

NIRS: Don't Rule Out DB Options for Gen Z, Millennials

A paper from the National Institute on Retirement Security debunked the myth that younger generations' job-hopping means they are uninterested in defined benefit plans.

Reported by [EMILY BOYLE](#)

Millennial and Generation Z's job-hopping is nothing new—actually, it's fairly typical for employees their age, according to a September [issue brief](#) from the National Institute on Retirement Security.

While defined benefit plans have been fading from the retirement industry landscape, it is not necessarily true that younger workers' job-switching indicates a disinterest in them, NIRS' research found.

Get more! Sign up for *PLANSPONSOR* newsletters. →

"Younger workers have always changed jobs more often than older workers as they find their career path," said Dan Doonan, NIRS's executive director, in a statement. "That was true for Baby Boomers, Gen X, and it remains true today. The real drivers of turnover are the economy, benefits and job opportunities, not generational differences. This is a critical point for policymakers and employers to consider as they design retirement and benefit programs and policies for the workforce of the future."

Job Retention Through a Historic Lens

The U.S. Bureau of Labor Statistics' job tenure data show that employees ages 25 to 34 years old spent only a few months longer at their jobs in 1983 than those who were the same age in 2024. The Baby Boomer cohort's median job tenure from its mid-20s through mid-30s was three years, while 2024's mix of Gen Z and Millennials recorded 2.7 years—an even longer average than in 2000 (2.6 years).

NIRS cited additional research supporting the claim that job-switching is nothing new. The Pew Research Center found that "college-educated Millennials are sticking with their jobs longer than their Gen X counterparts." In 2016, about 75% of college-educated 25- through 35-year-olds (75% for men and 74% for women) had worked for their employer for at least 13 months. Sixteen years earlier, only 72% of men and 70% of women in the college-educated group had that same tenure.

"In fact, if there is any real trend in the median tenure ... it is that older workers have shorter tenures today than older workers in the past," the paper stated. "This could be due to several possible factors, including the decline of private-sector pension plans that provide strong financial incentives to stay in place until retirement, a decline in the percentage of Americans working in manufacturing (where retention has been consistently strong), or the fact that there are simply more opportunities in today's economy to find a new job."

Sector Matters

The report found employee benefits were a key factor in many employee decisions to remain at their job and that, notably, employers in the public sector tend to offer stronger health care and retirement benefits than do those in the private sector.

According to BLS data, about 86% of state and local government employees have access to a DB plan, compared with only 15% in the private sector. Meanwhile, 89% of state and local government employees have access to health care benefits through their employer, higher than the 72% of private sector workers.

“Despite lower average pay, public sector benefits incentivize employees to stay in their jobs and reward long careers, hence [a] historically higher private sector quit rate,” the NIRS paper explained.

In 2024, the private sector quit rate was approximately 27%, compared with almost 10% in the public sector. The disparity has remained over the past several decades: In 2000—the farthest back the data go for the quit rates discussed—the difference between the two was only about 30 percentage points.

Industry differences also shape job stability. Within the private sector, professional and business services, retail, and manufacturing have divergent retention trends. The retail sector has typically had the highest quit rate since 2001, while manufacturing has consistently had the highest job-retention level over the period. The discrepancy in job retention rates can be attributed, at least partly, to the nature of the benefits associated with the different jobs, NIRS explained.

The manufacturing industry offers “more robust pay and benefits” for its workers than the other two private sector industries discussed. In 2021, 90% of manufacturing workers had health care benefits and 84% had retirement benefits provided through their job. Retail jobs, meanwhile, offer such comprehensive benefits much less often.

“Quit rates in the manufacturing industry have remained steady despite the long-term decline in the number of manufacturing jobs in the U.S.,” the report found. “This trend suggests that American workers are not inherently less loyal to their jobs, but rather that the U.S. economy has been moving away from industries that historically have emphasized long careers, like the manufacturing industry.”

Debunking the ‘Gig Economy’ Myth

According to the NIRS, another component of the employee tenure myth is the emergence of the “gig economy.” The researchers defined gig work as “short-term, task-based jobs performed by independent workers often facilitated by digital platforms.” Workers are generally “paid per task or project (a ‘gig’) rather than receiving a regular salary or wage, giving them flexibility but generally depriving them of the benefits and legal protections associated with traditional employment.”

Data indicate, however, that most gig workers only work a handful of hours each week to provide a secondary source of income that supplements their full-time job. According to Pew, 16% of Americans have earned income as gig workers, and of that 16%, only 31% report that their gig is their main job. In the big picture, full-time online gig workers account for only roughly 3% of U.S. adults.

“The notion that workers in the future would not be interested in a job perk such as a defined benefit pension because they are likely to leave that job quickly isn’t supported by the data,” the NIRS’ paper stated. “Retirement may not be top of mind for a young worker with more immediate financial concerns, but a robust retirement benefit is likely something they will come to appreciate as they move through life’s various stages, just as prior generations did.”

Tags

[defined benefit \(DB\) plans](#), [employee benefits](#), [Gen Z](#), [Millennials](#)

Reported by

[Emily Boyle](#)



GENERATIONAL VIEWS OF RETIREMENT IN THE UNITED STATES

PREPARED BY:

Dan Doonan and Kelly Kenneally

JULY 2021



**NATIONAL INSTITUTE ON
Retirement Security**

Reliable Research. Sensible Solutions.

ABOUT THE AUTHORS

Dan Doonan is the executive director of the National Institute on Retirement Security. With the Board of Directors, Doonan leads the organization's strategic planning, retirement research and education initiatives. Doonan has more than 20 years of experience working on retirement issues from different vantage points including an analyst, consultant, trainer, and a plan trustee. He comes to NIRS after serving as a senior pension specialist with the National Education Association. Doonan began his career at the Department of Labor as a mathematical statistician. He then spent seven years performing actuarial analysis with Buck Consultants in the retirement practice. His experience also includes positions as a research director and labor economist. Doonan holds a B.S. in Mathematics from Elizabethtown College and is a member of the National Academy of Social Insurance.

Kelly Kenneally has provided communications counsel to the National Institute on Retirement Security since its founding in February 2007. She implements communications programs that provide accurate data and information on retirement policy issues and has authored the NIRS biennial public opinion research studies. Kenneally has more than 25 years of public affairs experience with corporations, government and non-profit organizations. Previously, she served in the White House as associate director of the President's Commission on White House Fellowships. She has held communications positions at Micron Electronics and MCI WorldCom, and she began her career at the Maryland General Assembly. She holds a B.A. in government and politics from the University of Maryland.

ACKNOWLEDGEMENTS

The authors are grateful for the comments, advice, and assistance provided by Nicole Dascenzo. The authors also appreciate the work of Greenwald Research, a leading research firm with specialized expertise in the financial services and retirement industries, for their valuable contributions to this project. The polling was overseen by Dr. Brian Perlman, financial services director. He holds a B.A. in Psychology from the State University of New York at Stony Brook, and a Ph.D. in Psychology from the University of New Hampshire. He is a Chartered Financial Consultant (ChFC) and Chartered Life Underwriter (CLU).

We also extend our thanks to Doug Kincaid and Caroline Fauquier at Greenwald Research for their valuable contributions to this project. Kincaid is managing director at Greenwald Research, specializing in retirement and financial services. His work focuses on retirement savings and retirement income studies for many of the nation's leading financial services companies and trade associations. He holds a B.A. in Sociology from the University of North Carolina and an M.A. in Sociology from Indiana University. Caroline Fauquier serves as a director, specializing in investor and participant research to examine investment knowledge, needs, and relationship with financial professionals. She holds her B.A. in government and politics from the University of Maryland.

EXECUTIVE SUMMARY

The ongoing COVID-19 pandemic has presented extraordinary health and economic challenges across the globe, triggering yet another deep economic crisis. While the availability of several vaccines in late 2020 has begun to alleviate health and economic issues, the economic fallout from the pandemic may create substantial uncertainty about financing retirement that could trigger Americans to work longer or rethink retirement. Even before the pandemic, many workers still were recovering financially from previous economic downturns.

Simultaneously, the past several decades have seen dramatic changes to the U.S. retirement system. A broad body of research finds that most Americans are not on track for a secure retirement.

Different generations face distinct challenges when it comes to retirement. The Silent Generation had broad access to defined benefit pension plans, but faces growing health and long-term care expenses in retirement. Baby Boomers are transitioning into or approaching retirement and a large share are expected to face financial hardship in retirement. Generation X was the first generation with 401(k)s as their primary retirement vehicle, and also face high expenses as the “sandwich generation.” And Millennials face a deeply troubling retirement outlook stemming from factors like depressed wages, high college debt, and the lack of participation in employer retirement plans. Further complicating retirement is growing financial asset inequality among Americans, with inequality growing across generations.

Against this backdrop, this issue brief examines national sentiment of various generations about retirement, each of which is facing differing circumstances. This research finds that:

- Millennials and Generation X are most concerned about the impacts of COVID-19 on their retirement. Across generations, most of those who are concerned about the impacts of the pandemic plan to delay their retirement.
- There is generational agreement that the U.S. faces a retirement crisis, with Millennials and Generation X most pessimistic about retirement.
- There is broad support across generations for Social Security, including support for increasing contributions and expanding benefits.
- All generations have favorable views of defined benefit pensions, with Millennials holding the most favorable views. There is wide agreement generationally that pensions are better than 401(k) plans for providing retirement security, and that everyone should have a pension.

INTRODUCTION

The ongoing COVID-19 pandemic has presented extraordinary health and economic challenges across the globe, triggering yet another deep economic crisis. In the U.S., the arrival of COVID-19 triggered a large-scale economic shutdown in early 2020 to help stem the spread of coronavirus. The pandemic and shutdown has resulted in deep economic hardship, job losses and high unemployment. The availability of several vaccines in late 2020 has begun to alleviate health and economic issues, with cases and deaths declining and workplaces re-opening.

The economic fallout from the pandemic is impacting various workers differently and may create substantial uncertainty about retirement that could trigger Americans to work longer or rethink retirement altogether.¹ Even before the pandemic, many workers were still recovering financially from the Great Recession.² Unfortunately, working longer is often not a choice for individuals, as 52 percent of workers retiring from 2008 to 2014 found out the hard way.³

In terms of economic recovery, what is emerging is a two-tiered, “K-shaped” recovery with divergent outcomes across society. Those on the upward trajectory of the K include workers who can do their jobs remotely and have felt little economic pain, even putting disposable income to work and realizing gains from the resilient equity markets. In contrast, those working in service industries or for small businesses are experiencing real economic fallout. These workers are on the lower leg of the K. Moreover, those in the lower half of the wealth spectrum have nearly no net worth and lack savings to get them through tough times. Essentially, Americans who were just getting by on the margins in 2020 are more likely to find themselves in a deeper hole.⁴ And this likely will have deep impacts on retirement savings.

At the same time, the past several decades have seen dramatic changes to the U.S. retirement system that have undermined retirement for large swaths of the workforce. Today, much of the workforce lacks an employer-sponsored retirement plan, fewer workers have stable and secure defined benefit pensions, while 401(k)-style defined contribution individual accounts provide lower savings and protections. Also, increases to the Social Security retirement age translate into income cuts in retirement.⁵

As a result, most Americans are not on track for a secure retirement.⁶

When looking across generations, the Silent Generation is likely the last generation to have broad access to defined benefit pension plans that typically provide stable and secure lifetime income. But this generation tends to be overly optimistic about their Social Security benefits and retirement savings, while underestimating growing post-retirement health and long-term care expenses. Baby Boomers are transitioning into or approaching retirement. Combined with the impact of the 2008 financial crisis and COVID-19, many Boomers are expected to face financial hardship in retirement. Generation X was the first generation to mostly enter the workforce after the shift from pensions to 401(k)s in the private sector, facing the inefficiencies and struggles associated with do-it-yourself retirement plans. While many Gen Xers are at the peak of their earning years, this “sandwich generation” is dealing with high expenses of college-aged children and supporting aging parents while trying to save for retirement. And Gen X has lived through multiple economic downturns, all of which impact employment and retirement readiness.⁷

Regarding Millennials, research finds a deeply troubling retirement outlook. A recent analysis found that most Millennials have nothing saved for retirement, and those who are saving aren’t saving nearly enough. Many factors are contributing to this generation’s retirement savings challenges – from depressed wages, high college debt, and the lack of eligibility to participate in employer retirement plans. More specifically, 66 percent of working Millennials had nothing saved for retirement.⁸

Further complicating retirement is that financial asset inequality among Americans continues to increase, and the inequality is consistent across generations. This wealth inequality, combined with dangerously low retirement savings among most households, poses a significant threat to retirement for working Americans. Recent research finds that from 2004 to 2016, the share of financial assets owned by the top 25 percent of Baby Boomer households grew from 86 percent to 91 percent. Meanwhile, the share of assets owned by the bottom 50 percent of Baby Boomer households shrank from three percent in 2004 to below two percent in 2016. Among Generation X households, the

wealthiest 25 percent owned 87 percent of financial assets in 2016. Millennials in 2016 reached a comparable degree of financial asset concentration, with 85 percent of financial assets owned by the wealthiest 25 percent.⁹

Against this backdrop, this issue brief examines national sentiment of various generations toward retirement, each of which is face differing circumstances. This research finds that:

- Millennials and Generation X are most concerned about the impacts of COVID-19 on their retirement. Across generations, most of those who are concerned about the impacts of the pandemic plan to delay their retirement.
- There is generational agreement that the U.S. faces a retirement crisis, with Millennials and Generation

Xers most pessimistic about retirement.

