (last viewed February 6, 2023). Results of research from BLS and EBRI are compiled in this research to present various trends in employee tenure.

Overall Median Tenure, by Class of Worker

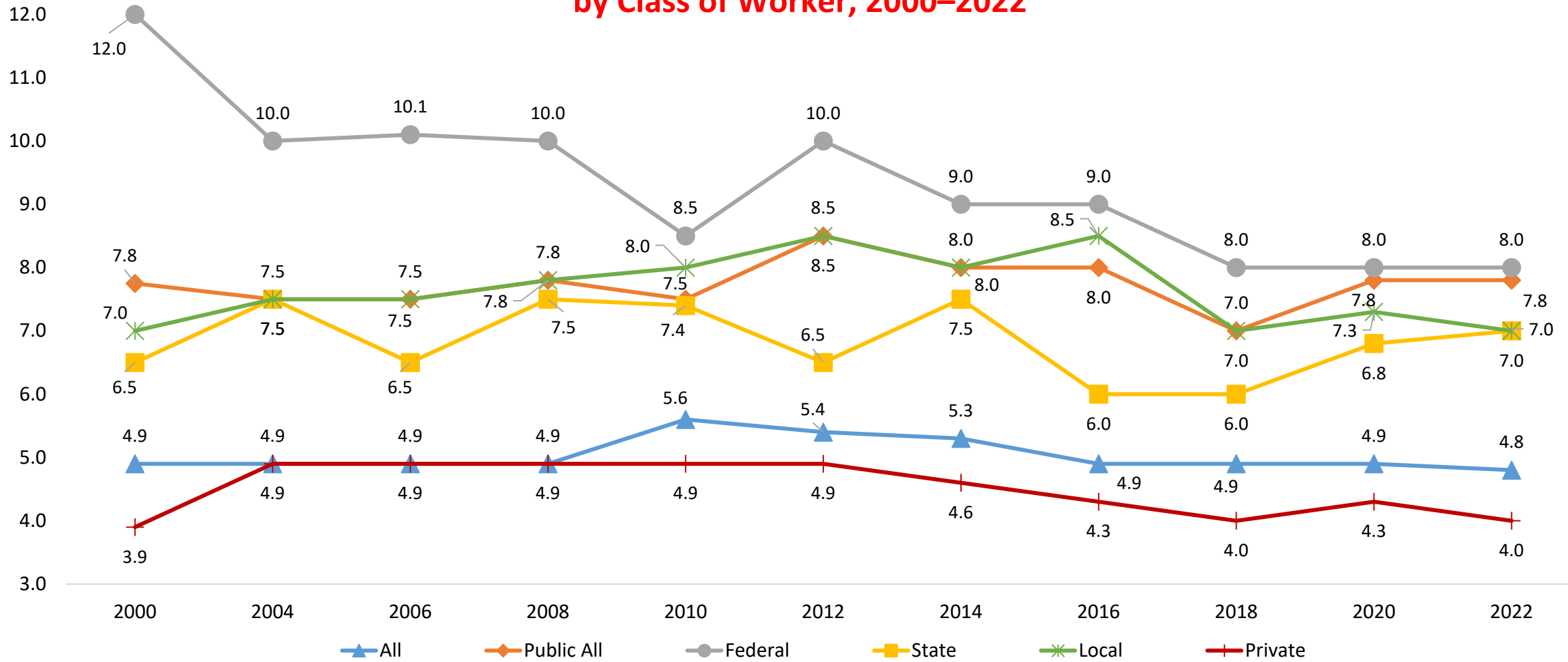
The median tenure for all wage and salary workers *ages 20 or older* in 2022 was 4.8 years, below its 2020 level of 4.9 years (Figure 1).³ Federal workers median tenure held steady in 2022 at 8.0 years and the median tenure of state workers increased to 7.0 years from 6.8 years in 2020. However, local workers' median tenure decreased 7.0 years from 7.8 years in 2020. The overall median tenure for public sector workers maintained its level at 7.8 years. In contrast, the median tenure of private-sector workers dipped in 2022.

Gender—Female state and local workers have shorter median tenure than their male counterparts (Figure 2). Furthermore, the median tenures of both female state and local workers were unchanged in 2022, while male state workers' median tenure increased in 2022 and male local workers' median tenure decreased.

Age—The median tenure of state workers increased with their age in 2022 (Figure 3). The median tenure of the oldest (ages 50 or older) and youngest (ages 20-29) workers increased, while the median tenure of workers in the middle age categories decreased in 2022. Among local workers, the median tenure increased with age through their 50s before those ages 60 or older had a median tenure below that of those ages 50-59 (Figure 4). Local workers of all ages median tenure increased or stayed the same in 2022, except for the decline among those ages 20-29. The median tenures of private sector workers are below that of the state and local workers in each group (Figure 5). Furthermore, the median tenures of the private sector declined in among workers in each age group except for the oldest (ages 60 or older) and youngest (ages 20-29) workers.

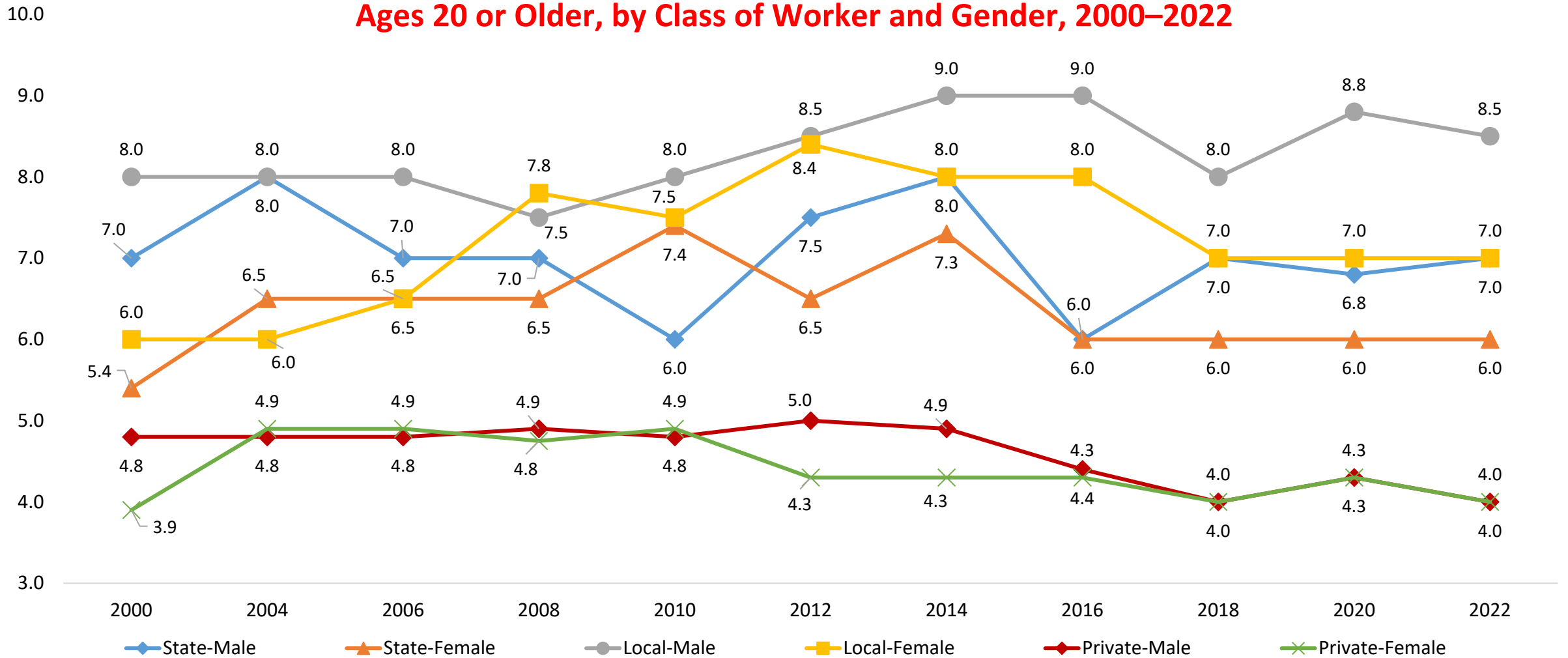
³For the remainder of this research, all worker classes contain wage and salary workers ages 20 or older, except when specific ages are presented. Therefore, "wage and salary workers ages 20 or older" will not be repeated but should be understood to be the case for each of the worker classes (federal,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

Figure 1
Median Years of Tenure at Current Job for Wage & Salary Workers Ages 20 or Older,
by Class of Worker, 2000–2022



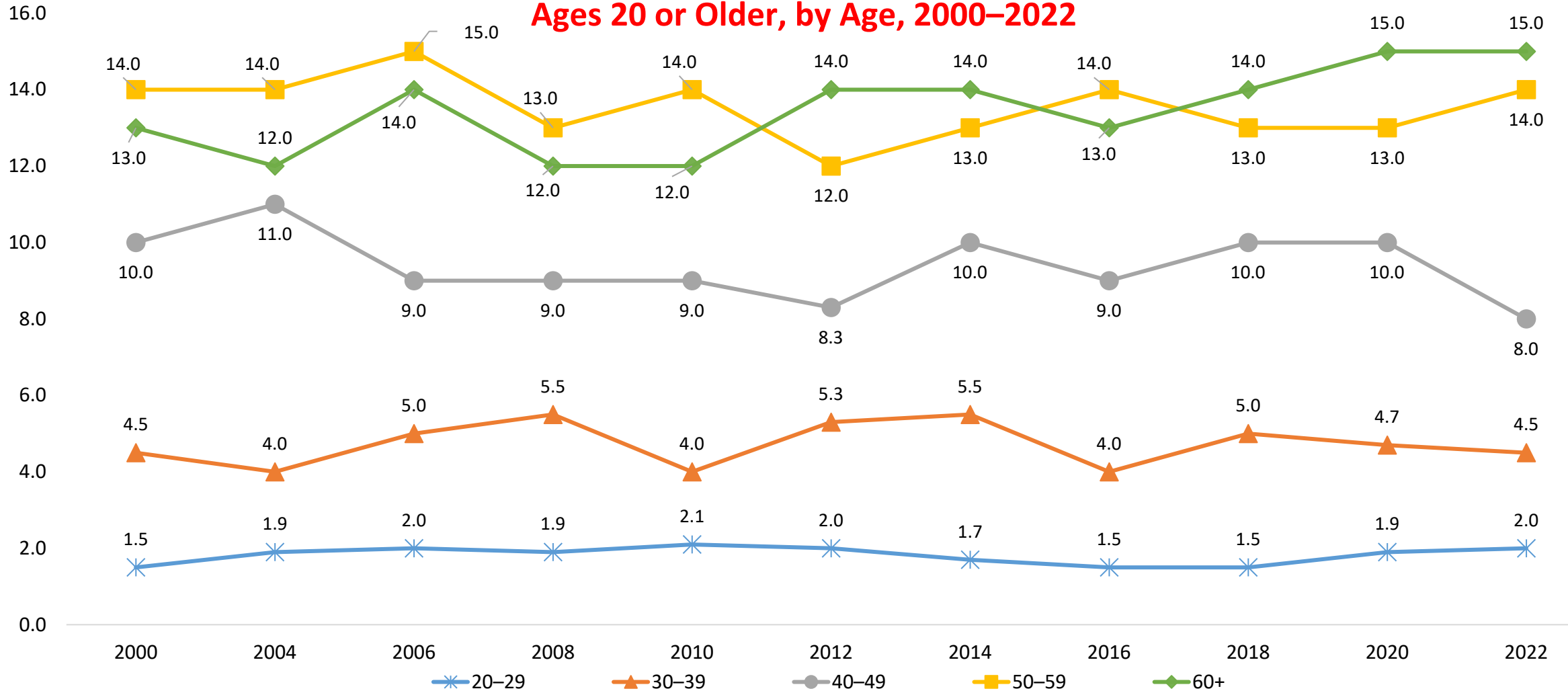
Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 2
Median Years of Tenure at Current Job for Wage & Salary Workers
Ages 20 or Older, by Class of Worker and Gender, 2000–2022



