

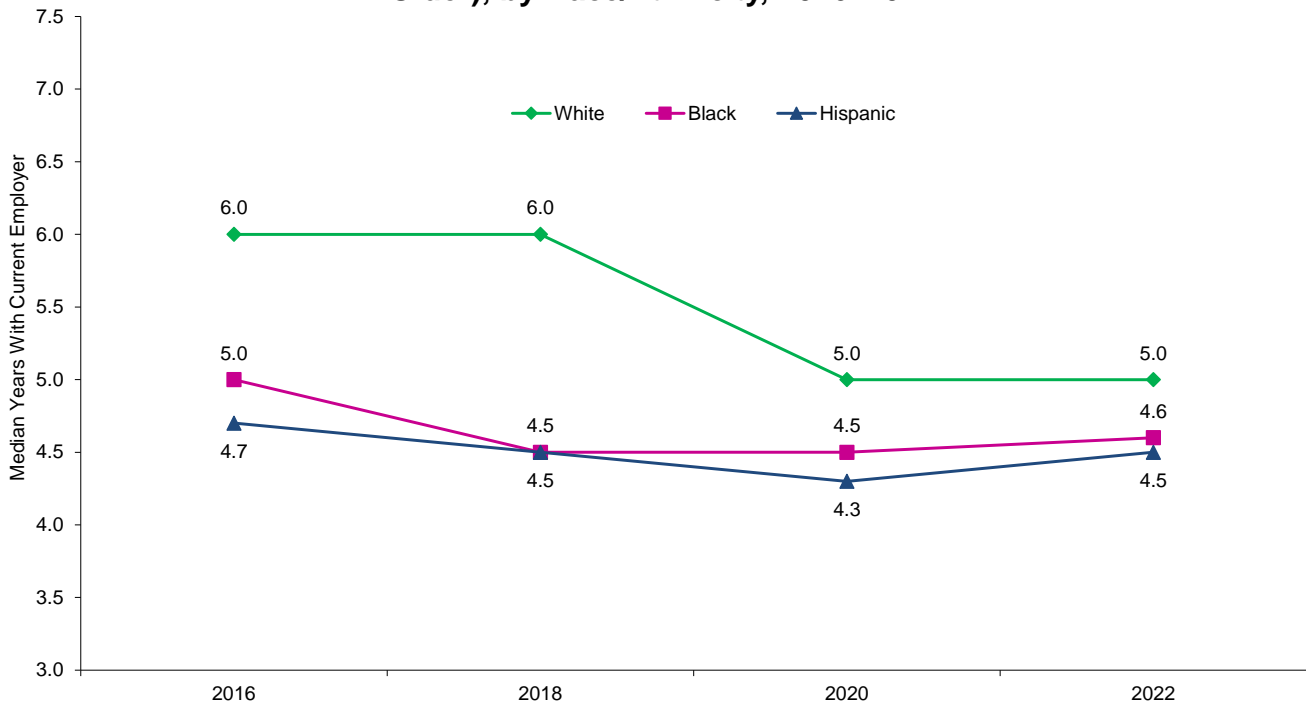
Employee Tenure: A Look by Race/Ethnicity

A recent Employee Benefit Research Institute (EBRI) *Issue Brief* examined employee tenure data of American workers. However, the research did not look at tenure differences by the race/ethnicity of the workers.¹ This *Fast Fact* uses the January supplement to the U.S. Census Bureau’s Current Population Survey (CPS) to compare the employee tenures of White, Black, and Hispanic workers.² This includes the most recent data from just before the pandemic in January 2020 and after in January 2022.

Median Tenure

The median tenure for all wage and salary workers ages 25 or older in 2022 was 4.9 years compared with 5.1 years in 2016. White workers’ median tenure was slightly higher in 2022 at 5.1 years, while the median tenures of both Black and Hispanic workers were lower at 4.6 years and 4.5 years, respectively (Figure 1). The median tenures of workers of each race/ethnicity in 2022 were below their levels in 2016, with White workers maintaining the highest median tenure.