- There is broad support across generations for Social Security, including support for increasing contributions and expanding benefits.
- All generations have favorable views of defined benefit pensions, with Millennials holding the most favorable views. There is wide agreement generationally that pensions are better than 401(k) plans for providing retirement security, and that everyone should have a pension.

I. ACROSS GENERATIONS, THE COVID-19 PANDEMIC HAS INCREASED RETIREMENT CONCERNS

Sixty-four percent of Millennials and 54 percent of Gen Xers are more concerned about retirement (**Figure 1**).

As a result of the pandemic, one in five Millennials indicate that they have changed when they plan to retire (**Figure 2**).

Figure 1: Gen X and Millennials are the most concerned about retirement in the wake of the pandemic.

Has the COVID-19 crisis increased or decreased your concern that you won't be able to achieve a financially secure retirement?

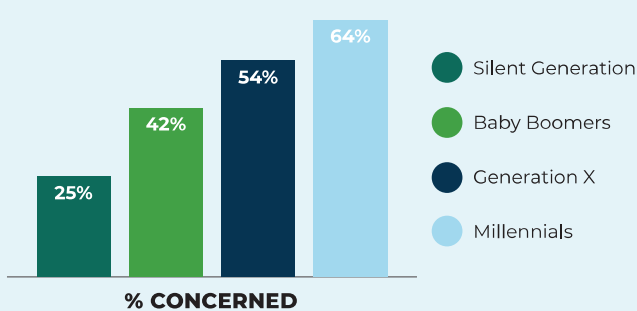
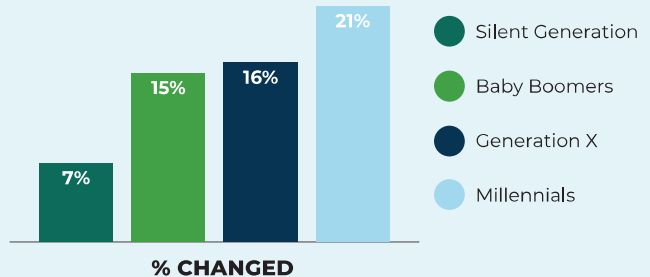


Figure 2: The pandemic has triggered changes to when Americans plan to retire.

Has the COVID-19 crisis caused you to change when you plan to retire?



Among those who plan to change their retirement, about two-thirds of all generations say they plan on delaying retirement (**Figure 3**).

During the pandemic, Millennials were more likely than other generations to take actions that could harm their long-term financial and retirement security such as reduced saving or spending retirement savings. Millennials also were much more likely to spend their emergency savings. While it is a positive that this generation had access to rainy day savings during tough times, spending savings has an impact on their financial position (**Figure 4**).

Figure 3: Across generations, most of those who have changed retirement plans will delay retirement.

Have you considered retiring earlier or later than originally planned due to the COVID-19 crisis?

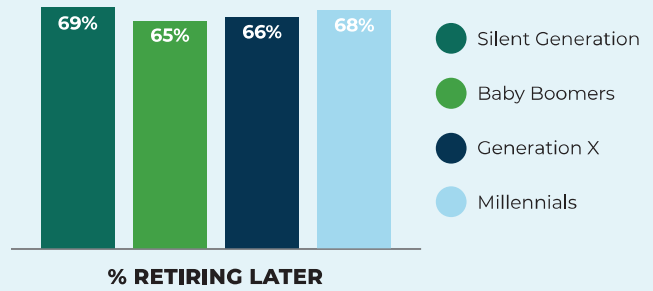
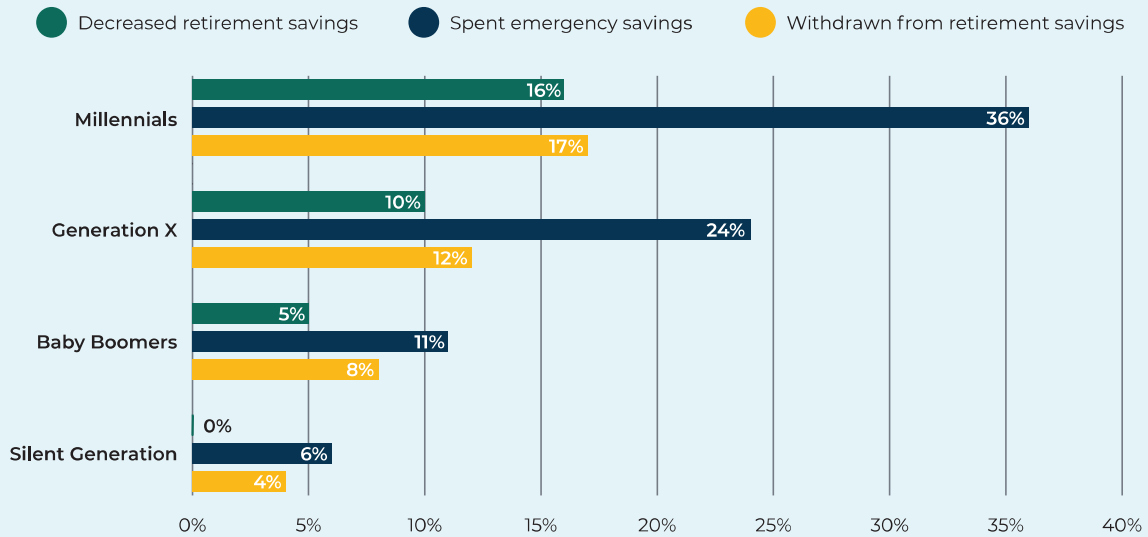


Figure 4: Millennials were more likely to take actions during the pandemic that could harm their long-term financial security.

Which of the following actions have you taken as a result of the economic impact of the COVID-19 crisis?



II. THERE IS GENERATIONAL AGREEMENT THAT THE U.S. FACES A RETIREMENT CRISIS, WITH MILLENNIALS AND GENERATION XERS MOST PESSIMISTIC ABOUT THEIR OWN RETIREMENT

Across generations, most Americans say the nation faces a retirement crisis, with Baby Boomers (72 percent) expressing the most concern (Figure 5).

Millennials (72 percent) and Generation Xers (59 percent) are most pessimistic about their own retirement prospects (Figure 6).

Figure 5: Across generations, most Americans say the nation faces a retirement crisis, with Baby Boomers expressing the most concern.

To what extent do you agree or disagree: America is facing a retirement crisis.

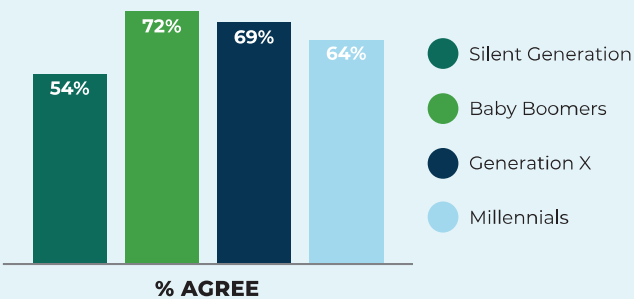


Figure 6: Millennials and Gen X are most pessimistic about their retirement.

How concerned are you that you won't be able to achieve a financially secure retirement?

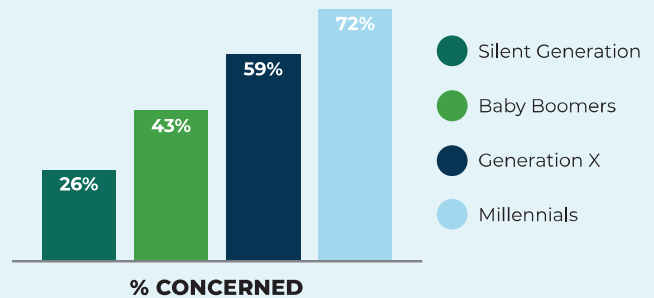
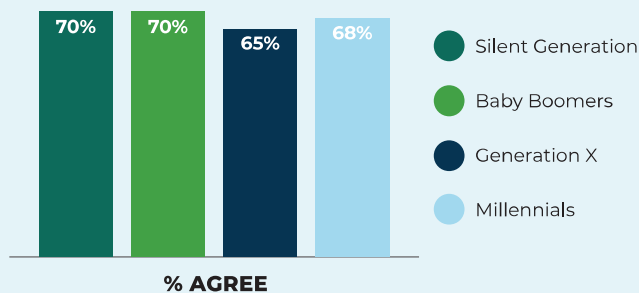


Figure 7: Across generations, most agree workers cannot save enough on their own for a secure retirement.

To what extent do you agree or disagree: The average worker cannot save enough on their own to guarantee a secure retirement.



Consistently across generations, the vast majority of Americans agree that workers just cannot save enough on their own have a secure retirement (Figure 7).

Americans across generational lines plan to take a number of actions to ensure a secure retirement – including working longer, cutting spending now and in retirement (Figure 8).

All generations surveyed seemed to understand there is a wide mix of factors that make preparing for retirement more difficult, including longer life spans, rising costs and fewer pensions (Figure 9).

Figure 8: Across generations, Americans plan to take a number of actions to improve their retirement prospects.

Which of the following, if any, do you plan to do to help ensure a financially secure retirement?

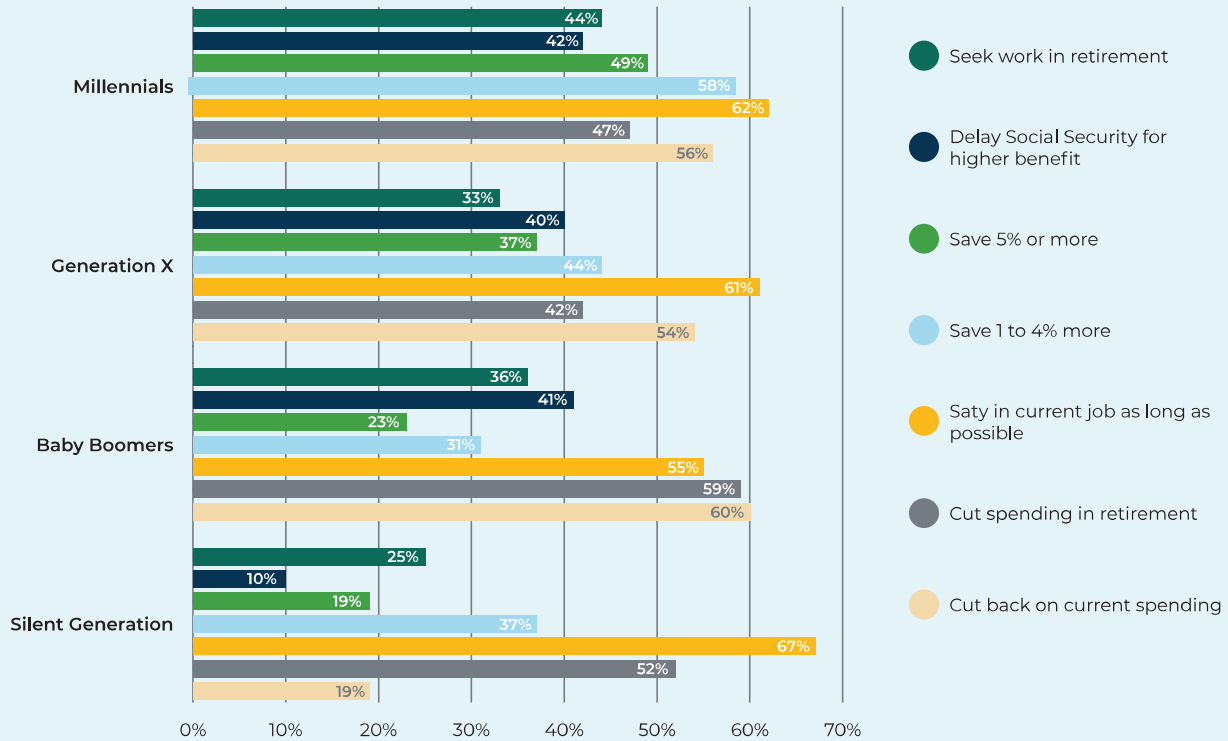
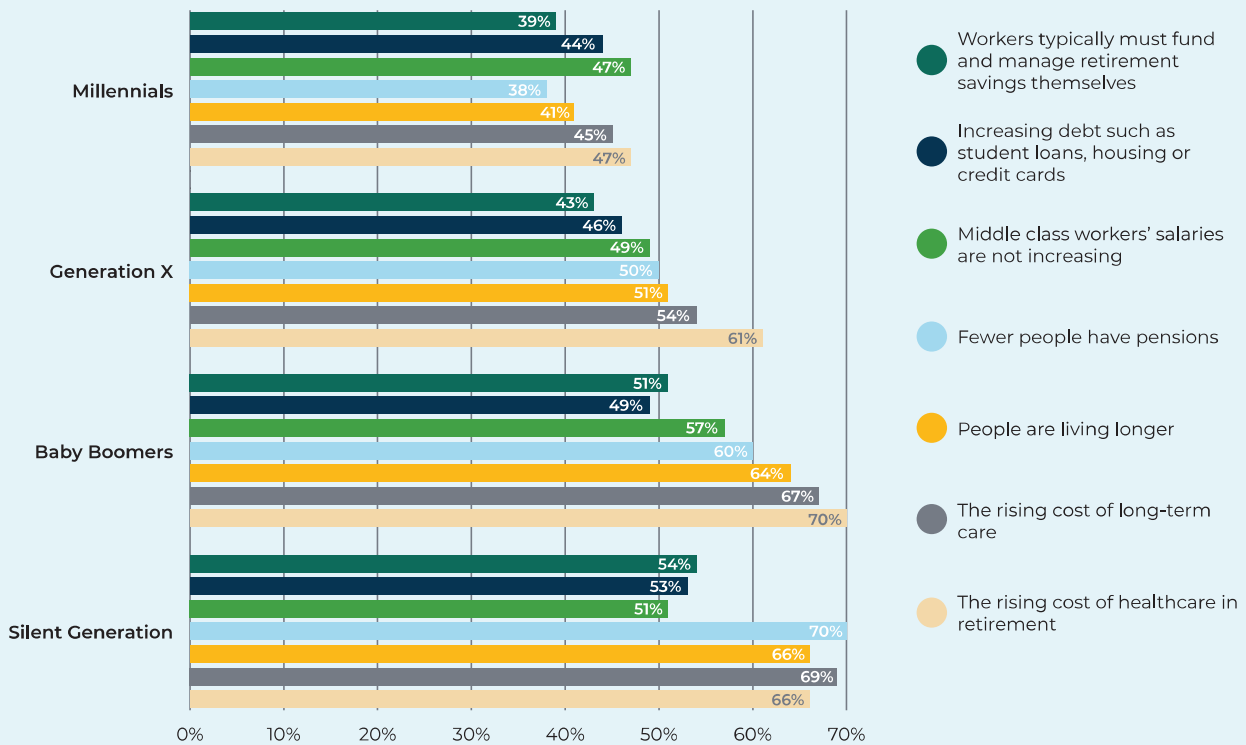
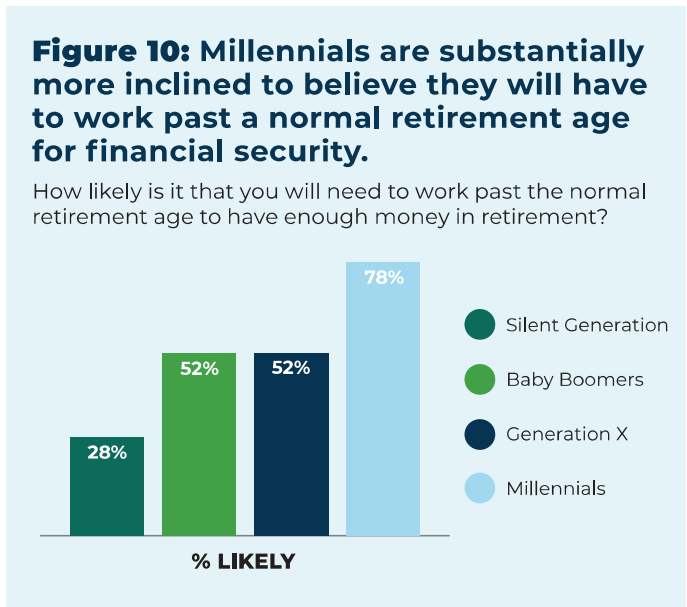