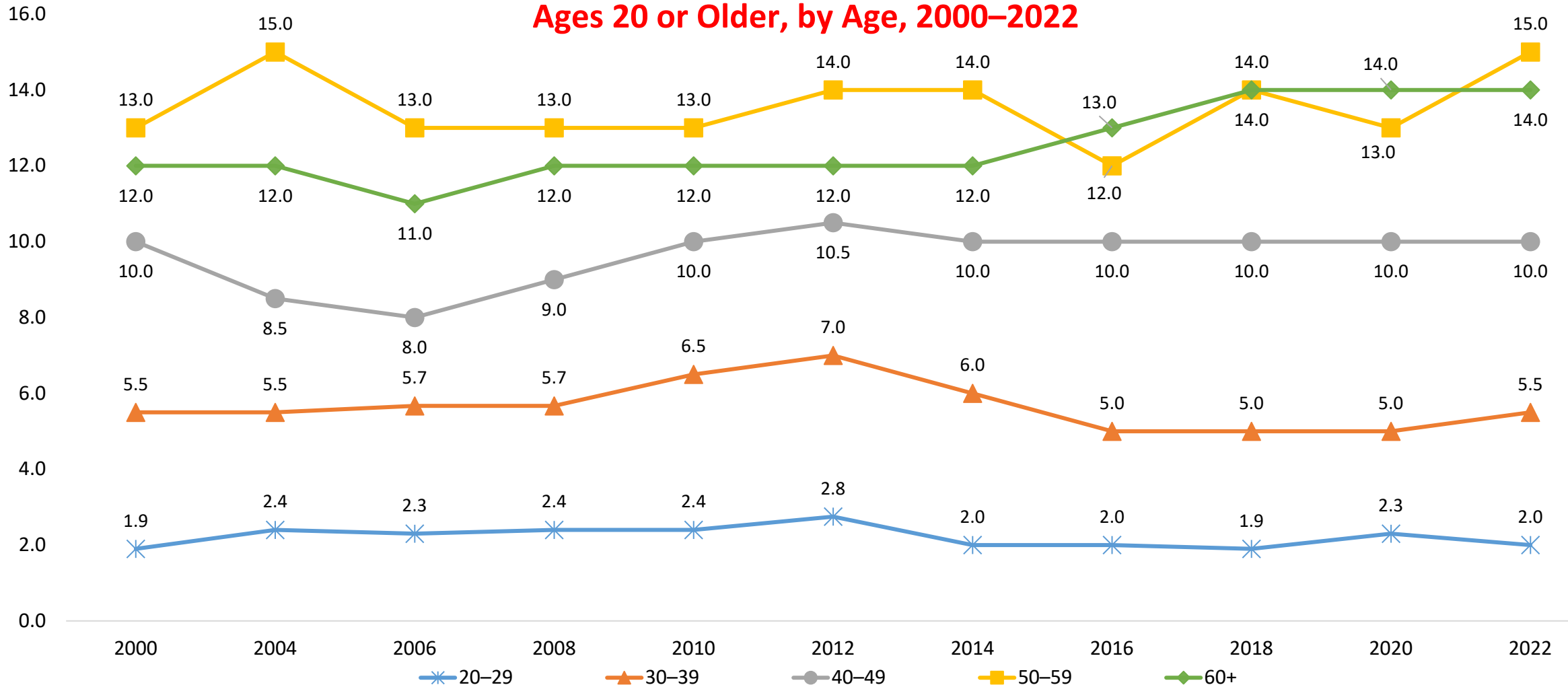
Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 3
Median Years of Tenure at Current Job for State Wage & Salary Workers
Ages 20 or Older, by Age, 2000–2022



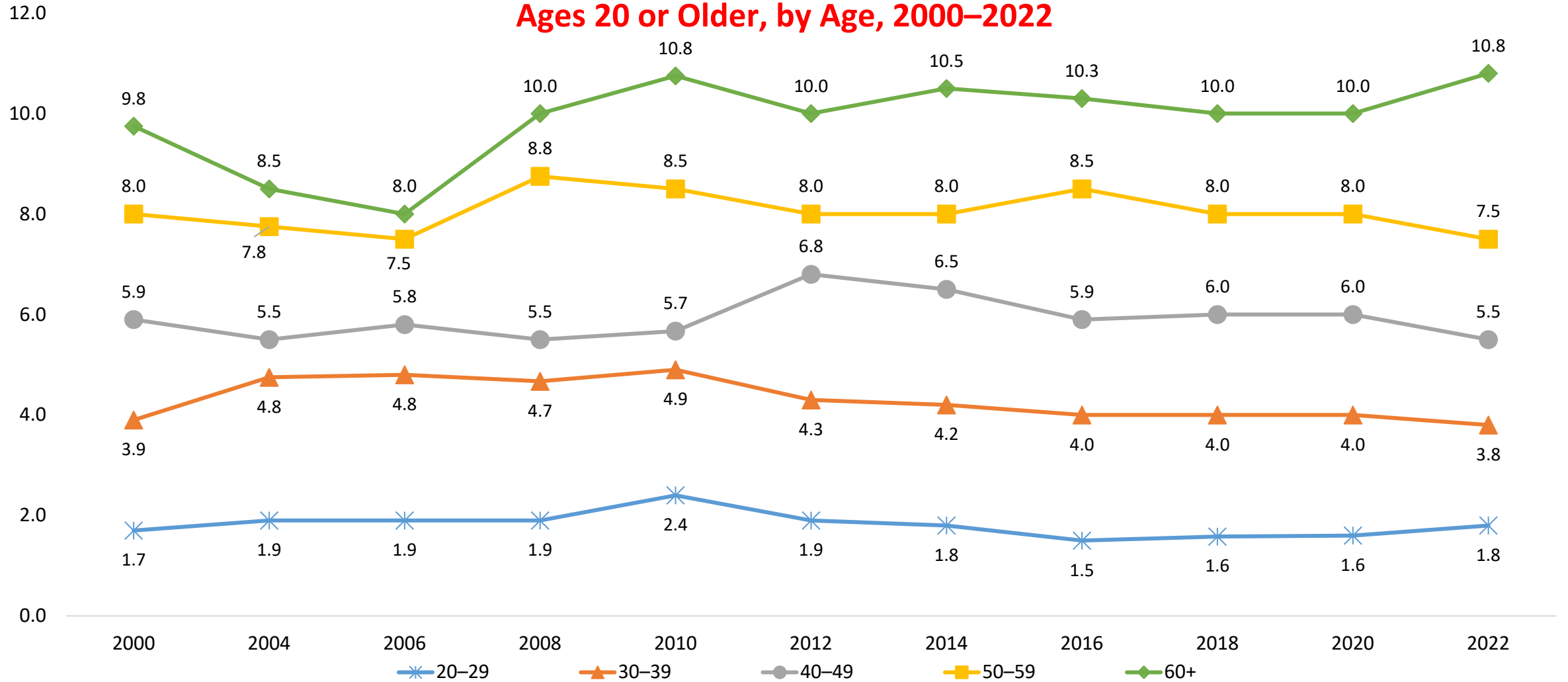
Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 4
Median Years of Tenure at Current Job for Local Wage & Salary Workers
Ages 20 or Older, by Age, 2000–2022



Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 5
Median Years of Tenure at Current Job for Private Wage & Salary Workers
Ages 20 or Older, by Age, 2000–2022

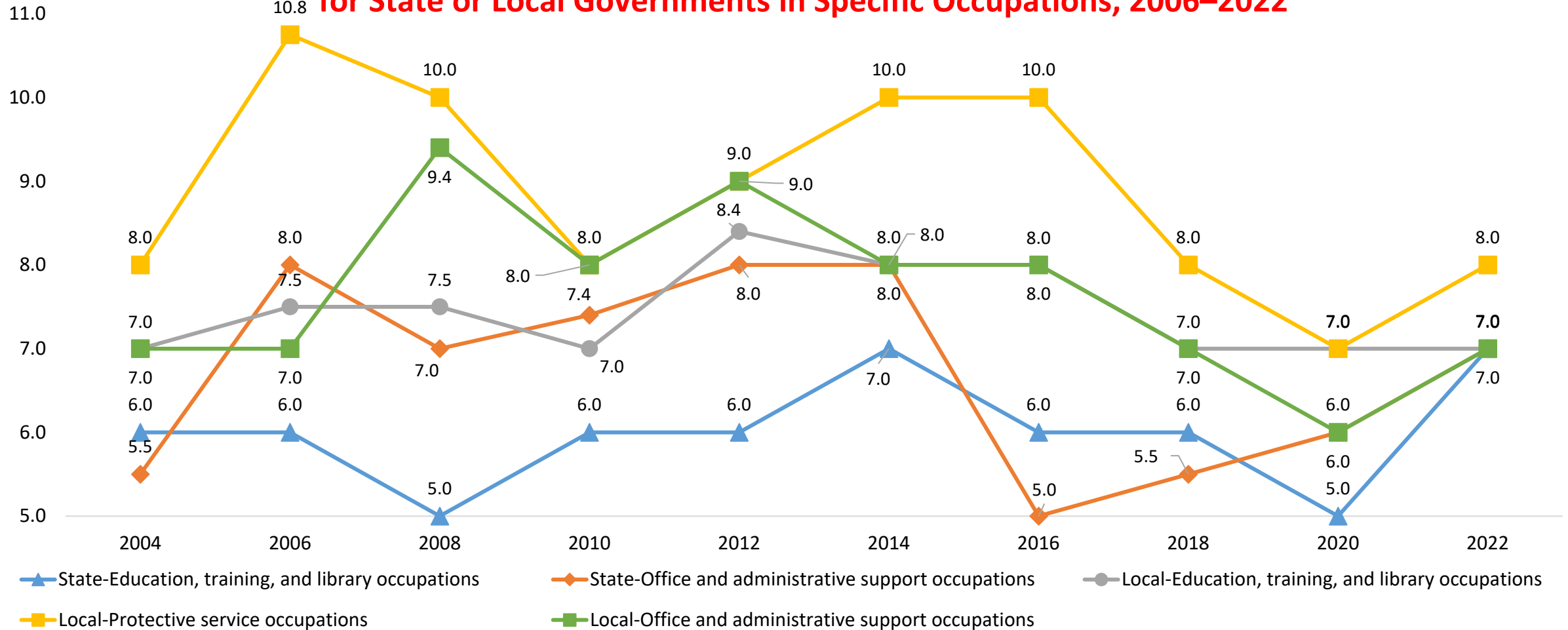


Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

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 for workers in them, so that only the education, training, and library (state and local); office and administrative support (state and local); and protective service (local) occupations are presented. Among workers in each of these occupations, the median tenure increased in 2022 (Figure 6). The median tenure of local protective service workers was the longest at 8.0 years, while the workers in the other occupations had a median tenure of 7.0 years in 2022.