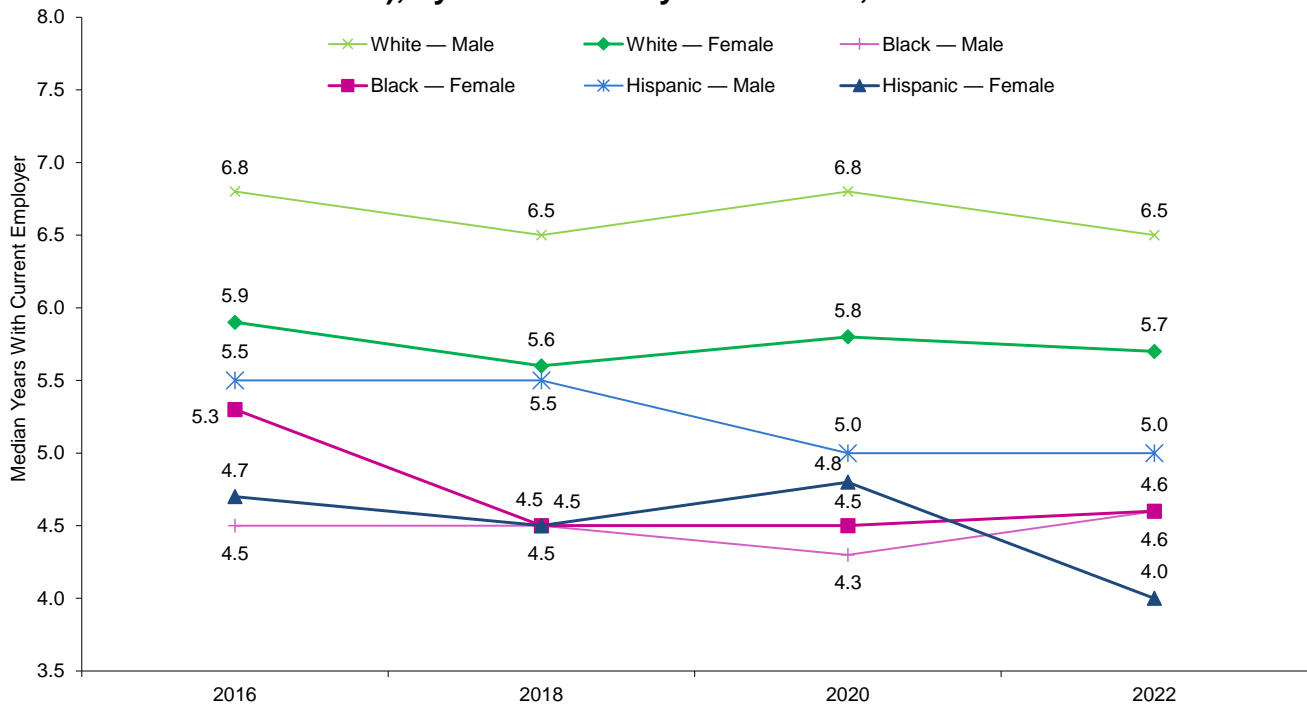
Figure 1
Median Years of Tenure for Wage and Salary Workers (Ages 25 or Older), by Race/Ethnicity, 2016–2022



Source: Employee Benefit Research Institute estimates from the January 2016, 2018, 2020, and 2022 Current Population Surveys.

Gender — The median tenure of females was shorter than that of males among both White and Hispanic workers, whereas the median tenure of Black females was longer than that of Black males (Figure 2). White workers of both genders had longer median tenures than those of Black and Hispanic workers. Specifically, the median tenure in 2022 was 6.5 years for male White workers and 5.7 years for female White workers, whereas 5.0 years (male Hispanic workers) was the highest median tenure among male and female Black and Hispanic workers.