Figure 9: All generations say that there is a wide mix of factors that make preparing for retirement more difficult.

To what extent do you feel each of the following issues are a factor in making it harder for Americans to prepare for retirement?



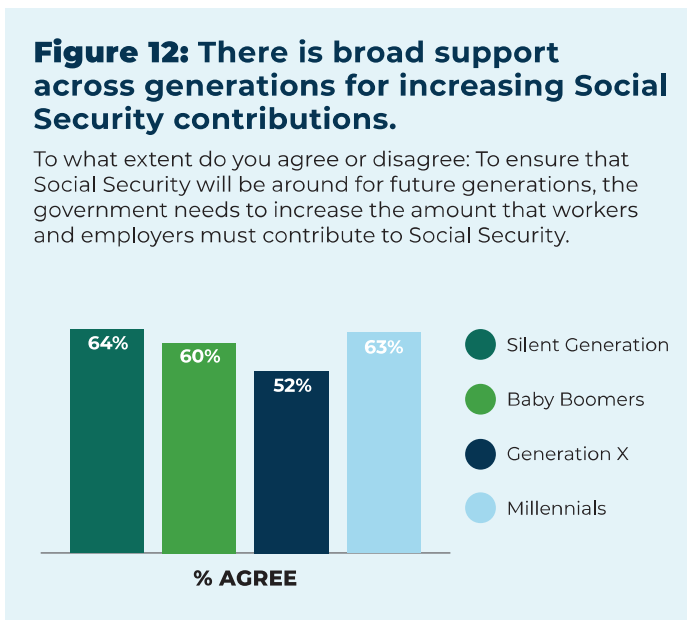
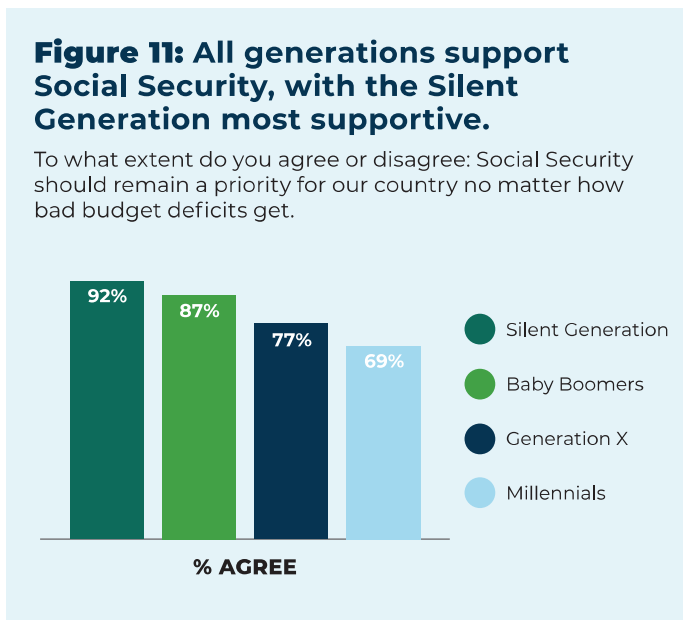
Across generations, Millennials (78 percent) are substantially more inclined to believe they will have to work past normal retirement age for financial security, with Baby Boomers and Generation Xers right behind at 52 percent (Figure 10).



III. THERE IS BROAD SUPPORT ACROSS GENERATIONS FOR SOCIAL SECURITY, INCLUDING SUPPORT FOR INCREASING CONTRIBUTIONS AND EXPANDING BENEFITS

There is broad support across generations for Social Security despite budget deficits, with the Silent Generation (92 percent) most supportive (Figure 11).

Across the board, most Americans across generational lines see the value of increasing contributions to Social Security so that it is in place for future generations (Figure 12).



As policymakers consider changes to Social Security, the highest support for expanding Social Security is among Millennials (61 percent) (**Figure 13**).

Across the board, all generations are in strong agreement that Social Security alone can't provide a secure retirement (**Figure 14**).

Figure 13: Millennials are most supportive of expanding Social Security.

Would you support the expansion of Social Security benefits, a reduction of benefits, or should it be kept as is?

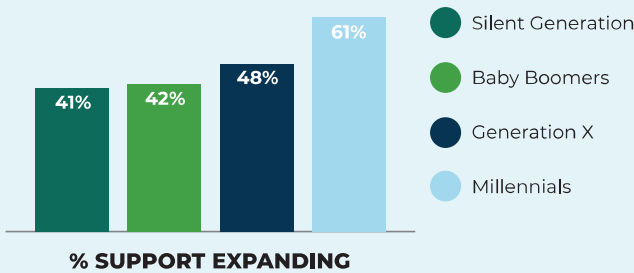
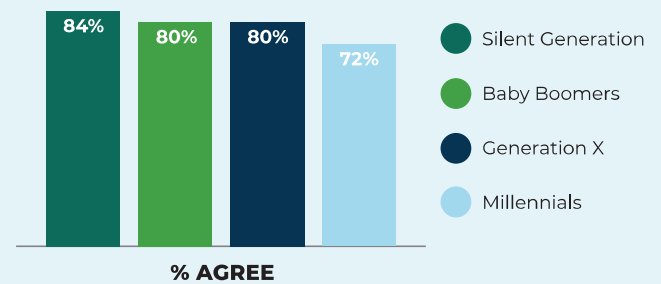


Figure 14: Across generations, there is agreement that Social Security alone can't provide a secure retirement.

To what extent do you agree or disagree: It is important that retirees supplement the guaranteed income that Social Security provides with additional income such as a pension or annuity.



IV. ALL GENERATIONS HAVE FAVORABLE VIEWS OF DEFINED BENEFIT PENSIONS

Pensions are viewed favorably by all generations, with Millennials expressing the highest favorability (**Figure 15**).

Across the board, all generations agree that those with pensions are more likely to have a secure retirement (**Figure 16**).

Figure 15: All generations have favorable views of pensions, with Millennials holding the most favorable views.

How would you describe your overall view of this type of pension?

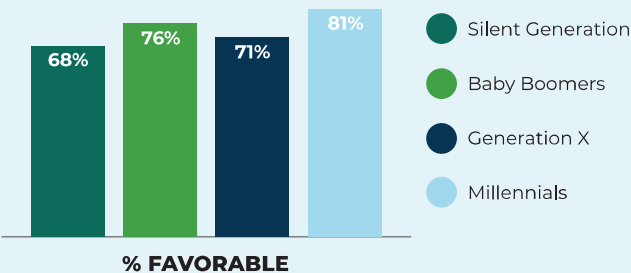
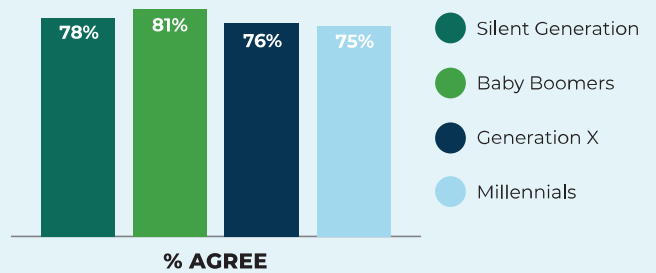


Figure 16: Across the board, generations agree that those with pensions are more likely to have a secure retirement.

To what extent do you agree or disagree: Americans with traditional pensions are more likely than those without pensions to have a secure retirement.



Across generations, there is agreement that government should take steps to help employers offer pensions to their workers, with the Silent Generation (83 percent) in strongest agreement (**Figure 17**).

All generations strongly agree that U.S. workers should have access to a pension plan to ensure their independence in retirement, again with the Silent Generation (83 percent) holding the strongest sentiment (**Figure 18**).

Figure 17: Across generations, there is strong agreement that government should help ease the way for employers to offer pensions.

To what extent do you agree or disagree: The government should make it easier for employers to offer traditional pension plans.

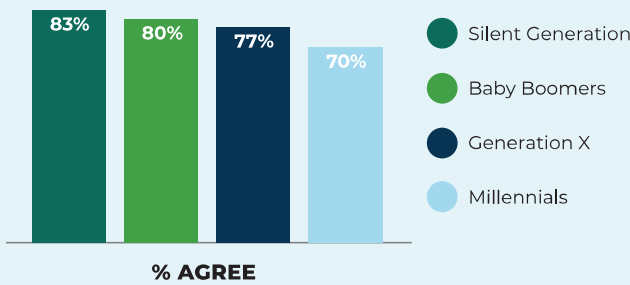
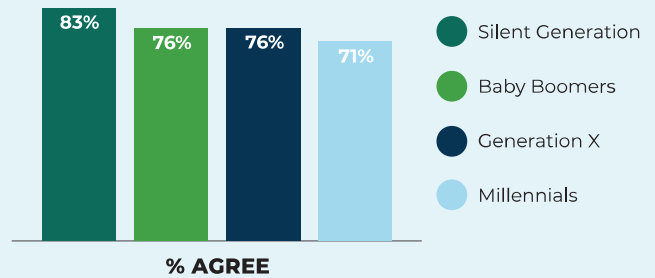


Figure 18: All generations are in strong agreement that everyone should have a pension.

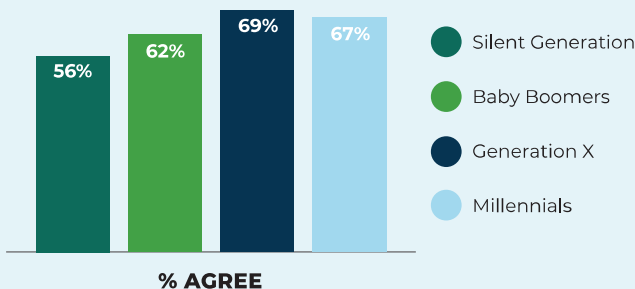
To what extent do you agree or disagree: I believe that all workers should have access to a pension plan so they can be independent and self-reliant in retirement.



As 401(k) plans have become the predominant employer-sponsored retirement plan for private sector workers, there is a high level of agreement that pensions are better at providing retirement security (**Figure 19**).

Figure 19: There is broad agreement across generations that pensions provide better retirement security than 401(k) plans.

To what extent do you agree or disagree: Pensions do more to help workers achieve a secure retirement as compared to retirement savings plans.



V. THERE IS STRONG AGREEMENT ACROSS GENERATIONS THAT POLICYMAKERS NEED TO DO MORE TO IMPROVE AMERICANS' RETIREMENT PROSPECTS.

Across generational lines, Americans say that national policymakers don't seem to grasp the retirement savings struggle (**Figure 20**).

Three-fourths of all generations agree that Washington leaders need to give retirement a higher priority (**Figure 21**).

Figure 20: All generations overwhelmingly agree policymakers don't understand the retirement savings struggle.