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, 2006–2022



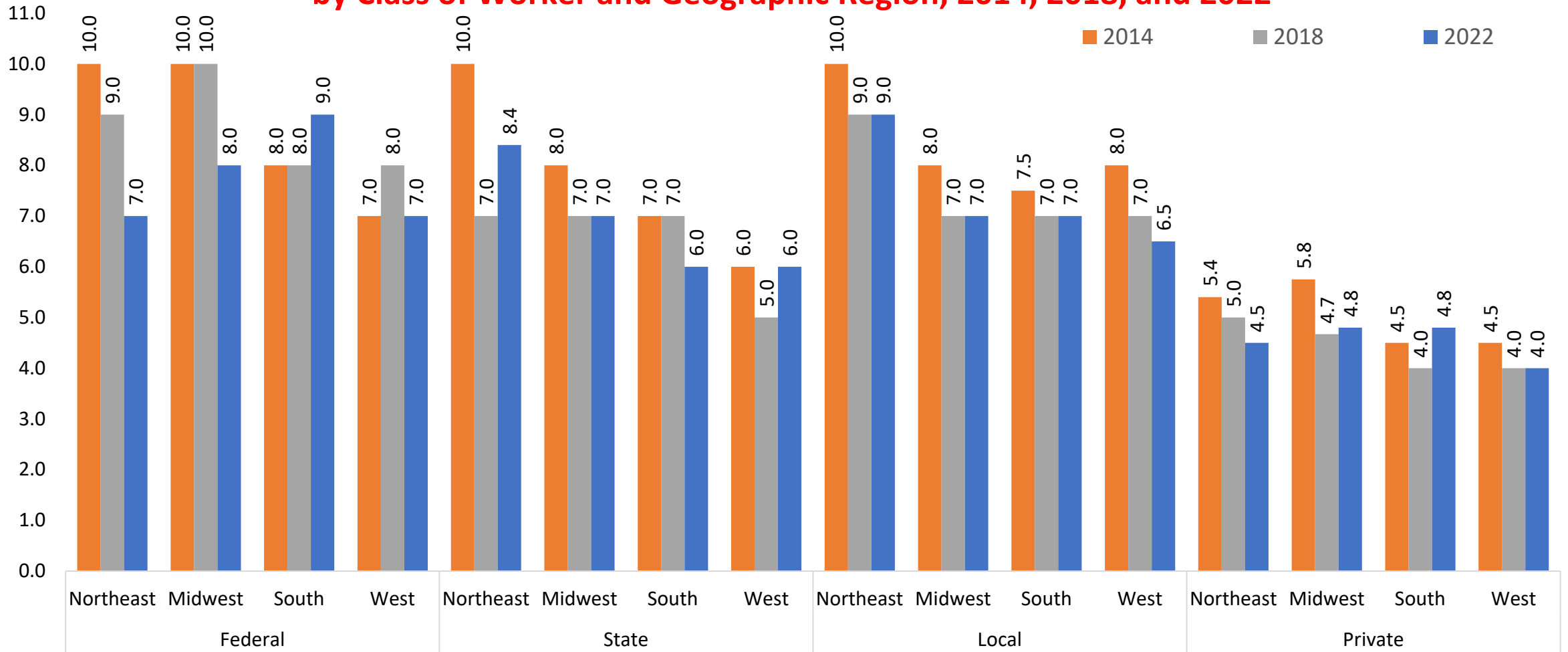
Source: EBRI estimates from the January 2006–2022 Current Population Surveys.

Geographic Region

A much shorter trend is available for geographic regions (2014–2022), but some revealing findings can be observed. State and local workers from the Northeast had longer tenures than those in the other regions in 2022 (Figure 7). In contrast, federal and private workers from the Midwest and South had longer tenures than those in the other regions. Furthermore, federal and local workers generally had the longest tenures across each region, while private-sector workers had the shortest tenures across each region.

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, and 2022



Source: EBRI estimates from the January 2014–2022 Current Population Surveys.

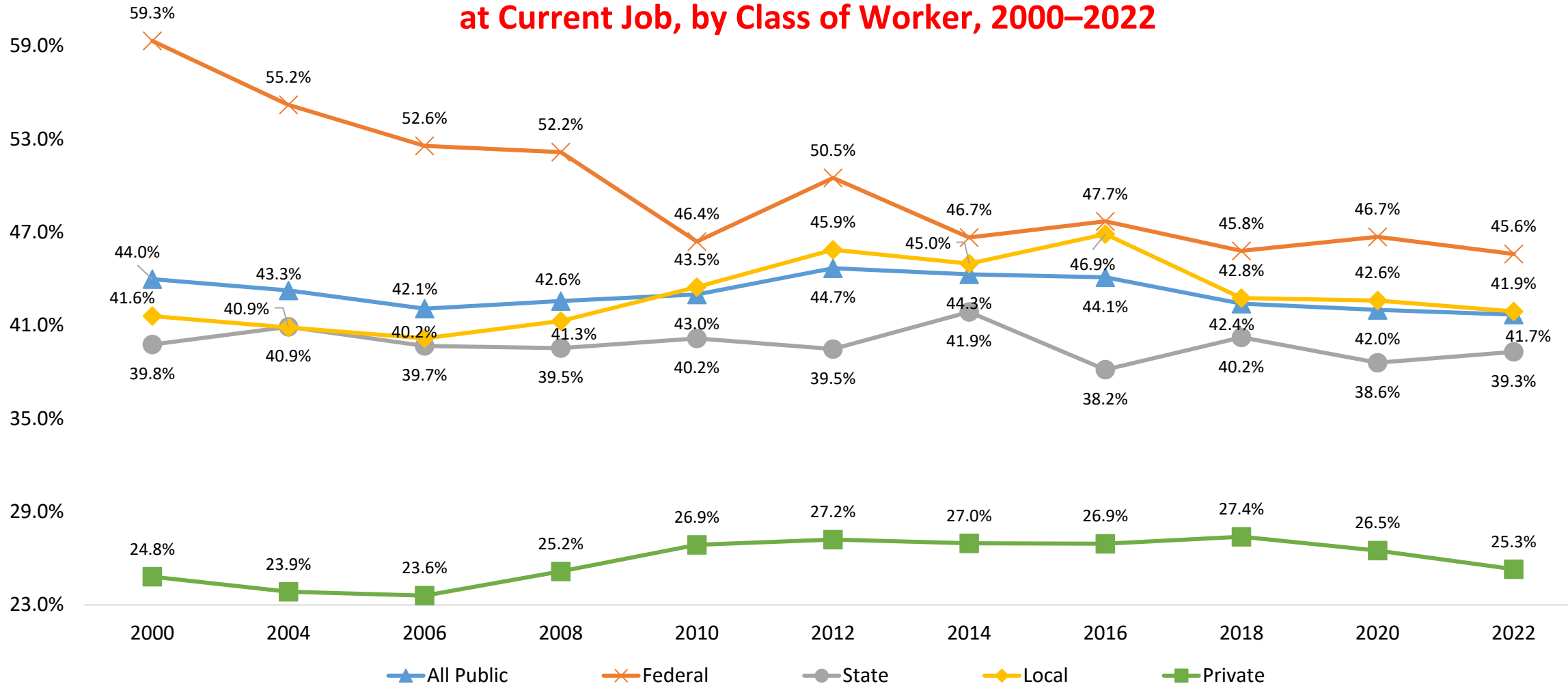
Percentage of Workers Above Various Thresholds of Tenure

The percentage of public-sector workers with 10 or more years of tenure was significantly higher than that of private-sector workers — 41.7 percent vs. 25.3 percent (Figure 8). The share of state workers with this level of tenure increased in 2022, while the fractions of federal and local workers with 10 or more years of tenure declined in 2022. However, only federal workers have seen substantial decline in this percentage since 2000.

The percentage of state and local workers with 25 or more years of tenure has remained in a relatively narrow band from 2000–2022 at around 8 to 9 percent (Figure 9). The local percentage increased slightly in 2022, whereas the state percentage was unchanged. Again, private-sector workers were much less likely to have this level of tenure.

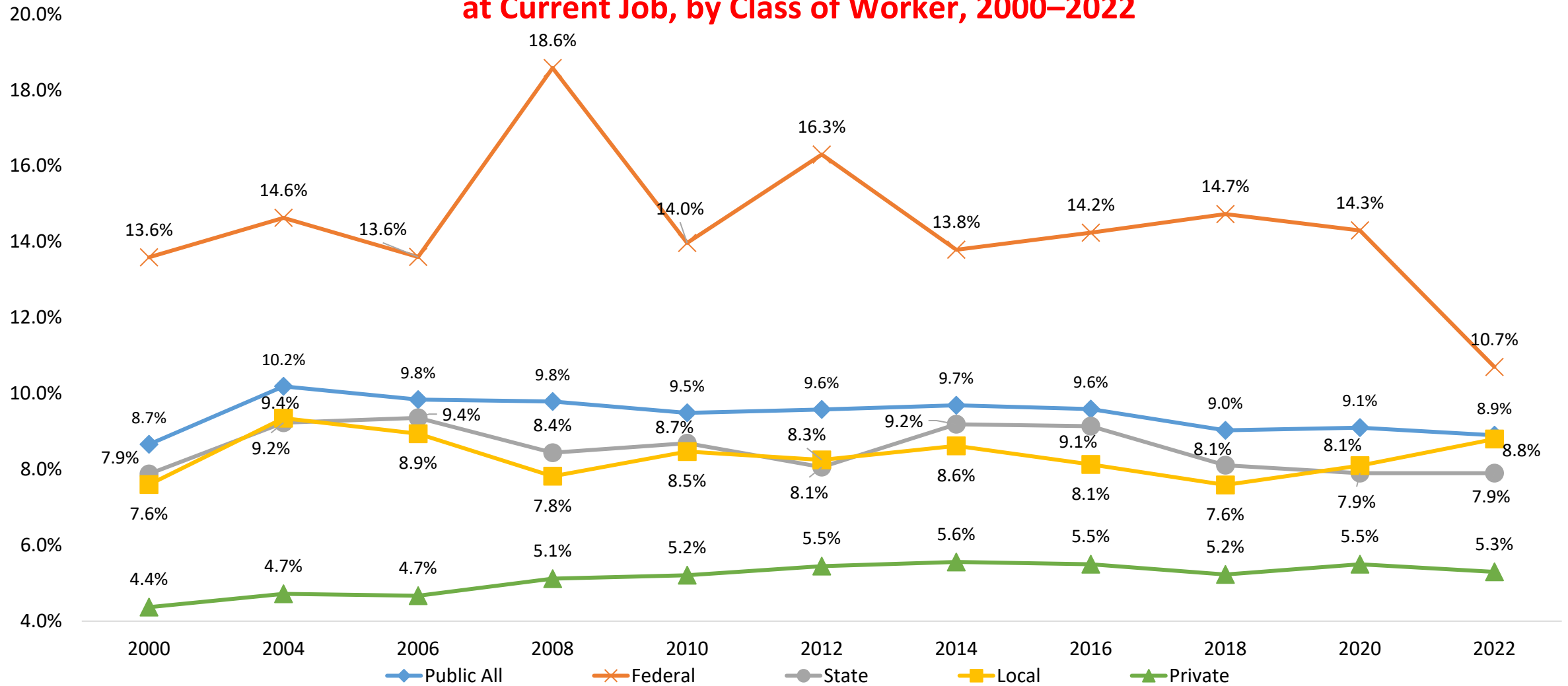
Figures 10, 11, and 12 show the percentages of state, local, and private-sector workers with 25 or more years of tenure by ages 45–64. State and local workers were more likely to have 25 or more years of tenure than private-sector workers across each age group. The percentage of state workers ages 55–59 with 25 or more years of tenure increased in 2022, while the percentages of these workers ages 45–54 and 60–64 fell in 2022. An increase in 2022 of the percentage of local workers ages 55–59 also resulted along with that of those ages 45–54.