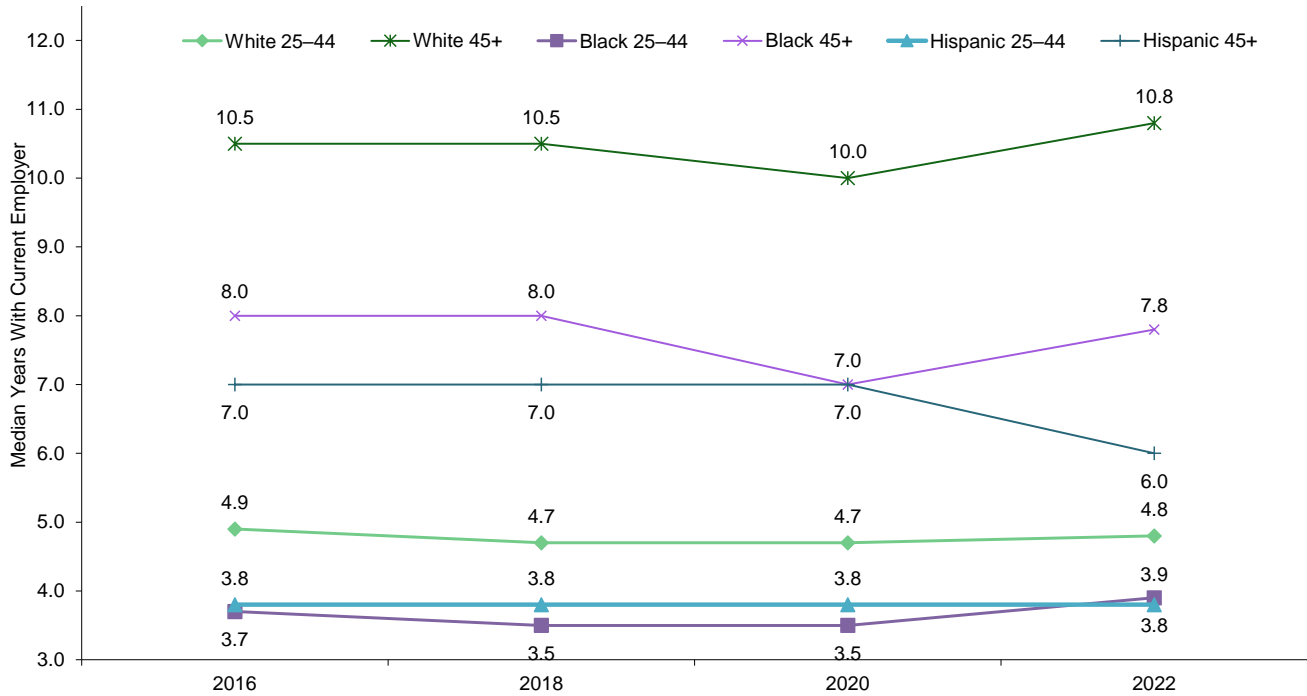
Figure 2
Median Years of Tenure for Wage and Salary Workers (Ages 25 or Older), by Race/Ethnicity and Gender, 2016–2022



Source: Employee Benefit Research Institute estimates from the January 2016, 2018, 2020, and 2022 Current Population Surveys.

Age — Older workers (ages 45 or older) had longer median tenures than younger workers (ages 25–44), regardless of race or ethnicity (Figure 3). For example, the median tenure of Black workers ages 45 or older was 7.8 years in 2022, compared with 3.9 years among Black workers ages 25–44. Both older and younger White workers had median tenures longer than those of older and younger Black and Hispanic workers, respectively.

Figure 3
Median Years of Tenure for Wage and Salary Workers (Ages 25 or Older), by Race/Ethnicity and Age, 2016–2022



Source: Employee Benefit Research Institute estimates from the January 2016, 2018, 2020, and 2022 Current Population Surveys.