To what extent do you agree or disagree: Leaders in Washington do not understand how hard it is for workers to save enough for retirement.

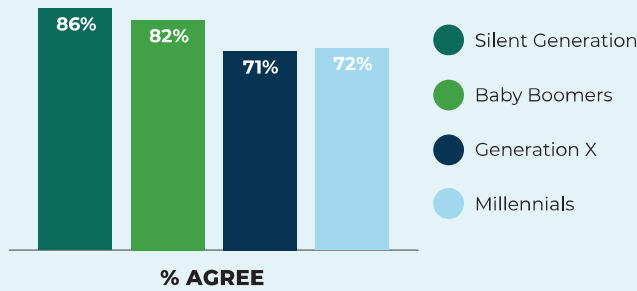
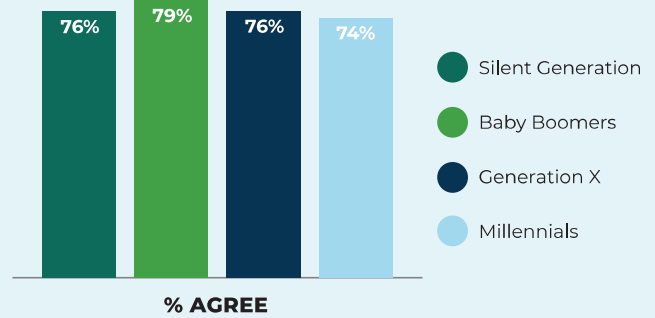


Figure 21: About three quarters of all generations agree that Washington leaders need to give retirement a higher priority.

To what extent do you agree or disagree: Leaders in Washington need to give a higher priority to ensuring more Americans can have a secure retirement.



CONCLUSION

The U.S. is facing a retirement savings crisis that likely is worsening thanks to yet another economic crisis. Except for wealthier Americans, the typical working American is not on track to maintain their standard of living in retirement. The retirement savings shortfall can be attributed to many factors, including the move away from pensions, stagnant wages, and a lack of employer sponsored plans. Also, cuts to Social Security benefits and skyrocketing costs for health, long-term care and housing in retirement are exacerbating the retirement crisis.

This research offers an assessment of Americans' views about retirement across generational lines. The research finds that all generations are worried about retirement, and there is strong support for pensions and Social Security. While there are significant differences in many specific areas, there is generational agreement that national lawmakers need to step up and do more to help Americans prepare for retirement.

METHODOLOGY

Conducted by Greenwald Research, information for this study was collected from online interviews between December 4–10, 2020. A total of 1,203 individuals aged 25 and older completed the survey. The final data were weighted by age, gender, and income to reflect the demographics of Americans aged 25 and older. The sample was selected using Dynata, an online sample provider. Tabulations in some of the charts may not add up to 100, due to rounding.

For the purposes of this research, Millennials include those ages 25 to 43, Generation X includes those ages 44 to 55, Baby Boomers include those ages 56 to 74, and the Silent generation includes those age 75 or older.

ENDNOTES

1. A. Tergenson, 2020 (November), “How Covid-19 Will Change Aging and Retirement,” The Wall Street Journal, New York, NY. <https://www.wsj.com/articles/how-covid-19-will-change-aging-and-retirement-11605452401>
2. C. Collinson, 2020 (May), “Retirement Security Amid COVID-19: The Outlook of Three Generations,” Transamerica Center for Retirement Studies, Los Angeles, CA. https://transamericacenter.org/docs/default-source/retirement-survey-of-workers/tcrs2020_sr_retirement_security_amid_covid-19.pdf
3. Schwarz Center for Economic Policy, “52% of Older Workers Forced into Involuntary Retirement,” October 2018. <https://www.economicpolicyresearch.org/jobs-report/september-2018-unemployment-report-for-workers-over-55>
4. C. Tannenbaum, R. Boyle, V. Tandon, 2020 (November), “The K-Shaped Recovery,” Northern Trust, Chicago, IL. <https://www.northerntrust.com/united-states/insights-research/2020/market-economic-commentary/wec/november-25>
5. T. Bond and F. Porrell, 2020 (January), “Examining the Nest Egg,” The National Institute on Retirement Security, Washington, D.C. <https://www.nirsonline.org/wp-content/uploads/2020/01/Examining-the-Nest-Egg-Final-1.pdf>
6. A. Munnell, A. Chen, and R. Siliciano, 2021 (January), “The National Retirement Risk Index: An Update from the 2019 Survey of Consumer Finances,” Boston College Center for Retirement Research, Chestnut Hill, MA. https://crr.bc.edu/wp-content/uploads/2021/01/IB_21-2.pdf
7. Morgan Stanley, “Retirement for 5 Generations,” March 2021. <https://www.morganstanley.com/atwork/articles/retirement-for-5-generations>
8. J. Brown, 2018 (February), “Millennials and Retirement: Already Falling Short,” National Institute on Retirement Security, Washington, D.C. <https://www.nirsonline.org/reports/millennials-and-retirement-already-falling-short/>
9. N. Rhee and T. Bond, 2019 (September), “Financial Asset Inequality and Its Implications for Retirement Security,” National Institute on Retirement Security, Washington, D.C. <https://www.nirsonline.org/reports/financial-asset-inequality-and-its-implications-for-retirement-security/>

WHO WE ARE & WHAT WE DO

Board of Directors

Gerri Madrid-Davis, Board Chair & Former Director, Financial Security and Consumer Affairs, State Advocacy & Strategy, Government Affairs, AARP

Brian Tobin, Vice Chair & Fire Chief, Daisy Mountain Fire & Rescue

Kelly Fox, Secretary/Treasurer & Chief, Stakeholder Relations and External Outreach, CalPERS

John Adler, Board Member & Director, Mayor's Office of Pensions and Investments, Office of the Mayor of New York City

Dana Bilyeu, Board Member & Executive Director, National Association of State Retirement Administrators

Kristen Doyle, CFA, Board Member & Partner and Head of Public Funds, Aon Hewitt Investment Consulting

Michael Hairston, Board Member & Senior Pension Specialist, The National Education Association

R. Dean Kenderdine, Board Member & Executive Director, National Council on Teacher Retirement

Hank H. Kim, Board Member & Executive Director, National Conference on Public Employee Retirement Systems

Andrew Sherman, Board Member & Senior Vice President, National Director of Public Sector Market, Segal

Jay Stoffel, Board Member & Executive Director, Teachers Retirement Association of Minnesota

Staff and Consultants

Dan Doonan, Executive Director

Tyler Bond, Manager of Research

Nicole Dascenzo, Manager of Membership Services

Kelly Kenneally, Communications Consultant

Academic Advisory Board

Sylvia Allegretto, PhD, University of California, Berkeley

Brad M. Barber, PhD, University of California, Davis

Ron Gebhardtshauer, FSA, MAAA, Pennsylvania State University

Teresa Ghilarducci, PhD, The New School for Social Research

Jacob S. Hacker, PhD, Yale University

Regina T. Jefferson, JD, LL.M., Catholic University of America

Jeffrey H. Keefe, PhD, Rutgers University

Eric Kingson, PhD, Syracuse University

Alica H. Munnell, PhD, Boston College

Christian E. Weller, PhD, University of Massachusetts Boston

Our Mission

The National Institute on Retirement Security is a non-profit research and education organization established to contribute to informed policymaking by fostering a deep understanding of the value of retirement security to employees, employers, and the economy as a whole.

Our Vision

Through our activities, NIRS seeks to encourage the development of public policies that enhance retirement security in America. Our vision is one of a retirement system that simultaneously meets the needs of employers, employees, and the public interest. That is, one where:

- employers can offer affordable, high quality retirement benefits that help them achieve their human resources goals;
- employees can count on a secure source of retirement income that enables them to maintain a decent living standard after a lifetime of work; and
- the public interest is well-served by retirement systems that are managed in ways that promote fiscal responsibility, economic growth, and responsible stewardship of retirement assets.

Our Approach

- High-quality research that informs the public debate on retirement policy. The research program focuses on the role and value of defined benefit pension plans for employers, employees, and the public at large. We also conduct research on policy approaches and other innovative strategies to expand broad based retirement security.
- Education programs that disseminate our research findings broadly. NIRS disseminates its research findings to the public, policy makers, and the media by distributing reports, conducting briefings, and participating in conferences and other public forums.
- Outreach to partners and key stakeholders. By building partnerships with other experts in the field of retirement research and with stakeholders that support retirement security, we leverage the impact of our research and education efforts. Our outreach activities also improve the capacity of government agencies, non-profits, the private sector, and others working to promote and expand retirement security.

The National Institute on Retirement Security is a non-profit, non-partisan organization established to contribute to informed policy making by fostering a deep understanding of the value of retirement security to employees, employers, and the economy as a whole. NIRS works to fulfill this mission through research, education and outreach programs that are national in scope.



NATIONAL INSTITUTE ON
Retirement Security

Reliable Research. Sensible Solutions.

1612 K Street, N.W., Suite 500 | Washington, DC 20006

202-457-8190 | www.nirsonline.org

@NIRSONline

Issue Brief

Millennial State & Local Government Employee Views on Their Jobs, Compensation & Retirement

By Tyler Bond & Kelly Kenneally

February 2020



NATIONAL INSTITUTE ON
Retirement Security

Reliable Research. Sensible Solutions.

ABOUT THE AUTHORS

Tyler Bond serves as research manager with the National Institute on Retirement Security. He works with the executive director to oversee and implement the organization's research products, and has co-authored research on various topics relating to retirement security. He speaks at conferences and events about retirement research and has delivered testimony before policymakers.

Previously, Bond directed the research program for the National Public Pension Coalition, where he authored six original research reports. He also has held positions on Capitol Hill and at the Center on Budget and Policy Priorities.

Bond holds a B.A. in political science and philosophy from Indiana University and an M.A. in public policy from The George Washington University. He is a member of the National Academy of Social Insurance.

Kelly Kenneally has provided communications counsel to the National Institute on Retirement Security since its founding in February 2007. She implements communications programs that provide accurate data and information on retirement policy issues and has authored multiple public opinion research studies. She has more than 25 years of public affairs experience with corporations, government and non-profit organizations. Previously, Kenneally served in the White House as associate director of the President's Commission on White House Fellowships. She has held corporate communications positions at Micron Electronics and MCI WorldCom, and she began her career at the Maryland General Assembly. She holds a B.A. in Government and Politics from the University of Maryland.

ACKNOWLEDGEMENTS

The authors would like to thank Greenwald & Associates, a leading research firm with specialized expertise in the financial services and retirement industries, for their valuable contributions to this project. The polling was overseen by Dr. Brian Perlman, partner with Greenwald & Associates. With more than 25 years of research experience in financial services, he is a consumer psychologist and financial planner. Dr. Perlman previously served as director of strategic research for the American Council of Life Insurers. He directed NIRS' 2009, 2011, 2013 and 2015 opinion research reports. He holds a B.A. in Psychology from the State University of New York at Stony Brook, and a Ph.D. in Psychology from the University of New Hampshire. He is a Chartered Financial Consultant (ChFC) and Chartered Life Underwriter (CLU).

We also extend our thanks to Doug Kincaid and Caroline Fauquier for their valuable contributions to this project. Mr. Kincaid is a research director at Greenwald & Associates, specializing in research on retirement and financial services. He holds a B.A. in Sociology from the University of North Carolina and an M.A. in Sociology from Indiana University. Ms. Fauquier is a senior research associate at Greenwald & Associates, handling qualitative and quantitative projects for many of Greenwald's investment and financial services clients. She holds a B.A. in Government & Politics from the University of Maryland.

In 2016, Millennials became the largest generation in the U.S. labor force. More than one in three participants in the workforce are Millennials, born between 1980 and 1995. As of 2017, 56 million Millennials in the U.S. were working or seeking employment, surpassing Generation X and Baby Boomers.¹

Millennials are employed in both the public and private sectors. According to the U.S. Bureau of Labor Statistics, more than 22.5 million U.S. workers are government employees. As of December 2019, 2.8 million workers serve at the federal level, 5.1 million are at the state level, and 14.6 million work for local government.² In 2019, 32 percent of state and local employees were Millennials.³

At the same time, a key challenge facing employers—including state and local employers—is recruiting and retaining employees, who increasingly are Millennials. Keeping jobs filled at the state and local level is particularly important given that these workers perform crucial job functions that serve the public—in fields from public safety to healthcare to education. A recent report calculated a widening gap between the number of open jobs in state government and the number of applicants. From 2013 through 2017, job postings in 27 states increased 11 percent, while the number of applicants plummeted 24 percent. This report also identified several factors contributing to the widening gap, including changes in workforce expectations among younger generations, less-competitive government salaries, rising competition from the private sector, and negative perceptions about working for government.⁴

Another complicating factor for state and local employers is the U.S. labor market. The unemployment rate remains at historic lows. In December 2019, the U.S. Labor Department reported the unemployment rate held at 3.5 percent, which is even lower than the 3.9 percent jobless rate a year earlier.⁵

In fact, state and local governments report that they continue to face steep challenges filling a wide array of positions, with policing, engineering, information technology, and emergency

dispatch as the positions that are hardest to fill. Moreover, public workforce needs are predicted to increase, with a projected growth of 3.8 percent among state employees and 7.4 percent among local employees from 2016 to 2026.⁶

A tool that both public and private sector employers utilize to attract and retain workers is the employee benefits package. Most state and local government employees are offered healthcare and retirement benefits. In 2019, retirement benefits were available to 91 percent of state and local government workers, including defined benefit (DB) and defined contribution (DC) plans, and some 89 percent have access to medical care benefits.⁷

These benefits can be appealing for those seeking a career in state or local government and could position employers to be more competitive as compared to salaries in the private sector, particularly for Millennials. But, state and local government employers are not necessarily improving health and retirement benefits to address public sector workforce challenges. Instead, many jurisdictions have changed their health or retirement plans, shifting more risks and/or costs to employees.⁸

Against this backdrop, the National Institute on Retirement Security (NIRS) commissioned a national public opinion survey to develop a deep understanding of the views of state and local public employees regarding their jobs, pay and benefits. Released in November 2019, *State and Local Employee Views on Their Jobs, Pay and Benefits* found that retirement and healthcare benefits are critically important job features for state and local employees, more so than salary. It also found that these benefits are viewed as a powerful recruitment and retention tool, with nearly all state and local workers (93 percent) saying that pensions incentivize public workers to have long public service careers, and 94 percent agreeing that a pension is a good tool for both attracting and retaining employees.⁹

This issue brief provides a deeper analysis of the November 2019 NIRS research, drilling down to examine the views of Millennials working in state and local government.