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, 2000–2022



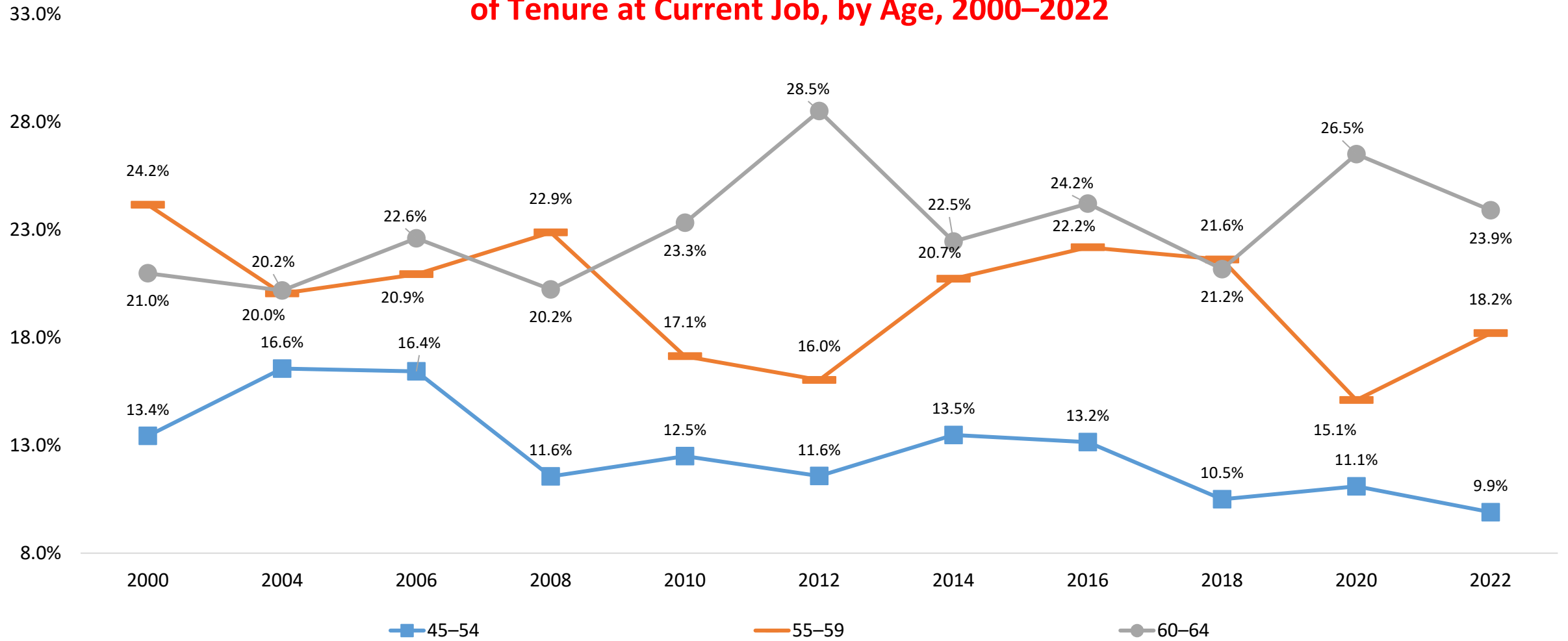
Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

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, 2000–2022



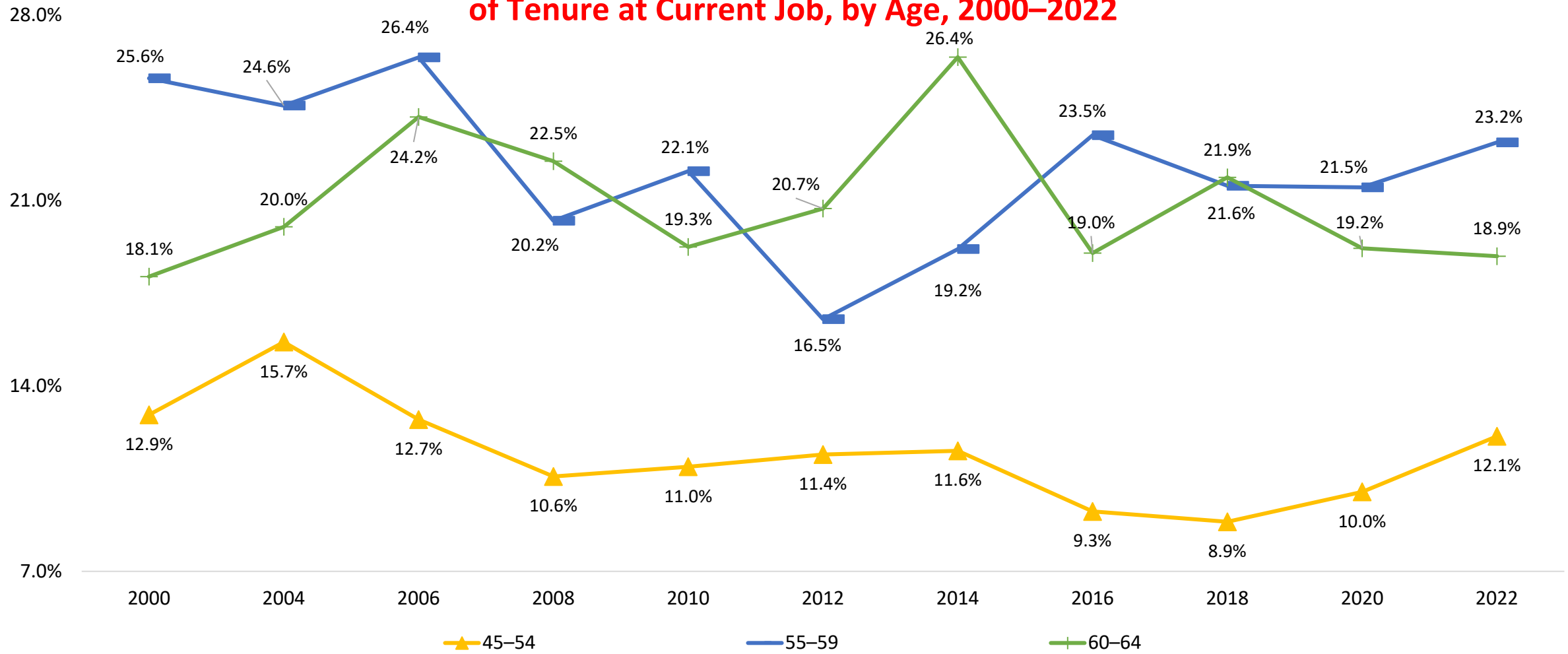
Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 10
Percentage of State Wage & Salary Workers Ages 45–64 With 25 or More Years of Tenure at Current Job, by Age, 2000–2022



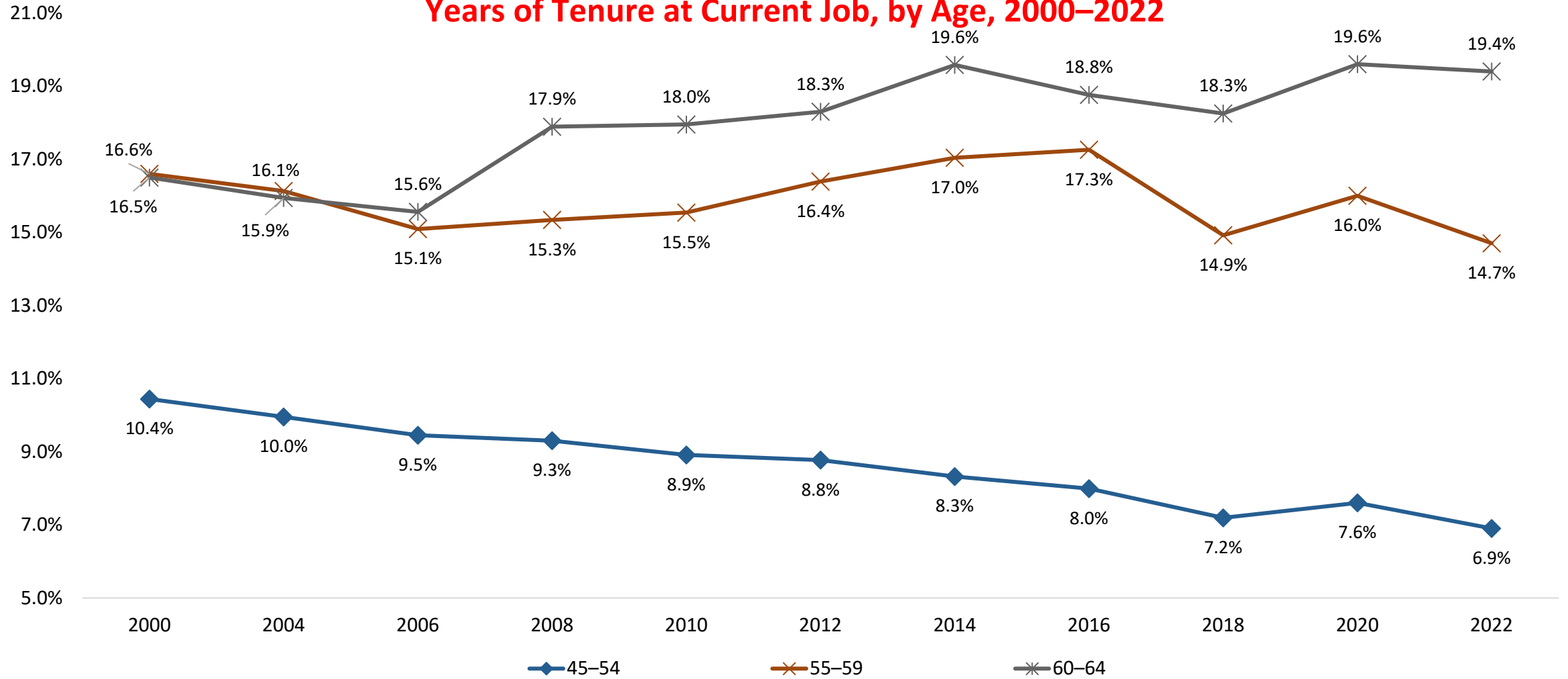
Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 11
Percentage of Local Wage & Salary Workers Ages 45–64 With 25 or More Years of Tenure at Current Job, by Age, 2000–2022



Source: EBRI estimates from the February 2000 and January 2004–2022 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, 2000–2022



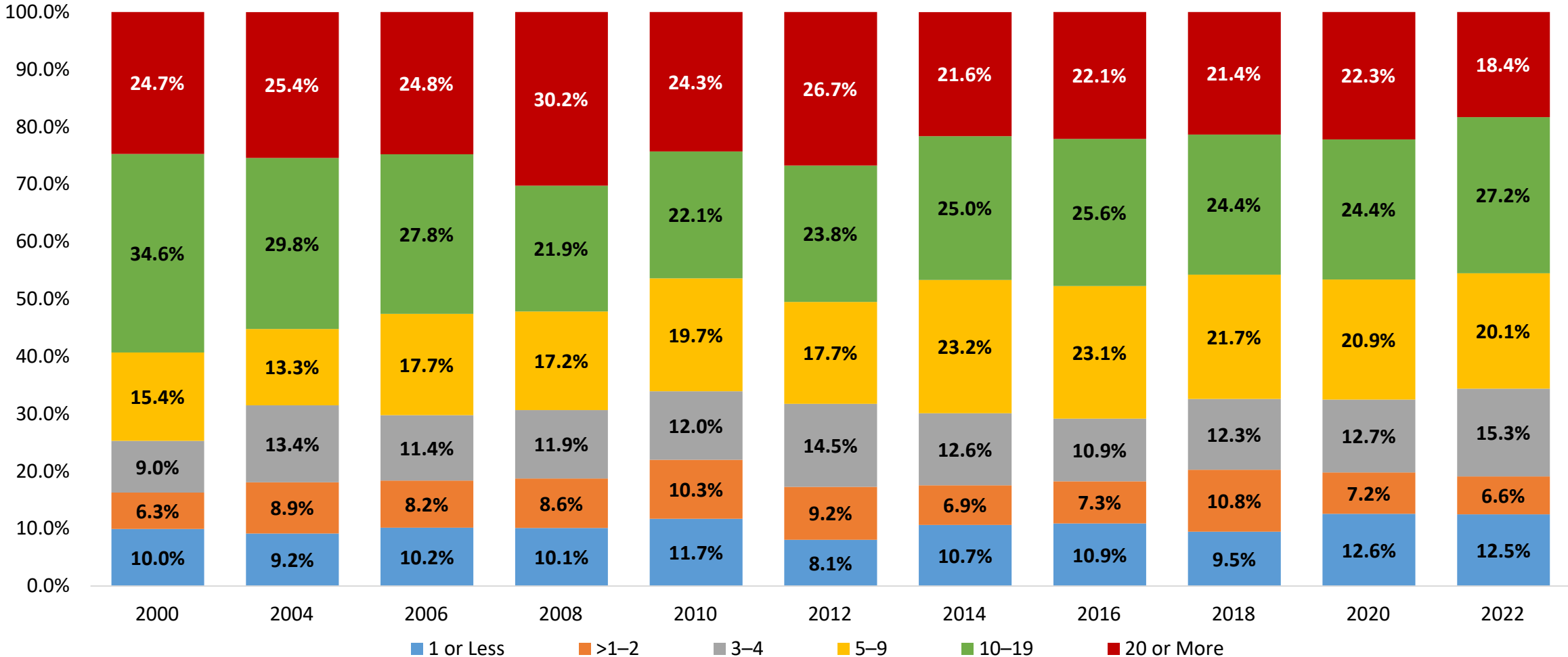
Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Tenure Distribution Trends

The full tenure distribution of the workers in each worker class are examined in Figures 13–16. After the increase in the shares of workers with the shortest (1 year or less) and longest (20 or more years) tenures in 2020, the percentage of federal workers with the longest tenures declined in 2022 while those with the shortest tenures held steady (Figure 13).