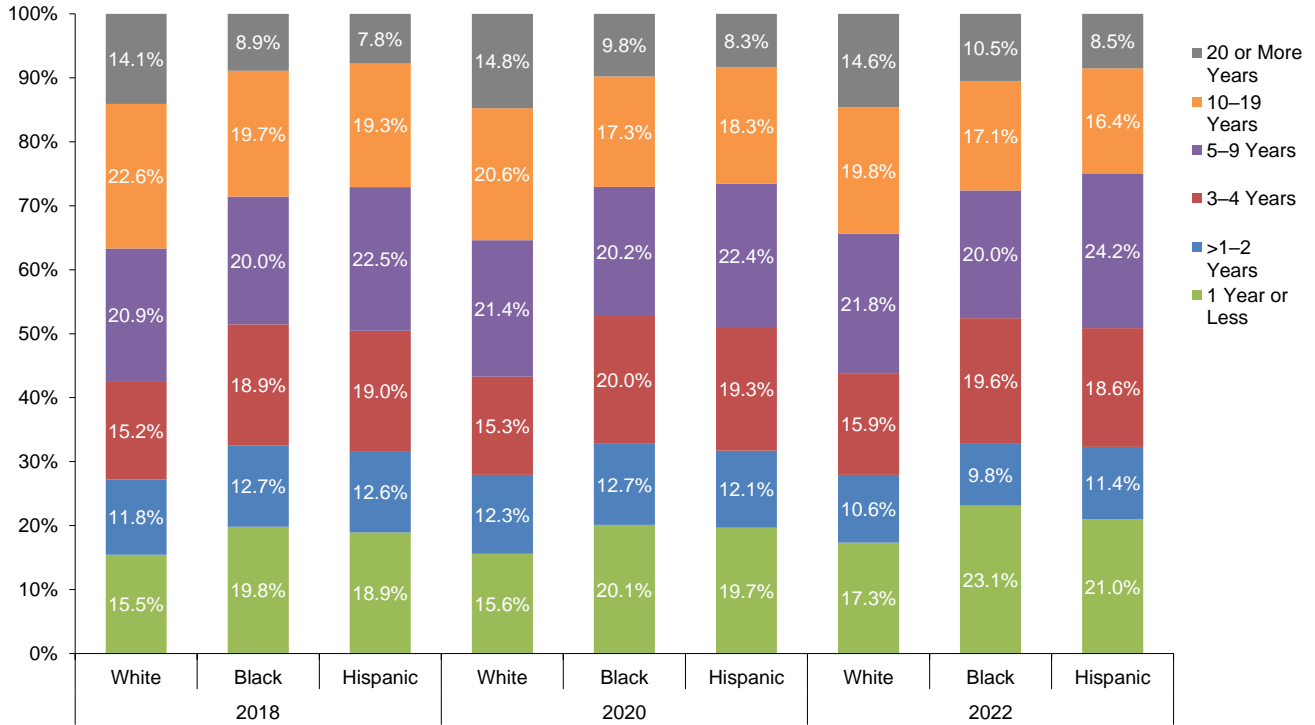
Distribution of Tenure

Black and Hispanic workers are more likely to have the shortest tenures (one year or less). In 2022, 23.1 percent of Black workers and 21.0 percent of Hispanic workers had tenures of one year or less compared with 17.3 percent of White workers (Figure 4). These 2022 percentages are above their 2018 levels. For the highest tenures, White workers had the highest percentage with 20 or more years of tenure at 14.6 percent, vs. 10.5 percent for Black workers and 8.5 percent for Hispanic workers in 2022. The highest tenure percentages were also larger than their 2018 levels, with the White workers’ share consistently being the biggest.