The Millennials survey data reveals that:

1. Despite knowing they could earn a higher salary in the private sector, Millennials working in state and local government are satisfied with their jobs and total compensation.
2. State & local government Millennial employees are planning to stick with their current job, but changing their benefits might push some out the door.
3. Millennials working in state and local government are highly supportive of pensions, and they see the advantages of their benefits beyond retirement.
4. State and local government Millennial employees feel confident about their retirement, but worry about cuts or changes to benefits.
5. State and local government Millennial workers say eliminating pensions has negative consequences.

Conducted by Greenwald & Associates, information for this study was collected from online interviews between August 22 through September 12, 2019, of public sector employees aged 18 and older. All employees surveyed were required to be currently participating in a pension plan at their job.

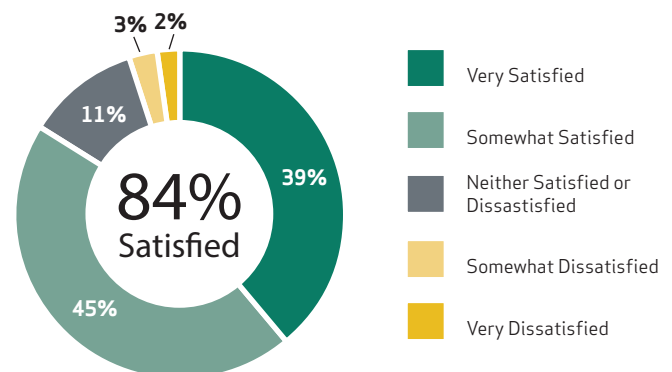
I. DESPITE KNOWING THEY COULD EARN A HIGHER SALARY IN THE PRIVATE SECTOR, STATE & LOCAL GOVERNMENT MILLENNIAL EMPLOYEES ARE SATISFIED WITH THEIR JOBS AND TOTAL COMPENSATION.

Among a sample of Millennials working in state and local government, the vast majority (84 percent) are satisfied with their job (**Figure 1**). In contrast, a 2016 Gallup poll found that among the broader population of Millennials, only 29% are engaged at work, which means that “only about three in ten are emotionally and behaviorally connected to their job and company.” That same Gallup poll found the majority of millennials (55 percent) are not engaged in their jobs.¹⁰

This high job satisfaction number at the state and local level might be explained by the fact that Millennials say they want a purpose when it comes to their jobs, which often comes with public service positions. Millennials say their work must have meaning, that they want to work for organizations with a mission and purpose, and they want more than a paycheck.¹¹

Figure 1: 84 percent of Millennials working in state and local government are satisfied with their current job.

Overall, how satisfied are you with your current job?



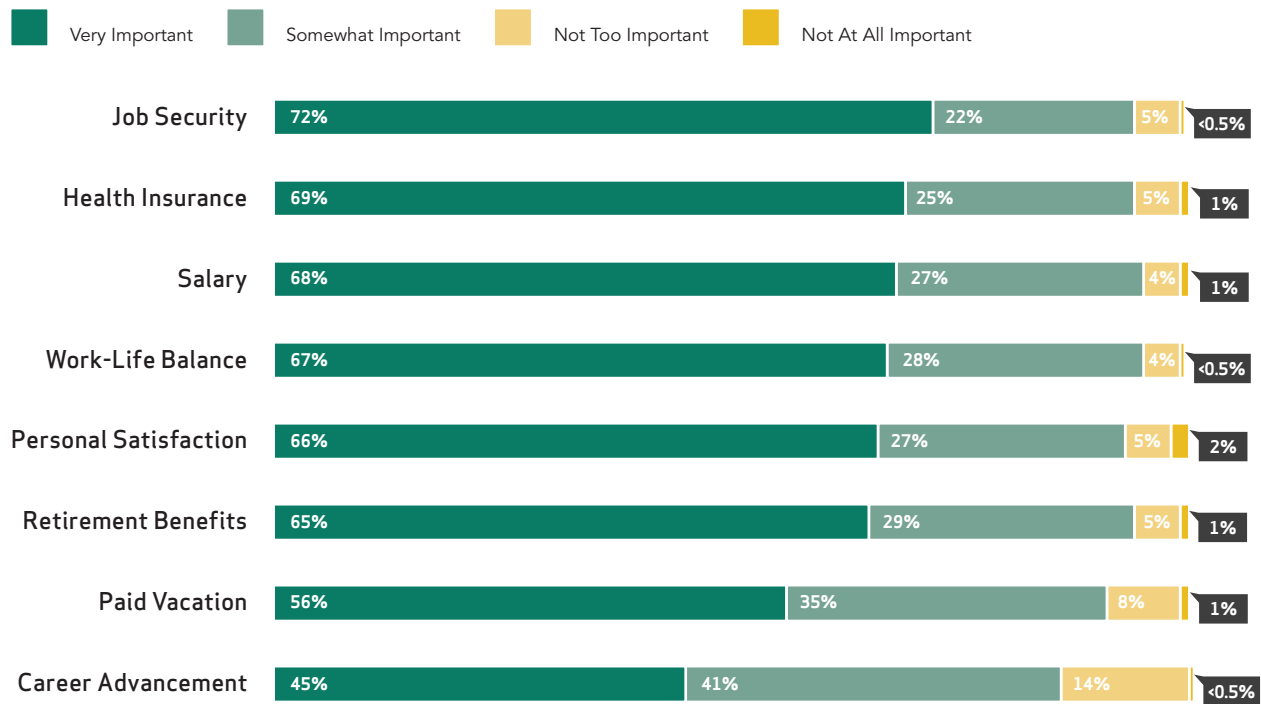
When asked about job features that are important when making jobs decisions, there were five job features that more than 60 percent of Millennials working in state and local government rated as very important: job security (72 percent); health insurance (69 percent); salary (68 percent); work-life balance (67 percent); personal satisfaction (66 percent); and retirement benefits (65 percent) (**Figure 2**).

In the public sector, salaries typically are lower than those in the private sector for employees with comparable education and experience, which can make it difficult for state and local government employers to compete with the private sector

for talent.¹² According to the Center for State and Local Government Excellence, only about half of state and local employers reported that they offer competitive pay.¹³ When it comes to public sector benefits, most state and local employers offer healthcare and retirement benefits. Retirement benefits are available to 91 percent of state and local government workers, including pensions and individual savings accounts, and some 89 percent had access to medical care benefits in 2019.¹⁴ These benefits can be considered attractive to those working in state or local government, often times compensating when salaries are less competitive than in the private sector.

Figure 2: Job security, salary, health insurance and work-life balance are very important job features for Millennials in state and local government when making job decisions.

When making job decisions, how important are the following job features to you?



When asked about their total compensation (salary plus benefits), the vast majority of Millennials (80 percent) in state and local government say that their compensation package is competitive (Figure 3).

However, only about one-fourth of Millennials in state and local government see their salary as very competitive (Figure 4).

In fact, most Millennials in state and local government (80 percent) believe they could earn a higher salary working in the private sector (Figure 5).

When it comes to retirement benefits, state and local Millennials say their retirement benefits are more competitive than salaries offered by state and local governments. Some 90 percent of Millennials see their public sector retirement benefits as competitive (Figure 6).

Figure 3: Most Millennials (80 percent) working in state and local government say their total compensation is competitive.

Do you think the overall compensation package (including salary, retirement benefits, and other benefits) offered by your current employer is competitive with the labor market?



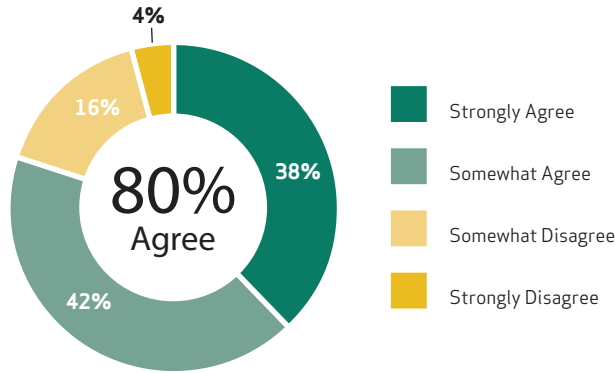
Figure 4: About one quarter of Millennials in state and local government view their salary as very competitive.

Do you think the salaries offered by your current employer are competitive with the labor market?



Figure 5: Most Millennials (80%) in state and local government believe they could earn a higher salary in the private sector.

To what extent do you agree or disagree with each of the following statement? I could make a higher salary working in the private sector.



Moreover, state and local Millennials have a high level of satisfaction with their retirement benefits—at 87 percent. This is substantially higher than their salary satisfaction (60 percent). (Figure 7). Importantly, pensions are a key factor in making the compensation package competitive for Millennial employees (Figure 8).

Despite this employee satisfaction with retirement benefits, state and local government employers are not necessarily improving or increasing retirement benefits to address growing public sector workforce needs. Instead, many jurisdictions have changed their health or retirement plans, shifting more costs to employees.¹⁵

Figure 6: The vast majority of Millennials (90 percent) see their retirement benefits as competitive.

Do you think the retirement benefits offered by your current employer are competitive with the labor market?



Figure 7: Millennials working in state and local government are satisfied with their job security and benefits, but less satisfied with their salary and career advancement.

How satisfied are you with the following aspects your current job?

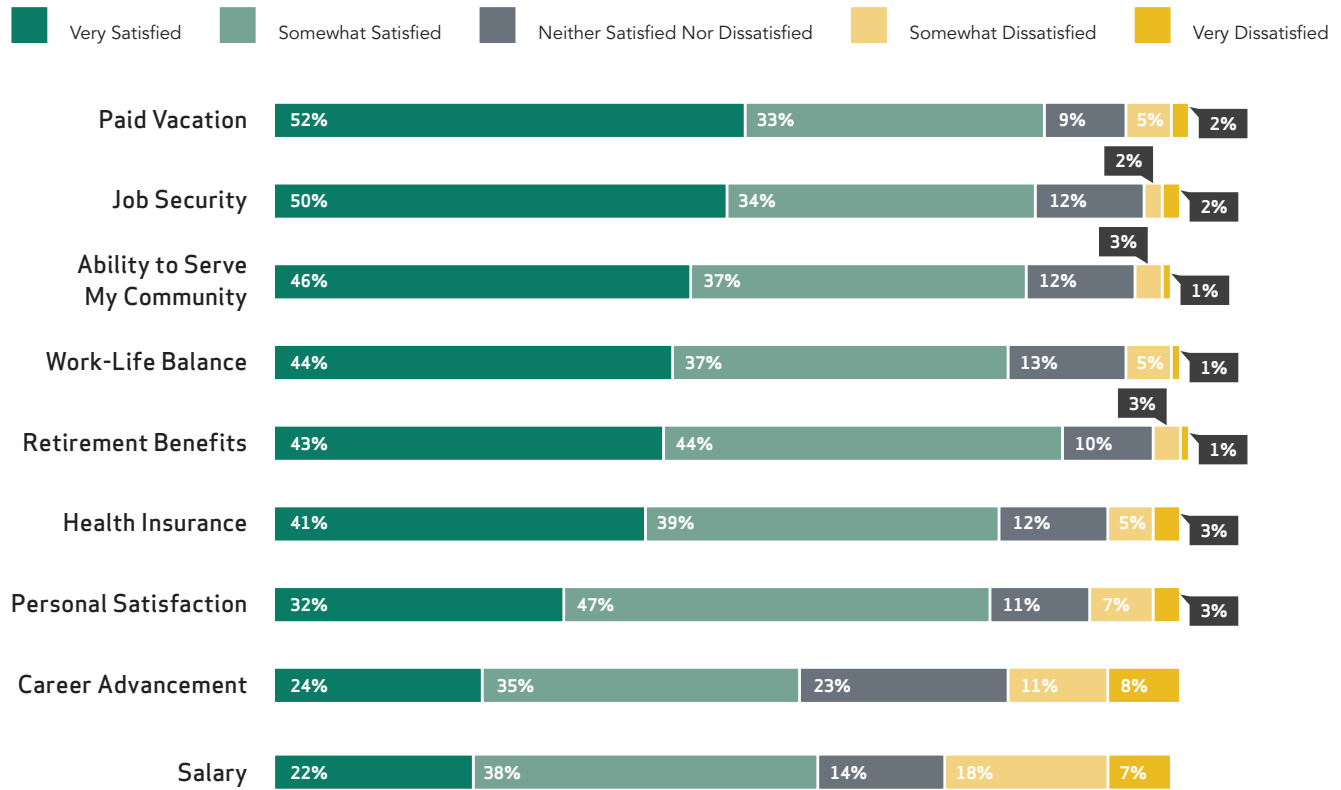
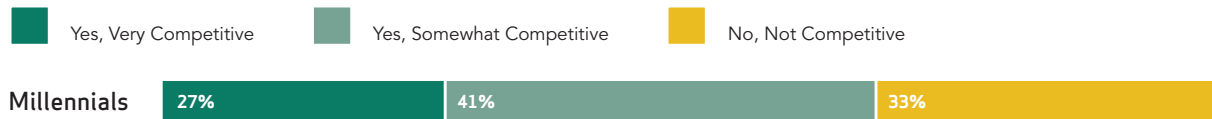


Figure 8: Only 27% of Millennial state and local employees say a compensation package without a pension is very competitive.