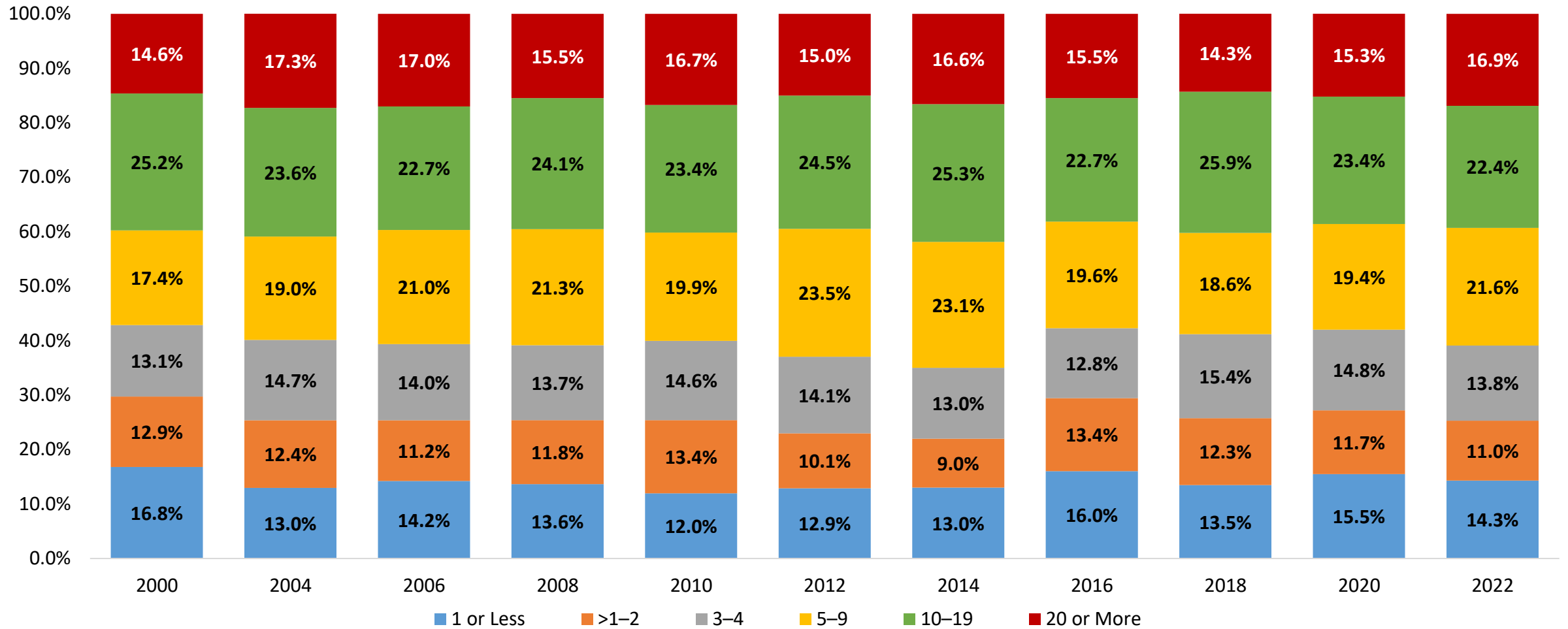
For state workers, the share with 1 year or less in tenure increased in 2020 before decreasing in 2022, whereas the share with 20 or more years increased in both years (Figure 14). The percentage of local workers with 20 or more years of tenure increased in both years, while the percentage with tenures of 1 year or less decreased in 2020 before increasing in 2022 (Figure 15). Private sector workers with tenures of 1 year or less increased the most in 2022 without an increase in the share of workers with the longest tenures (Figure 16).

Figure 13
Distribution of the Years of Tenure at Current Job for Federal Wage & Salary Workers Ages 20 or Older, 2000–2022



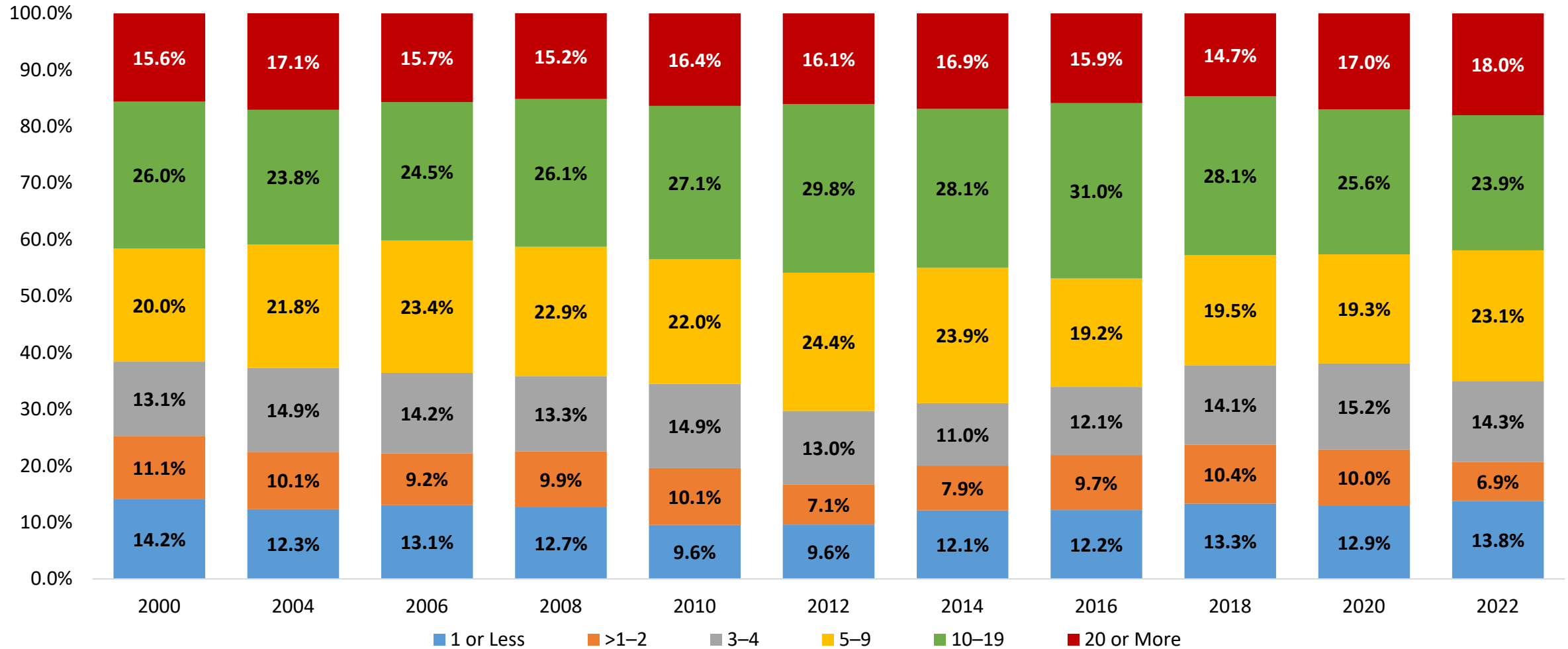
Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 14
Distribution of the Years of Tenure at Current Job for State Wage & Salary Workers Ages 20 or Older, 2000–2022



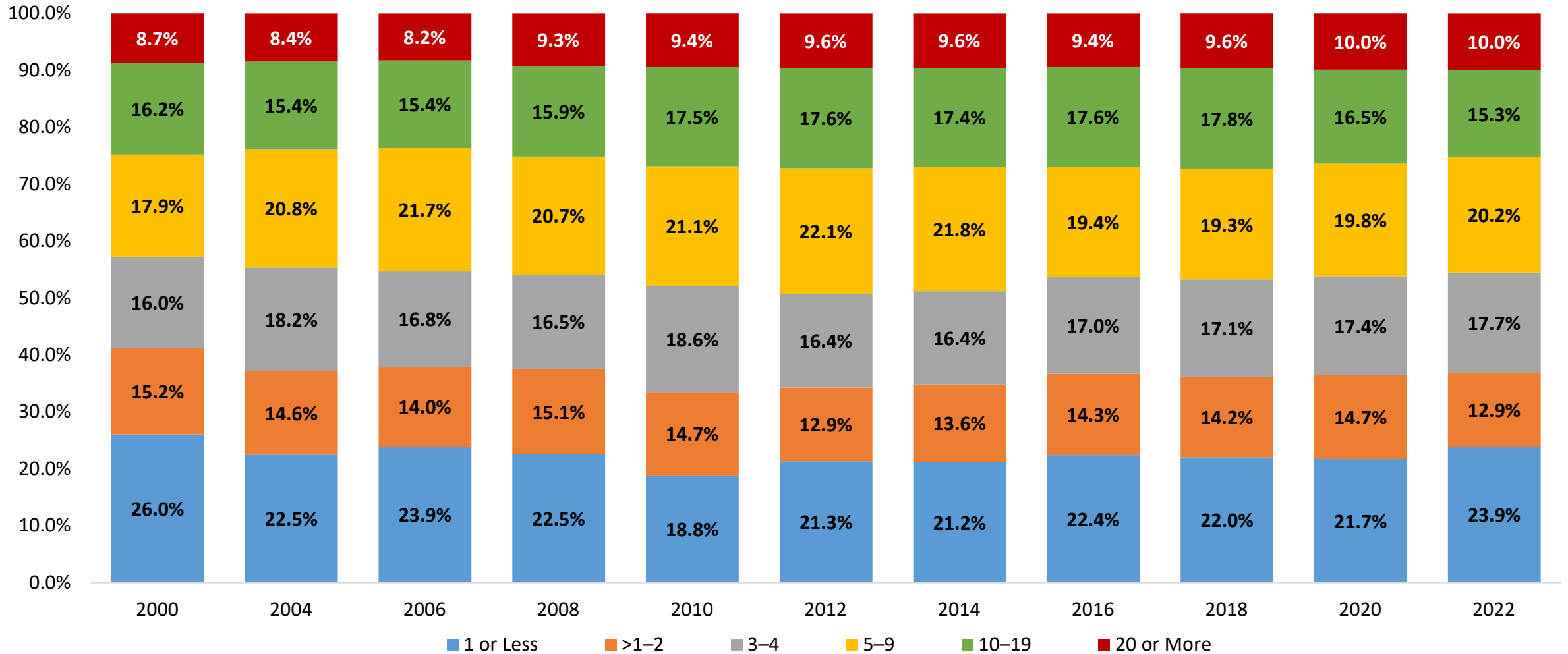
Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 15
Distribution of the Years of Tenure at Current Job for Local Wage & Salary Workers Ages 20 or Older, 2000–2022



Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 16
Distribution of the Years of Tenure at Current Job for Private Wage & Salary Workers Ages 20 or Older, 2000–2022



Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Age Distribution Trends

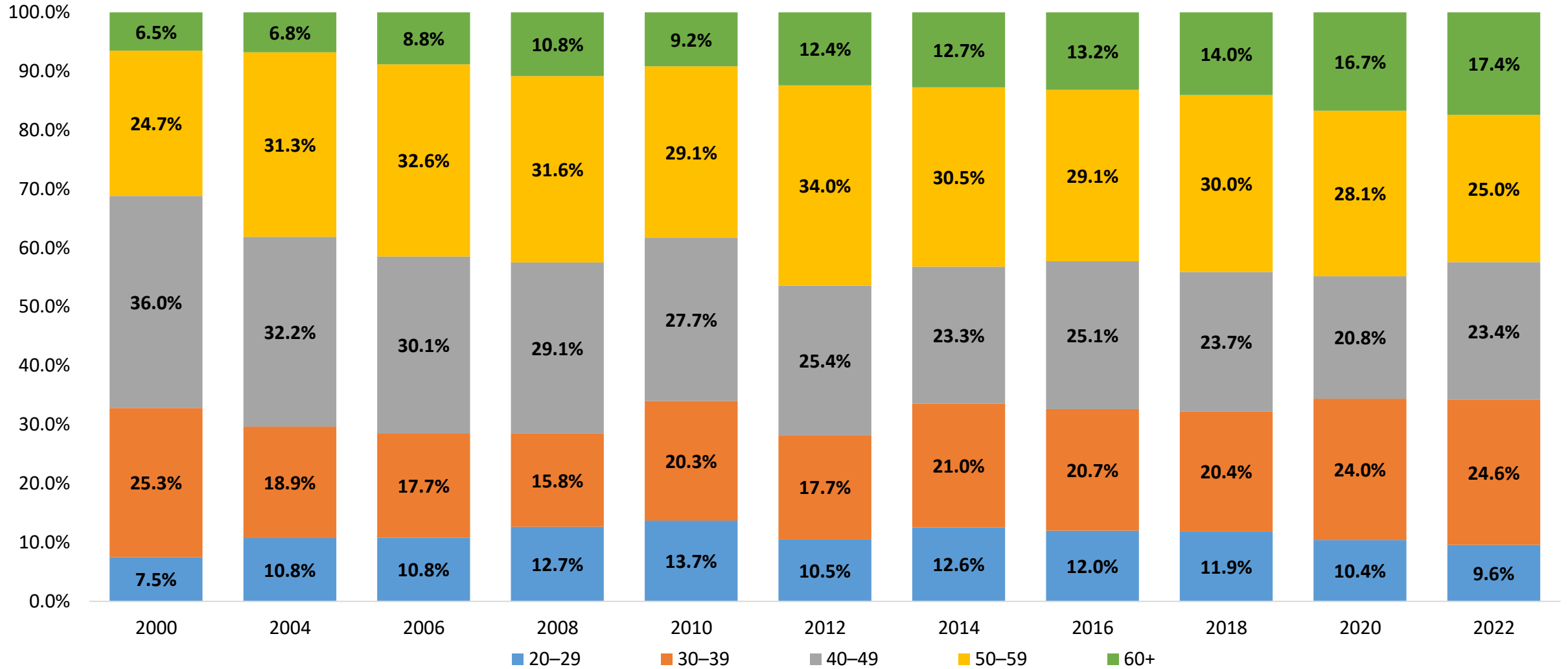
The full age distribution of the workers in each worker class are presented in Figures 17–20. Among federal workers, the share of these workers ages 50 or older decreased in 2020 and 2022, from 30.0 percent in 2018 to 25.0 percent in 2022, at the same time as the percentage of those ages 60 or older increased (Figure 17).

The distribution of state and local workers showed the same increase in the share of workers ages 50 or older and decrease in the percentage younger than age 40 in 2020 and 2022 (Figure 18 and Figure 19).

In contrast, the age distribution of private-sector workers showed little change in 2020 and 2022, with no age category's share changing by more than 1 percentage point in either direction (Figure 20).

Figure 17

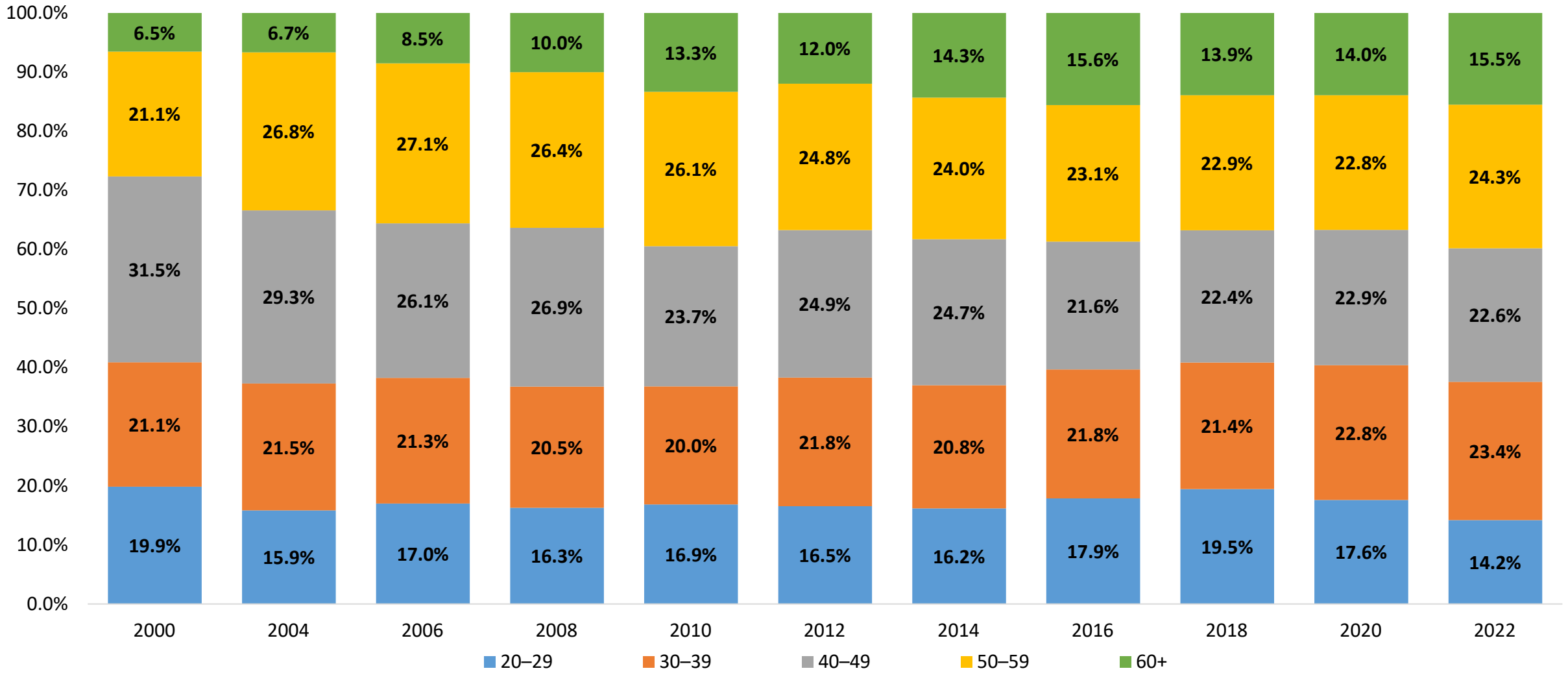
Age Distribution of Federal Wage & Salary Workers Ages 20 or Older, 2000–2022



Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

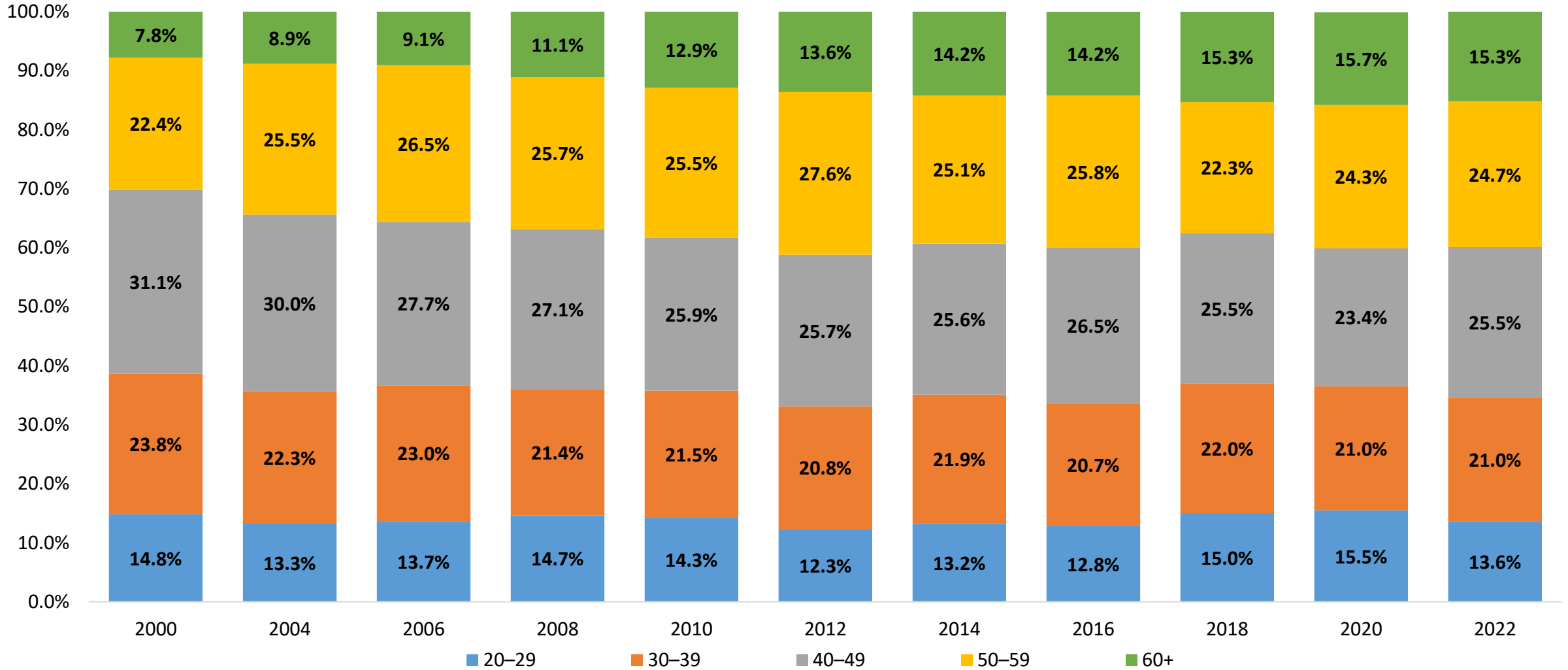
Figure 18

Age Distribution of State Wage & Salary Workers Ages 20 or Older, 2000–2022



Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

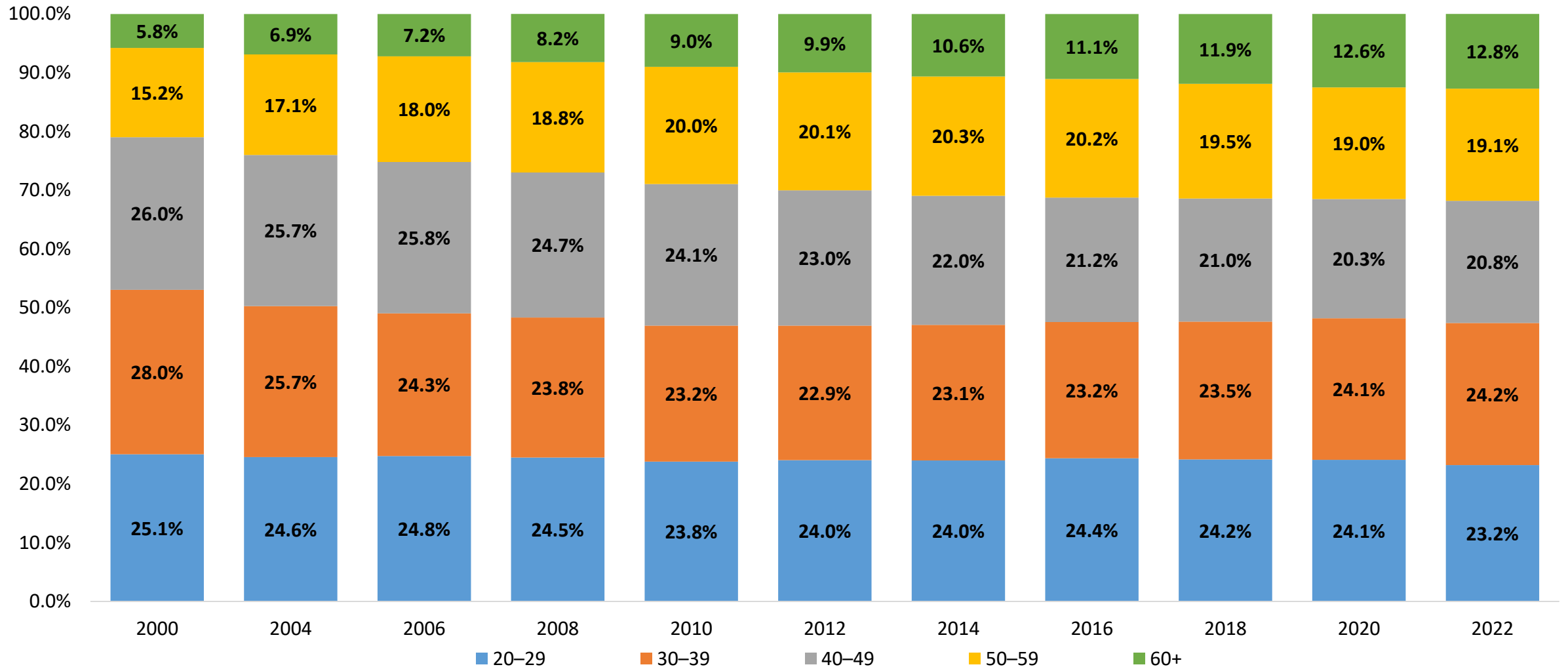
Figure 19
Age Distribution of Local Wage & Salary Workers Ages 20 or Older, 2000–2022



Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Figure 20

Age Distribution of Private-Sector Wage & Salary Workers Ages 20 or Older, 2000–2022



Source: EBRI estimates from the February 2000 and January 2004–2022 Current Population Surveys.

Tenure Age Distribution Trends

The tenure distributions of the workers in each worker class for each 10-year age group are presented in Figures 21–25. Among workers in their 20s, the share with the shortest tenures (1 year or less) increased substantially from 2000 to 2022 across each worker class (Figure 21).

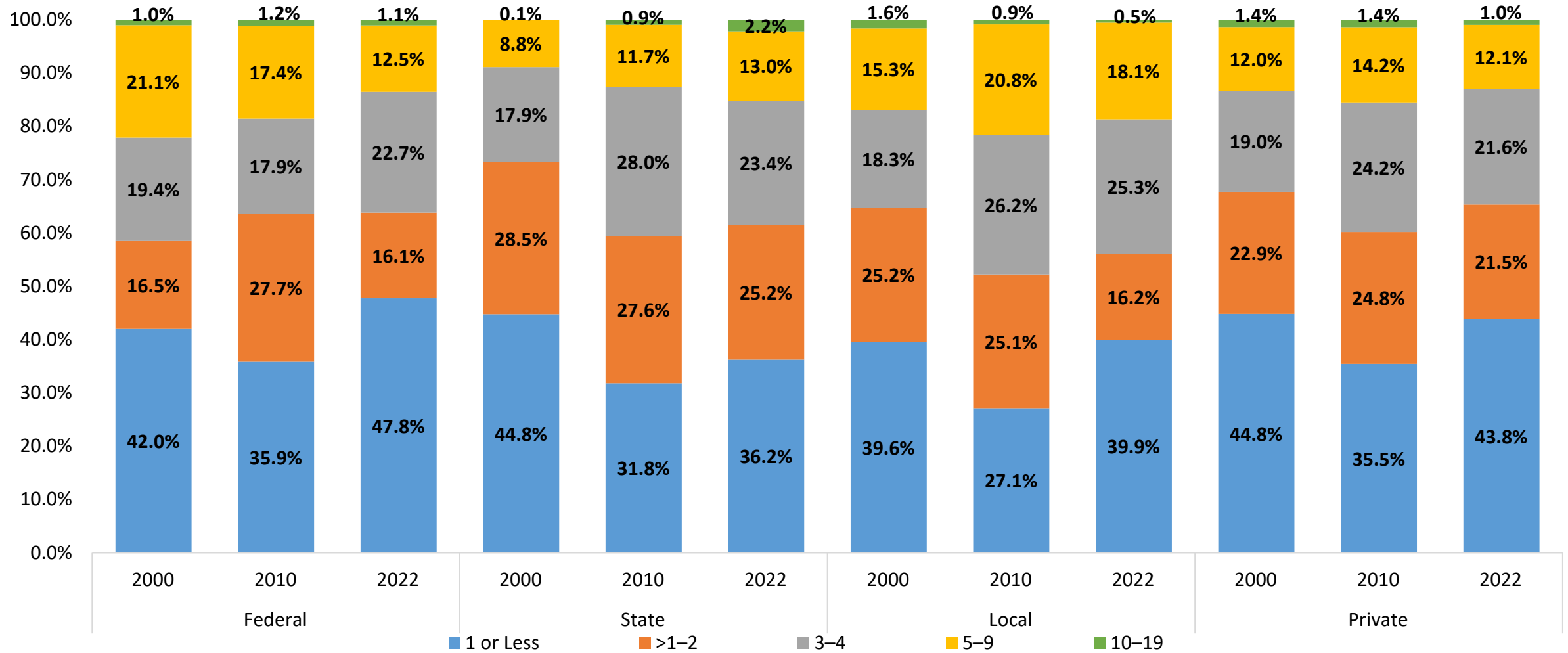
For workers in their 30s, the percentages in each tenure category among federal workers showed little change from 2010 to 2022 (Figure 22). The shares of both state and local workers with 1 year or less of tenure and 5–9 years of tenure increased, while those with 10 or more years decreased significantly from 2010 to 2022. Private-sector workers had substantially larger portion of younger workers in 2022 compared with 2010.

Federal workers in their 40s showed a significant shift to shorter tenures in 2020 from 2010, with those with less than 10 years of tenure increasing from 41.4 percent to 51.1 percent (Figure 23). State and local workers showed a small increase in their percentages with less than 10 years of tenure, mostly driven by those with 1 year or less of tenure. Private-sector workers in their 40s had a similar change in their tenure distribution to those of the state and local workers of this age.

For workers in their 50s, federal workers had a decrease in the percentage with 20 or more years of tenure from 2010 to 2022 (Figure 24). State, local, and private-sector workers' tenure distribution showed very small changes from 2010 to 2022. State workers had increases in the shares with 5–9 years and 1 year or less of tenure. Local workers had an increase in the share with 20 or more years in tenure, while the largest shift among private-sector workers was an increase of those with 1 year or less of tenure.

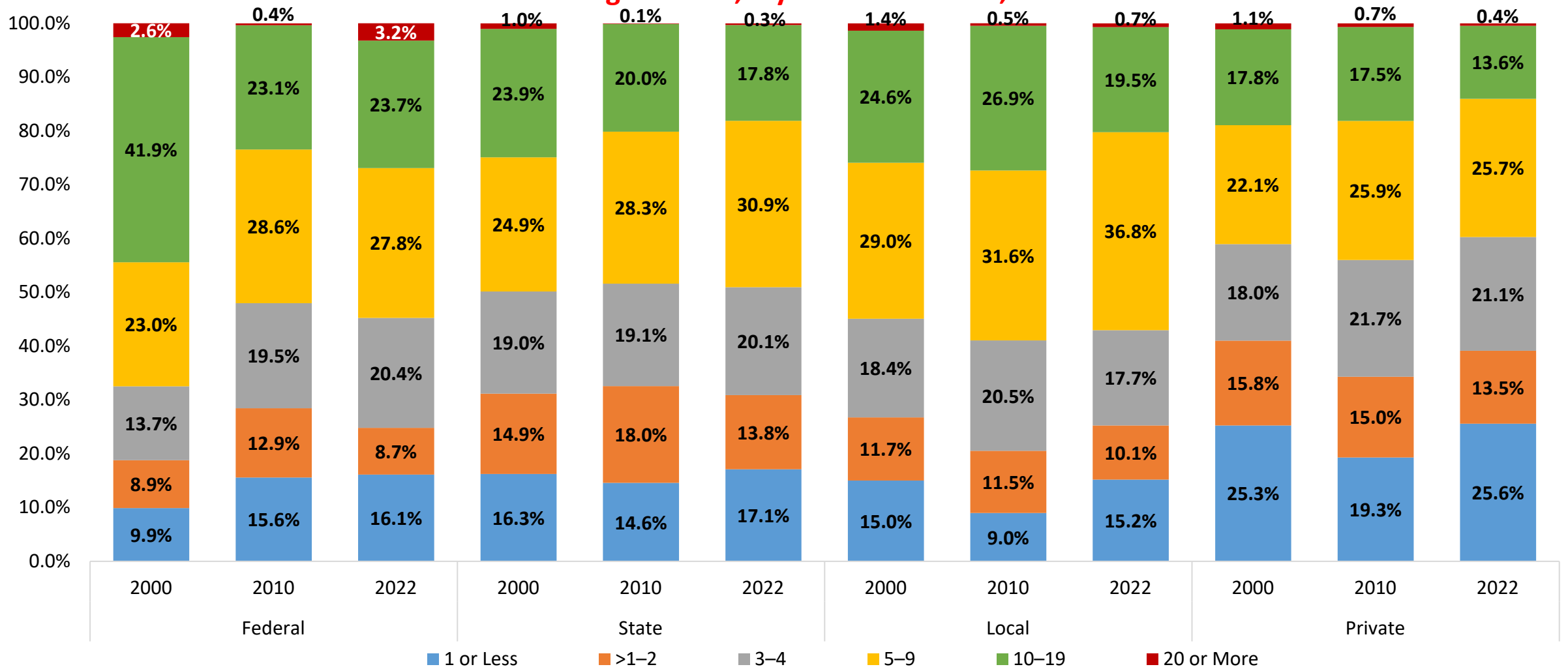
Among workers ages 60 or older, the tenure distribution of federal workers showed a decrease in the share with 20 or more years of tenure, while the share in this category increased for state workers (Figure 25). Local workers had increases in the shares of those with 1 year or less of tenure and 5–9 years of tenure, whereas private-sector workers had increases in the shares of those with 1 year or less of tenure and 20 or more years of tenure.