Tenure of 10 or More Years

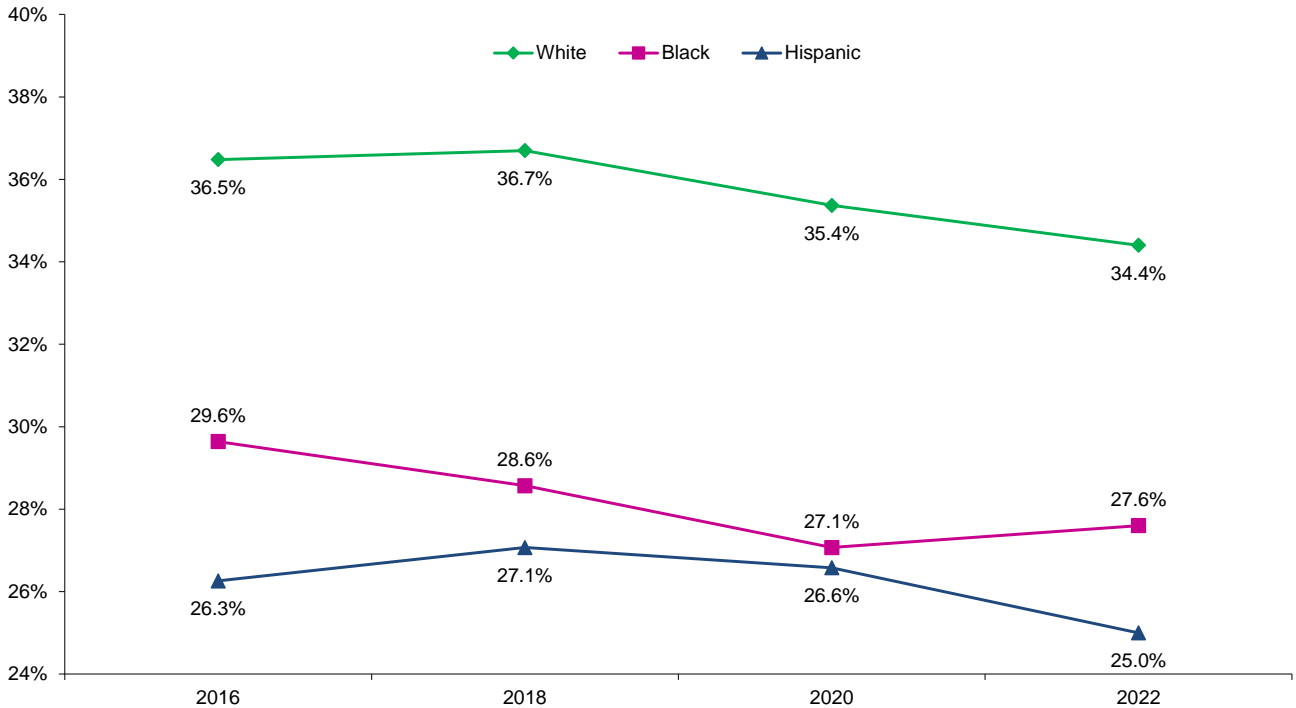
Corresponding with White workers having the largest share of workers with 20 or more years of tenure, they also had the highest percentage with 10 or years at 34.4 percent in 2022 (Figure 5). This compares with 27.6 percent of Black workers and 25.0 percent of Hispanic workers having this tenure level. The percentages with 10 or more years of tenure have trended down among each race/ethnicity since 2016 while maintaining the relative tenure rank by race/ethnicity.

Figure 4
Employee Tenure Distribution: All Wage and Salary Workers (Ages 25 or Older), by Race/Ethnicity, 2018–2022



Source: Employee Benefit Research Institute estimates from the January 2018, 2020, and 2022 Current Population Surveys.

Figure 5
Percentage of Wage and Salary Workers Ages 25 or Older Who Had 10 or More Years of Tenure, by Race/Ethnicity, 2016–2022



Source: Employee Benefit Research Institute estimates from the January 2016, 2018, 2020, and 2022 Current Population Surveys.

Conclusion

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. When unemployment remained high from 2009–2012, tenure levels were generally increasing. However, with the low unemployment rates and increased quit rates from 2020 to 2022, tenure has trended downward. Thus, given that the median tenure of workers is relatively short, workers are likely to be faced with many decision points throughout their working careers about their retirement benefits, as they will most likely not be with one company their entire career. This is even more likely for Black and Hispanic workers, since they have shorter median tenures, which means they will have more chances to withdraw assets from retirement plans — curtailing their building of retirement wealth. As a result, employers and benefits providers need to account for these job changes, which particularly affect minority populations, when designing the features in retirement plans and the participant advice or education programs provided in conjunction with these plans.

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

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

² The data come from the January 2016–2022 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). The race/ethnicity indicators are those provided in CPS.

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