Do you think the overall compensation package offered by your current employer would be as competitive as it is if it did not include a pension and instead provided a retirement plan where the responsibility was on you to save for retirement?



II. STATE & LOCAL GOVERNMENT MILLENNIAL EMPLOYEES ARE PLANNING TO STICK WITH THEIR CURRENT JOB, BUT CHANGING THEIR BENEFITS MIGHT PUSH SOME OUT THE DOOR.

A narrative has emerged that Millennials are “job hoppers,” constantly changing jobs in search of better job satisfaction, career advancement or other reasons. However, data indicate that such a characterization of this generation seems to be unfounded.

A Pew analysis finds that Millennials are just as likely to stick with their employers as compared to their GenX counterparts. And among Millennials who are college-educated, this generation has longer track records with their employers as compared to that of GenX workers when accounting for age.¹⁶

When looking at Millennials working in state and local government, it appears that Millennials intend to stick with their jobs for the long-term. Most Millennials (85 percent) in state and local government say that they plan to stay in their job until they retire or can no longer work (Figure 9).

It is important to note that many public sector jobs—law enforcement, firefighting and teaching—often are considered to be career professions. More than half (58 percent) of state and local public employees work in education, while 13 percent work in public safety, and 12 percent work in health and safety.¹⁷ It also is important to note that most state and local workers have defined benefit pensions, and those benefits are structured to encourage employees to stay in their jobs for a career.¹⁸

As discussed earlier, state and local employees are satisfied with their retirement benefits, and Millennials say benefits are a reason they chose their jobs and why they stay. Some 78 percent of Millennials working in state and local government say their healthcare benefits is one reason they chose a position in the public sector. And if those benefits were cut, 77 percent (Figure 10) say they would be more likely to leave their job (Figure 11).

Figure 9: Most Millennials (85%) in state and local government plan to stay in their job until they retire or can't work.

Are you planning to stay with your current employer until you are either eligible for retirement or can no longer work?

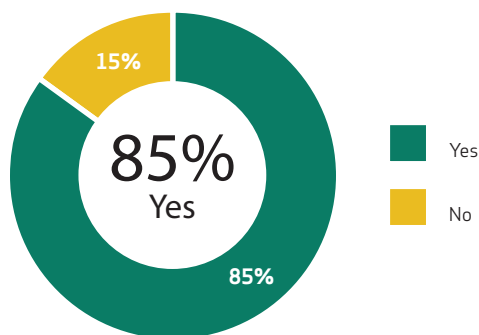


Figure 10: Healthcare benefits is a reason why 78 percent of Millennials chose to work in the public sector.

Healthcare benefits is one reason I selected a public sector job.

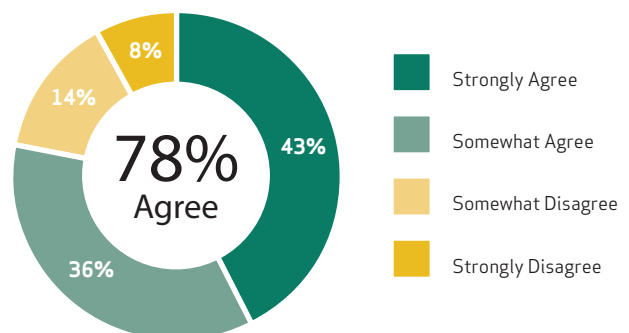
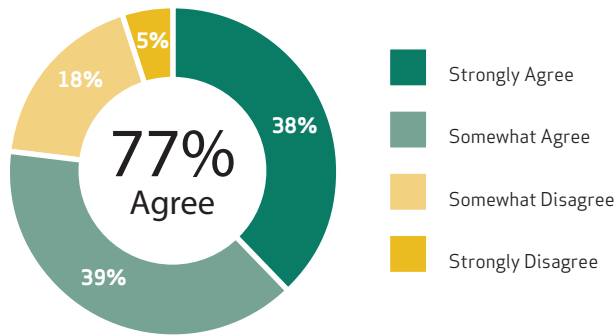


Figure 11: 77 percent of Millennials working in state and local government say they would be more likely to leave their job if their healthcare benefits were cut.

If my healthcare benefits were cut, I would be more likely to leave my job.



Interestingly, nearly three-fourths of Millennials in state and local government (73 percent) indicate that pensions also are a significant reason they selected their job, slightly higher than Generation X and Baby Boomers—both at 70 percent (Figure 12).

Similarly, a high number of Millennials (84 percent) say that a pension benefit is the reason they stay in a state and local government job. Those numbers are similar for Generation X (91 percent) and Boomers (84 percent) (Figure 13).

Similar to healthcare benefits, Millennials say that cutting their pension benefits would make them more likely to leave their state or local government job (71 percent) (Figure 14).

Figure 12: Similar to other generations, a pension is a reason that 74 percent of Millennials in state and local government selected a public sector job.

A pension benefit is a major reason I chose a public sector job in the first place.

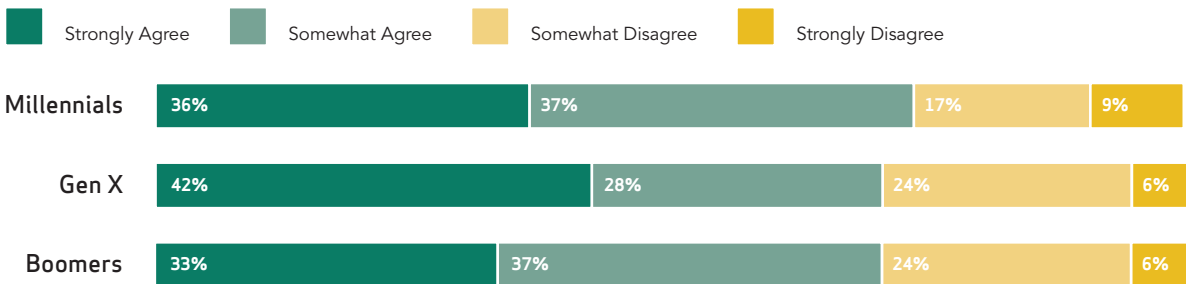
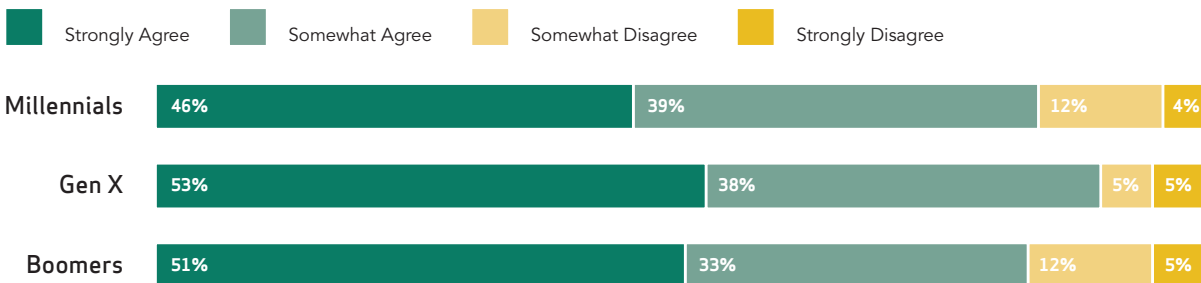


Figure 13: Similar to previous generations, a pension is a reason 84 percent of Millennials stay in their state/local jobs.

A pension benefit is a major reason why I stay in the public sector job I have now.



Also, the overwhelming majority of Millennials in state and local government (92 percent) say that pensions are an effective means for keeping them on the job (Figure 15).

A few states have looked at switching public employees from defined benefit pensions to defined contribution 401(k)-style accounts. This issue played out in Palm Beach, Florida, when substantial changes were made to the pension plans offered to the town’s employees. Case study research details the 2012 decision by the Palm Beach Town Council to close its existing defined benefit pension systems for its employees, including police officers and firefighters. The new retirement plans offered dramatically lower pension benefits and new individual 401(k)-style defined contribution accounts. Following a large, swift exodus of public safety employees to neighboring employers, the town reconsidered the changes and voted to abandon the defined contribution plans and to improve the pension plan.¹⁹ Another example is West Virginia, a state that closed its teacher pension plan and switched to 401(k)-style plans, only to re-open it when the switch failed to resolve plan funding issues and teachers were falling far short in their retirement savings targets.²⁰

Thus, it makes sense that the majority of state and local Millennials (59 percent) say that significant changes to their pension benefit would increase the likelihood that they would leave their job (Figure 16).

This support for pensions can perhaps be attributed to the fact that Millennials value these retirement benefits given that most Millennials are falling short when it comes to saving for retirement. When looking at the broader population of Millennials, many have nothing saved for retirement, and most of those who are saving are not saving nearly enough. Many factors are contributing to Millennials’ retirement savings challenges—from low wages and college debt to the lack of eligibility to participate in employer retirement plans.²¹

In contrast, most state and local government positions provide employees with access to retirement plans, and contributions are made by employees and employers throughout an employee’s career. Once retired, most state and local employees receive a stable and modest retirement benefit for a pension each month, and that benefit does not run out.

Figure 14: 71 percent of Millennials say they would be more likely to leave their state/local job if their pension were cut.

If my pension benefit were cut, I would be more likely to leave my job.

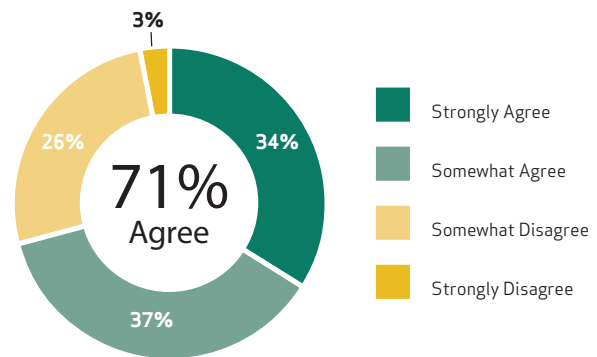


Figure 15: Pensions are an effective way to retain state and local employees according to 92 percent of Millennial state and local employees.

Do you think offering a pension is an effective way for an employer to retain current public employees?

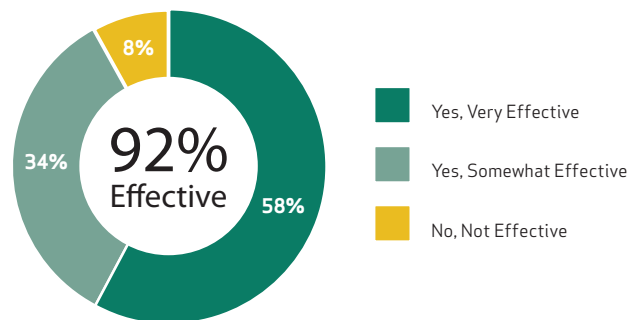
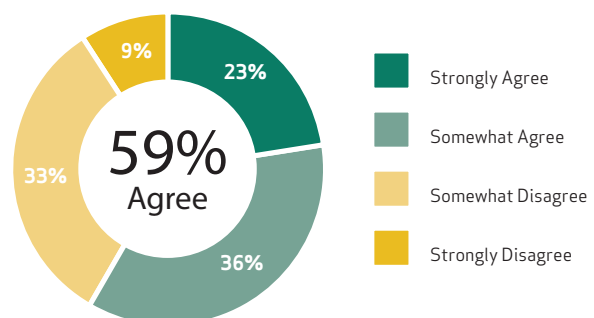


Figure 16: If a pension benefit were switched to an individual savings account, most Millennials (59 percent) in state and local government would be more likely to leave their job.

If my pension benefit were switched to an individual savings-based account, I would be more likely to leave my job.



III. MILLENNIALS WORKING IN STATE AND LOCAL GOVERNMENT ARE HIGHLY SUPPORTIVE OF PENSIONS, AND THEY SEE THE ADVANTAGES OF THEIR BENEFITS BEYOND RETIREMENT.