Figure 21
Distribution of the Years of Tenure at Current Job for Wage & Salary
Workers Ages 20–29, by Class of Worker, 2000–2022



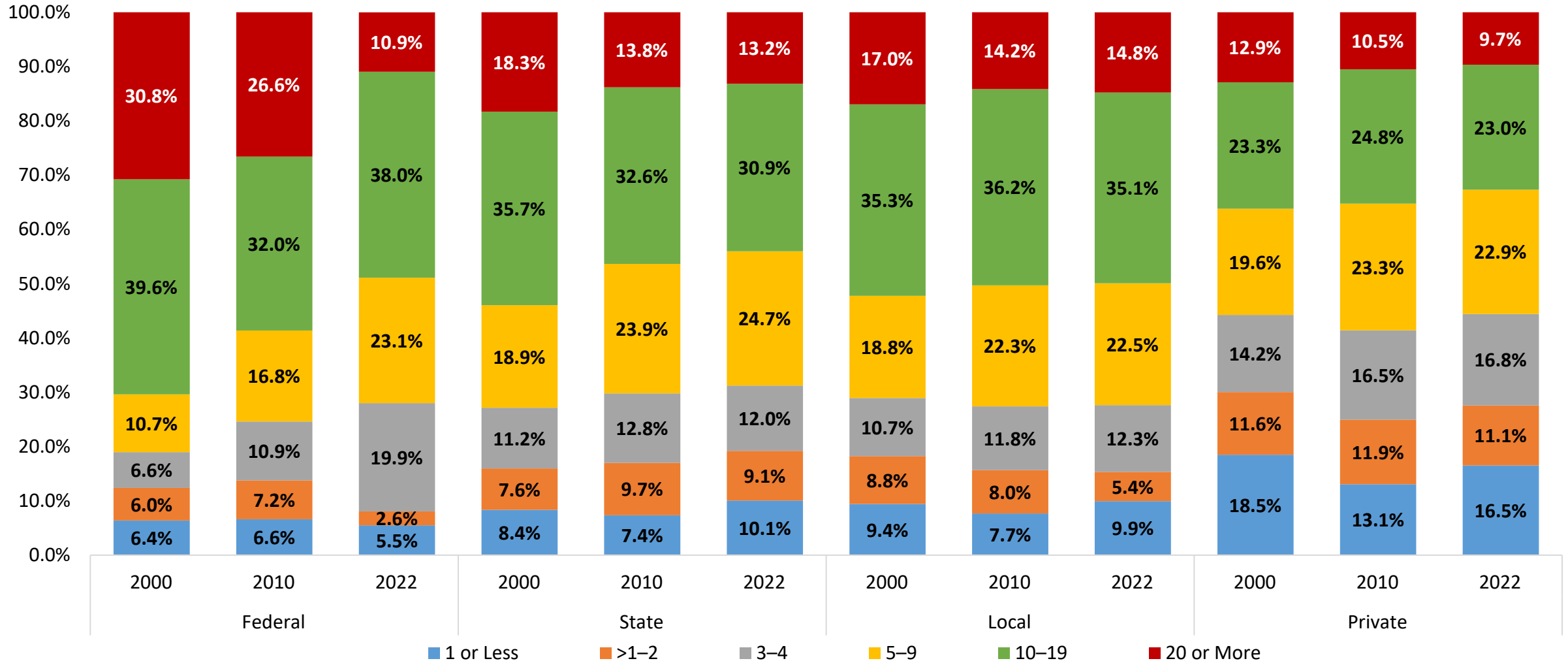
Source: EBRI estimates from the February 2000 and January 2010 and 2022 Current Population Surveys.

Figure 22
Distribution of the Years of Tenure at Current Job for Wage & Salary
Workers Ages 30–39, by Class of Worker, 2000–2022



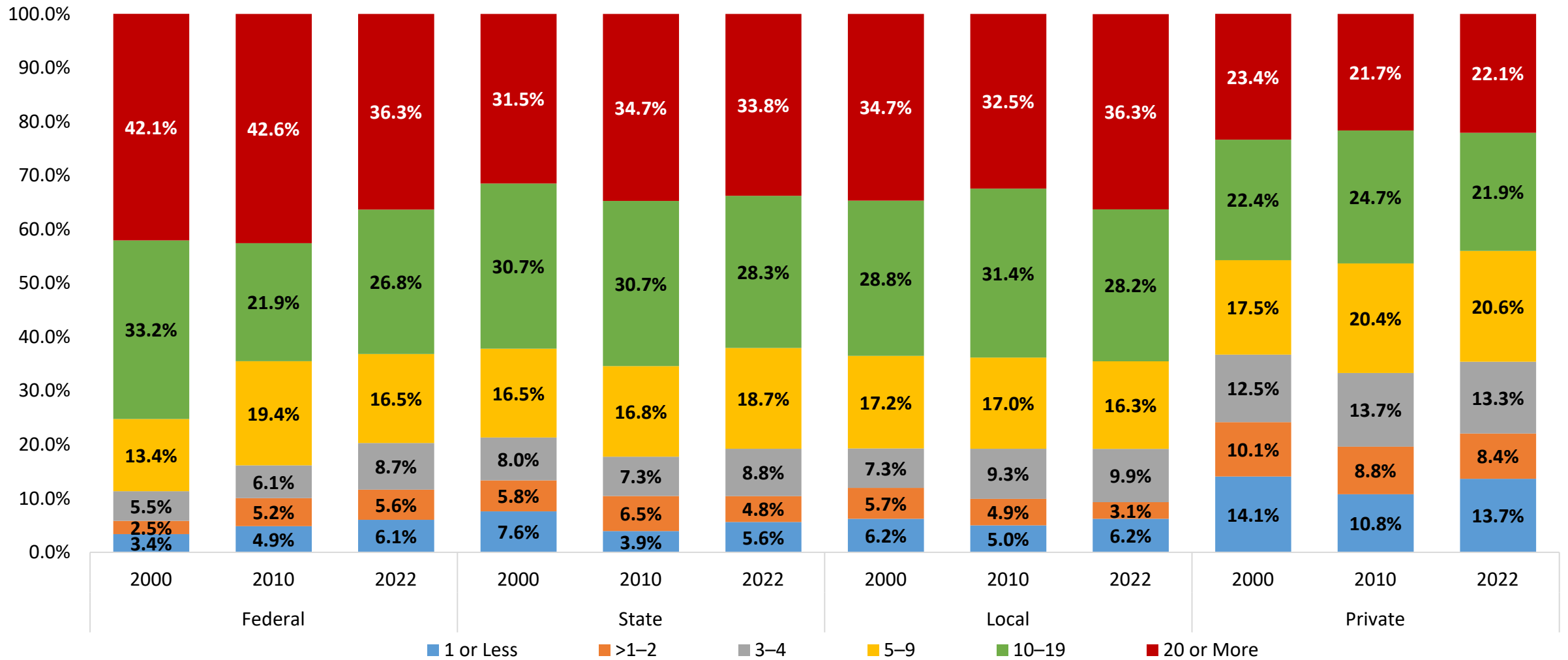
Source: EBRI estimates from the February 2000 and January 2010 and 2022 Current Population Surveys.

Figure 23
Distribution of the Years of Tenure at Current Job for Wage & Salary
Workers Ages 40–49, by Class of Worker, 2000–2022



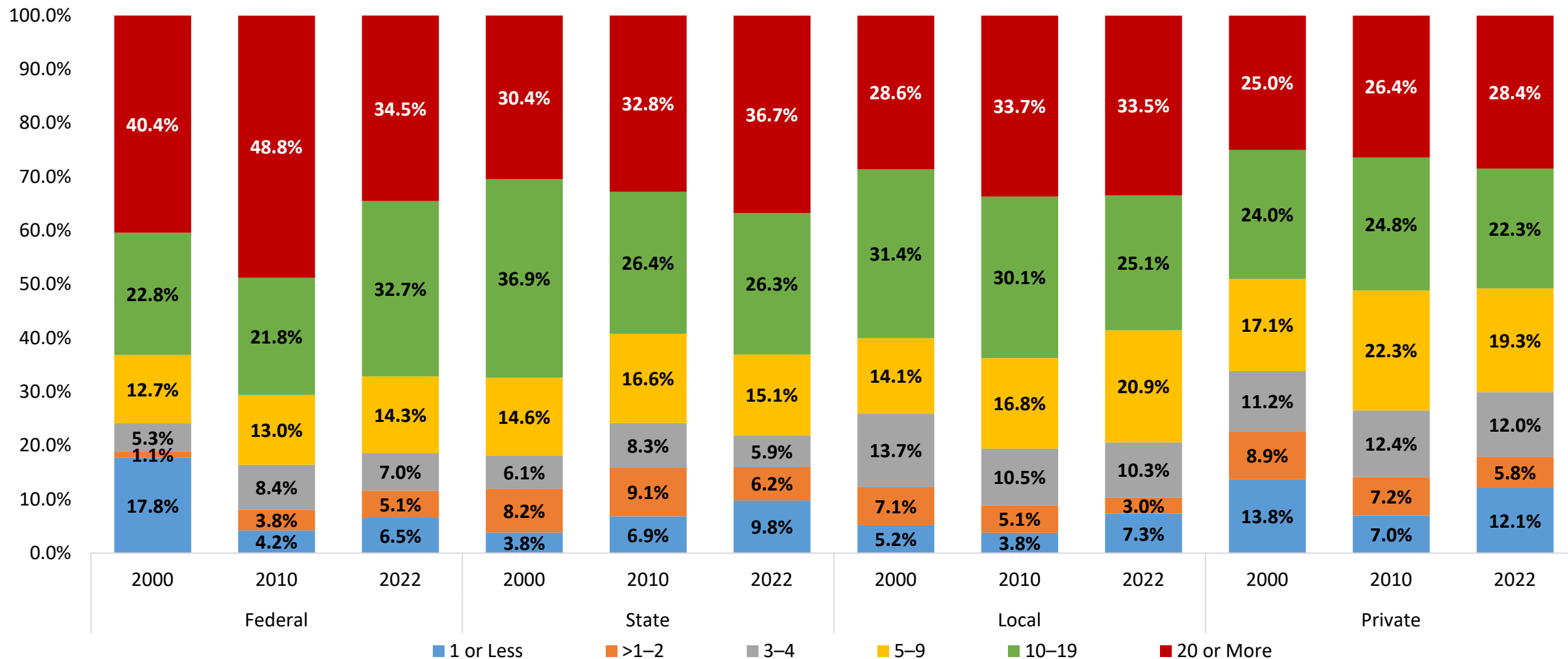
Source: EBRI estimates from the February 2000 and January 2010 and 2022 Current Population Surveys.

Figure 24
Distribution of the Years of Tenure at Current Job for Wage & Salary
Workers Ages 50–59, by Class of Worker, 2000–2022



Source: EBRI estimates from the February 2000 and January 2010 and 2022 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, 2000–2022



Source: EBRI estimates from the February 2000 and January 2010 and 2022 Current Population Surveys.

Conclusion

Public- and private-sector workers have significant differences in their distributions of workers' tenures and ages. These differences show that employers in these sectors face different challenges in providing benefits and hiring/retaining workers. Understanding these differences allows these employers to make better decisions on how to address these challenges.⁴

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, such as more investment in riskier assets and lesser need for income-generating assets. In addition, the public-sector workers are 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 are shortening, so understanding how to incorporate more shorter-tenure workers may require plan design changes, such as allowing for the rollover of assets from other plans or including outside assets into retirement education or advice offerings.

⁴See Craig Copeland, "Trends in Public-Sector Employee Tenure," PRRL Research Study, no. 1 (Public Retirement Research Lab, May 7, 2020) for an earlier look at the tenure trends and differences among public and private sector workers.