Pensions are group-based retirement plans that are widely available in the public sector, and also available in the private sector. In 2016, 27.9 million U.S. retirees and their beneficiaries received pension benefits, of which 10.7 million receive state and local pension income.²² Most state and local employees contribute to their pension each pay period throughout their career, and they receive a monthly retirement benefit that lasts throughout retirement. For about 25 percent of state and local workers, their pension benefit is particularly important because they are not eligible for Social Security.²³

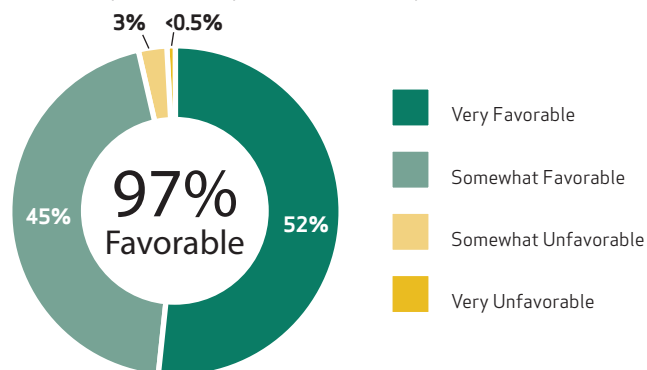
When asked their views on pensions, recent research found that Americans are highly positive on the role of pensions in providing retirement income. In March 2019, national polling found that 77 percent of Americans have a favorable view of pensions. Americans also saw the value of pensions in terms of their role in ensuring American workers can be self-reliant and independent in retirement, rather than turning to families or government to help meet their basic needs.²⁴

When examining Millennials views on pensions, the views again were highly favorable. Some 97 percent of Millennials in state and local government have favorable views of pensions (**Figure 17**).

When asking Millennials in state and local government about the features of pensions, they say that income that lasts through retirement (82 percent) and monthly checks (79 percent) are very important features (**Figure 18**). Other features of pensions that rank particularly high amongst Millennials are that pensions allow employees to focus on their jobs rather than worrying about retirement (67 percent), participation is automatic via payroll deduction (66 percent), and pensions offer survivor benefits (64 percent) and death and disability benefits (61 percent).

Figure 17: Nearly all Millennials (97 percent) working in state and local government have a favorable view of pensions.

How would you describe your overall view of pensions?

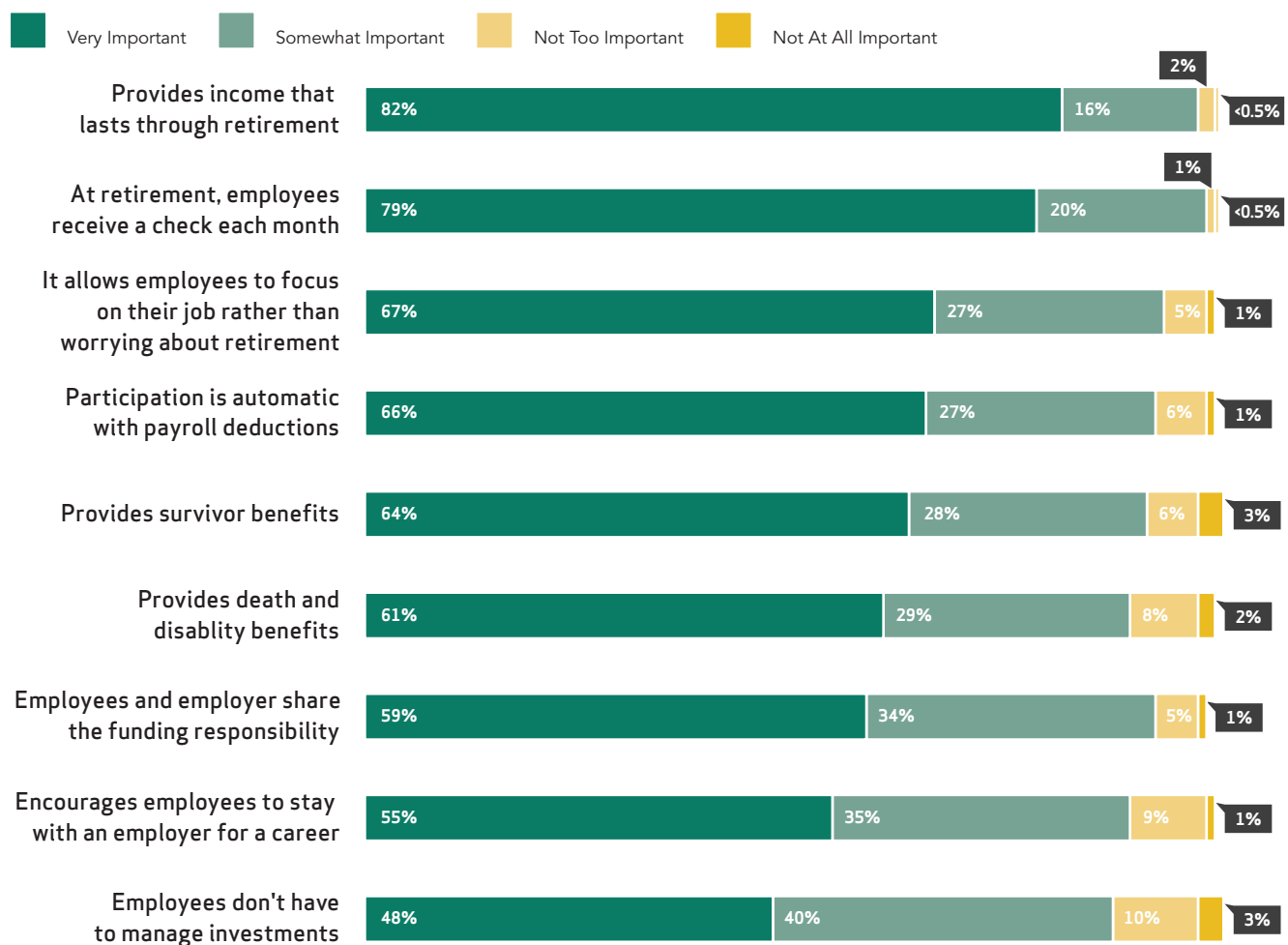


Research conducted by Milliman found that public employees with retirement plan choice overwhelmingly choose defined benefit pension plans over defined contribution 401(k)-type individual accounts. Among the eight states studied that offer employees such a choice, the pension take-up rates in 2015 were 80 percent or higher in six states. Two of the plans

studied had pension take-up rates higher than 95 percent, while Florida and Michigan had take-up rates of 76 percent and 75 percent, respectively. This research also found that even when the retirement plan default option favors a DC plan, most employees still select a pension plan.²⁵

Figure 18: Lasting income, and a monthly check are the most important features of pensions for Millennials in state and local government.

How important are these features of pensions?



Given this and other research that finds public employees value their pension, it is not surprising that more than three-fourths of Millennial state and local employees (77 percent) say that they prefer pensions over 401(k) accounts (Figure 19). As state and local employers face issues recruiting and retaining employees to deliver important public services, the issue of benefits comes into play. As discussed earlier, benefits are highly valued by state and local workers. But how much of a factor are they when it comes to recruiting and retaining

Millennials in the public workforce? According to employees, these benefits play a significant role.

Clearly, Millennials see the value of pensions beyond providing retirement security. Some 92 percent of state and local Millennials agree pensions serve a role in incentivizing long public service careers (Figure 20). Additionally, 94 percent say that pensions serve as effective tools for recruiting new employees to state and local government jobs (Figure 21).

Figure 19: More than three-fourths of Millennials working in state and local government say that a pension is better than a 401(k).

To what extent do you agree or disagree with each of the following statement? A pension is better than a 401(k) at maintaining one's standard of living in retirement.

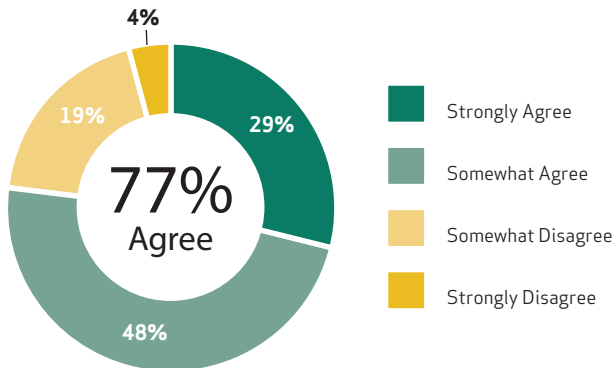


Figure 20: The vast majority (92 percent) of state and local government Millennial employees say a pension incentivizes a long public service career.

To what extent do you agree or disagree with the following statement? Pensions incentivize public workers to have long careers in public service.

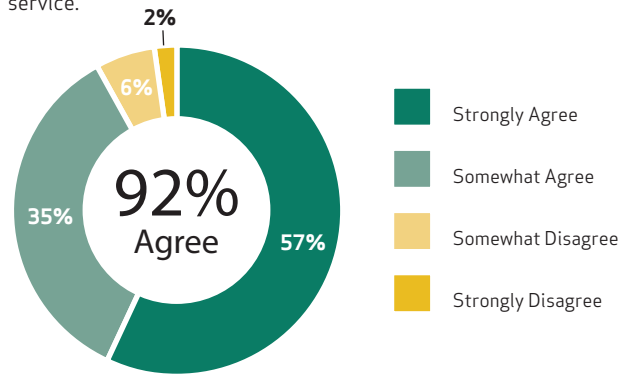


Figure 21: Nearly all Millennials (94 percent) working in state and local government say a pension is a good tool to recruit new employees.

Do you think offering a pension is an effective way for an employer to recruit new public employees?



IV. STATE AND LOCAL GOVERNMENT MILLENNIAL EMPLOYEES FEEL CONFIDENT ABOUT THEIR RETIREMENT, BUT WORRY ABOUT CUTS OR CHANGES TO BENEFITS.

Public opinion research conducted in March 2019 found that, in overwhelming numbers, Americans are worried about their ability to attain and sustain financial security in their older years. Three-fourths of Americans said that the nation faces a retirement crisis, 70 percent said the average worker cannot save enough on their own to guarantee a secure retirement, and 65 percent said it is likely they will have to work past retirement age to have enough money to retire.²⁶

That same research found that Millennials are the most pessimistic generation, with 72 percent concerned about achieving financial security in retirement. Also, Millennials are the generation most likely to believe they will have to work past normal retirement age (77 percent) to have a secure retirement. The polling also revealed that more than half of Millennials are willing to save five percent or more to help ensure a financially secure retirement, which is more than double the response for that level of savings from Boomers and GenX.

And those worries aren't unfounded. Changes to the U.S. retirement infrastructure during the past several decades have put retirement in peril for many working Americans. When all working individuals are included, the typical American has zero dollars saved for retirement.²⁷

Moreover, only a small percentage of older Americans, seven percent, receive income from Social Security, a defined benefit pension, and a defined contribution account. Retirement income from these three sources is widely considered to be the ideal situation to ensure retirement security, particularly for the middle class. Retirees with these three sources of income are far less likely to face poverty and economic hardship. Also, a large portion (40 percent) of older Americans only receive Social Security income in retirement. Social Security alone is not considered sufficient for a secure retirement, and it was not intended to stand alone. Typically, benefits from Social

Figure 22: Most Millennials (74 percent) working in state and local government say they will be financially secure in retirement.

How confident are you that you will be financially secure in retirement?

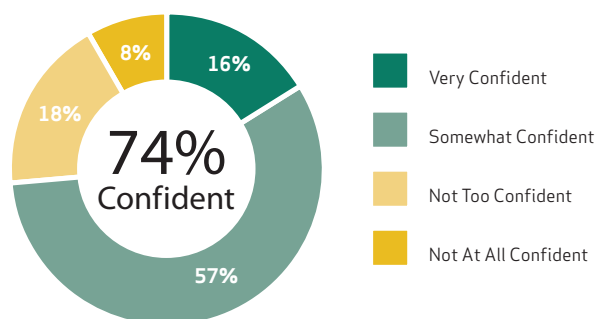
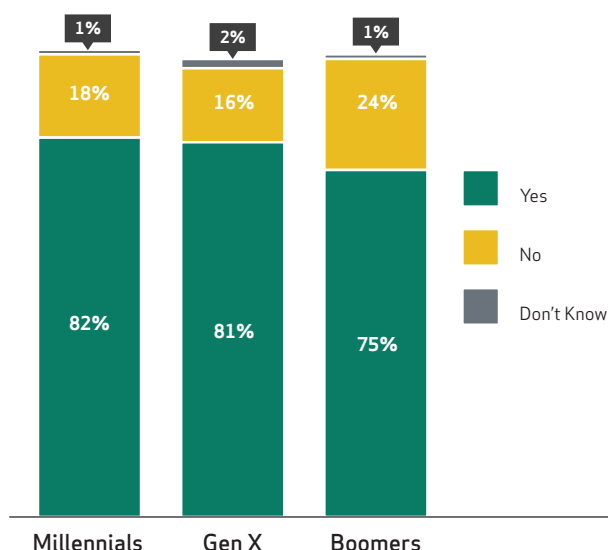


Figure 23: Millennials and GenXers working in state and local government are contributing to supplemental savings at a higher level than Baby Boomers.

Are you currently contributing money to an employer-based retirement savings plan that allows you to make contributions from your salary to an individual account set up in your name, such as a 401(k), tax-deferred annuity or 403(b), 457, or thrift savings plan?



Security replace approximately 40 percent of pre-retirement income. Most financial planners recommend at least a 70 percent income replacement rate for retirees, while others say this should be even higher given longer lifespans and rising health costs.²⁸

In contrast, most Millennials (74 percent) working in state and local government say they are confident that they will be financially secure in retirement (Figure 22). This may be because state and local employees typically have access to pensions, individual savings and Social Security (although about 25 percent of state and local employees are not eligible to participate in Social Security).

Interestingly, Millennial state and local employees seem to be committed to saving for retirement beyond their pension benefit. Some 82 percent are saving in supplemental defined contribution savings plans offered by their employers, more than even Baby Boomers who are approaching retirement (75 percent) (Figure 23).

Most Millennials in state and local government (69 percent) also are confident that they will be able to maintain their standard of living in retirement (Figure 24). Also, nearly all Millennial state and local employees (92%) agree that a pension with guaranteed lifetime provides peace of mind in retirement (Figure 25). Millennials also say that to ensure

they will have a secure retirement, they plan to pay down debt (Figure 26).

But one area of retirement concern for state and local Millennials is potential cuts to their pension. For state and local pensions, substantial changes to the plans and their financing were made to ensure their sustainability following the Great Recession. Since 2009, nearly all states have enacted reforms to their pension plans.²⁹ The changes included pension benefit cuts such as reducing benefit multipliers, increasing the retirement

Figure 24: Most Millennials (69 percent) working in state and local government are confident they will be able to maintain their standard of living throughout retirement.

How confident are you that you will be able to maintain your standard of living throughout retirement?

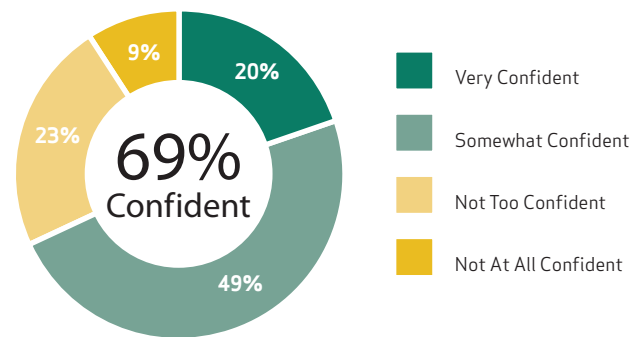


Figure 25: Nearly all state and local government Millennial employees (92 percent) agree that a pension with guaranteed lifetime income provides peace of mind in retirement.

To what extent do you agree or disagree that having guaranteed lifetime income from a pension gives you peace of mind?

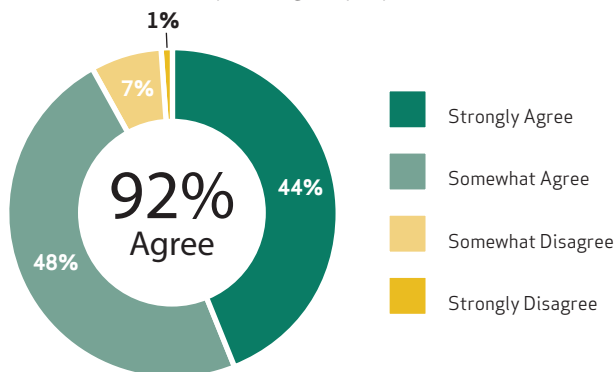
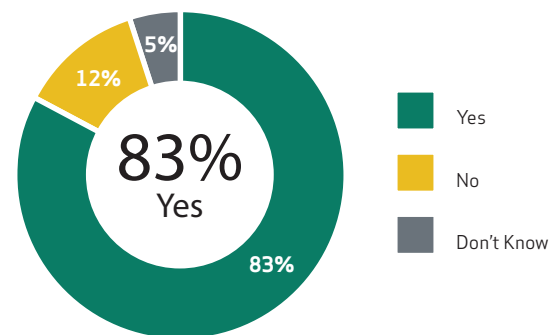


Figure 26: Most Millennials (83 percent) working in state and local government plan to pay down debt to ensure financial security in retirement.

Which of the following, if any, do you plan to do to help ensure a financially secure retirement? Paying down debt.



age, reducing cost-of-living adjustments, or increasing the employee contribution rate. So, it is not surprising that state and local employees express concern about cuts to their retirement benefits. Some 85 percent say they are concerned about potential pension benefit cuts (**Figure 27**).

Most state and local public pension plans are well-funded and on course to pay retirement benefits for decades into the future. A recent analysis from the Boston College Center for Retirement Research found that the top third of state and local pension plans have an average funded ratio of 90 percent, and the average funded ratio for the middle third of plans has remained relatively steady at about 70 percent since the financial crisis. The average funded ratio for the bottom third of state and local pension plans is 55 percent.³⁰

Often times when plans run into funding challenges, the culprit is the failure of policymakers to consistently pay the required contributions to the retirement plans, even though employees are required to make their contributions. Accordingly, state and local government Millennial employees express concern about government officials underfunding their pension contributions, with some 84 percent concerned about the funding of their pensions (**Figure 28**).

Also, more than three-fourths of state and local Millennial employees (77 percent) say they are concerned about cuts to their cost-of-living adjustments (COLAs) (**Figure 29**). COLAs are changes in a monthly retirement benefit to account for increasing prices that help sustain the purchasing power of a pension benefit throughout retirement. Rising prices and inflation can quickly erode retirement income, even to the point that a retirement benefit that is adequate to pay monthly expenses at the beginning of retirement can become inadequate over time.³¹ According to the National Association of State Retirement Administrators (NASRA), three-fourths of state and local government pension plans provide some form of an automatic cost-of-living-adjustment. Other types of public sector plans have “ad hoc” COLAs that require specific action by the plan sponsor or “investment-based” COLAs that increase benefits when the pension fund’s investment performance surpasses a designated benchmark.³²

Figure 27: Most Millennials (85 percent) working in state and local government are concerned about possible pension cuts.

How concerned are you about the following issues as related to pensions? Cuts to retirement benefits.

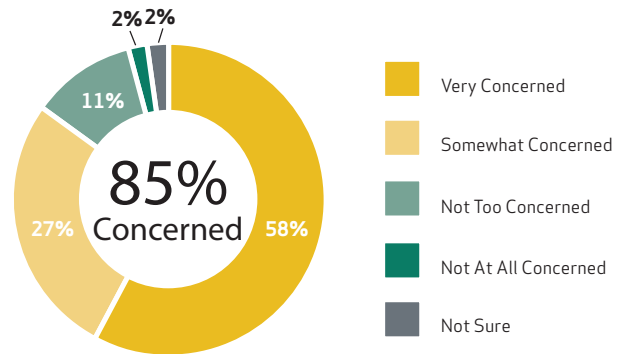


Figure 28: Most Millennials (84 percent) working in state and local government are concerned about government officials underfunding pension plans.

How concerned are you about the following issues as related to pensions? Government officials underfunding the plans.

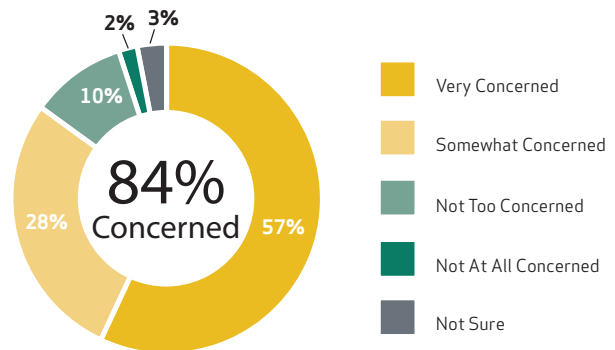
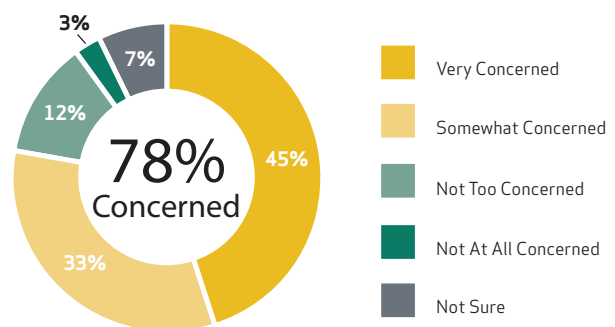


Figure 29: More than three-fourths (78 percent) of Millennials working in state and local government are concerned about COLA cuts.

How concerned are you about the following issues as related to pensions? Cuts to Cost of Living Adjustment (COLA).



V. STATE AND LOCAL MILLENNIALS SAY ELIMINATING PENSIONS HAS NEGATIVE CONSEQUENCES.

Pensions do more than provide employees with retirement security. They also serve as workforce tools to recruit and retain employees.

Pension plans have existed in the United States since the 19th century. In the private sector, the first pension plan was introduced in 1875 by the American Express Company, and over time, many private sector employers saw the value of offering pensions as a human resource tool to recruit and retain employees.³³ In the public sector, research finds that pensions are unique in that they provide a financial incentive for employees to stay on the job. As a result, employers have more experienced workers to deliver important services, which ultimately benefits taxpayers.³⁴

Millennials working in state and local government overwhelmingly agree that eliminating pensions has consequences. Nearly all agree (92 percent) that eliminating pensions will weaken government’s ability to recruit and retain workers to deliver public services (**Figure 30**). Also, the vast majority of these Millennials surveyed (86 percent) say that eliminating pensions will weaken public education (**Figure 31**). And most Millennials (82 percent) in state and local government agree that eliminating pensions will weaken public safety (**Figure 32**).

Figure 30: Nearly all Millennials (92 percent) in state and local government say eliminating pensions will weaken government’s ability to recruit and retain workers to deliver public services.

Eliminating pensions for public sector employees will weaken the ability of governments to attract and retain qualified workers to deliver public services.

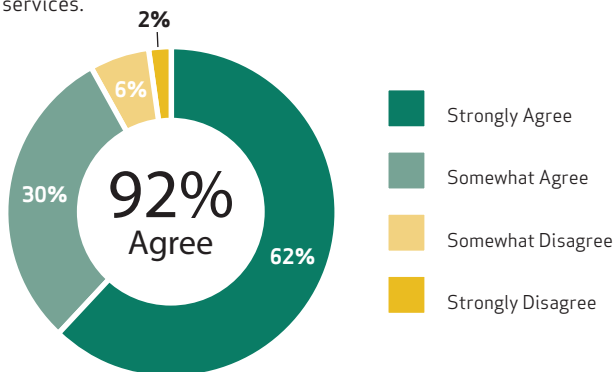


Figure 31: The vast majority of Millennials (86 percent) in state and local government say eliminating pensions will weaken public education.

Eliminating pensions for public sector employees will weaken the U.S. education system.

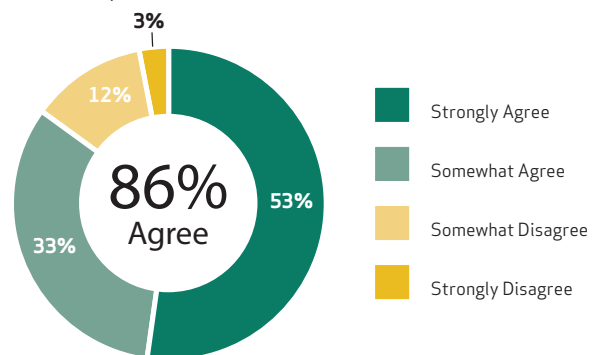
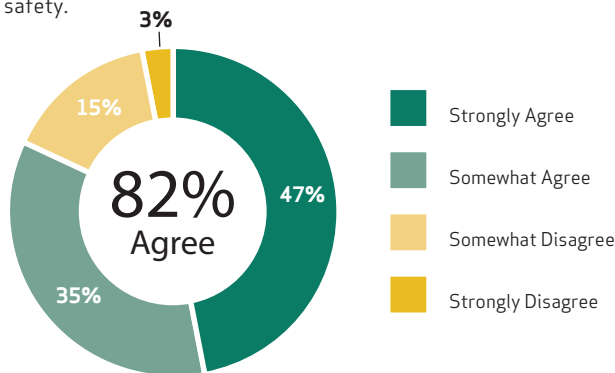


Figure 32: The vast majority of Millennials (82 percent) in state and local government say eliminating pensions will weaken public safety.

Eliminating pensions for public sector employees will weaken public safety.



CONCLUSION

In 2016, Millennials became the largest generation in the U.S. labor force. More than one-in-three participants in the workforce are Millennials, born between 1980 and 1995. It is vital to be aware of the views of these Millennials, as they now account for nearly 32 percent of the U.S. state and local government workforce.

Simultaneously, employers—including state and local government employers—are facing challenges recruiting and retaining employees, including Millennials, in a tight labor market. For state and local employers, attracting and retaining workers is fundamental to delivering public services in fields from public safety to healthcare to education. Further complicating workforce issues for state and local governments is that it is hard to compete with the private sector on salary, retirements are increasing, and there is a growing demand for public services.

A national survey on Millennials working in state and local government reveals that job benefits are a key tool employers can rely upon to recruit and retain Millennials. More specifically, the research finds that Millennials are:

- Satisfied with their jobs and total compensation despite knowing they could earn a higher salary in private sector
- Planning to stick with their current job, but changing their benefits might push some out the door.
- Highly supportive of pensions, and they see the advantages of these benefits beyond retirement.
- Confident about their retirement outlook, but worry about cuts or changes to their benefits.
- In agreement that eliminating pensions has negative consequences.

This research is intended to help government employers and policymakers make informed decisions related to the public workforce and their employee benefits. Given the value that Millennials place on their benefits, policymakers should use caution when modifying benefits, as such changes could have the unintended consequence of driving Millennials out the door and harming public services.

METHODOLOGY

Conducted by Greenwald & Associates, information for this study was collected from online interviews between August 22 through September 12, 2019. Sample was selected using two online panel providers: Dynata and OpinionRoute. A total of 1,118 public sector employees aged 18 and older completed the survey, including 362 teachers, 284 police officers, 204 firefighters and 268 other public sector employees. All employees surveyed were required to be currently participating in a pension plan at their job.

The final data were weighted by age, gender, and personal income to reflect the demographics within each of these professions according to the Census Bureau's 2018 Annual Social and Economic Supplement to the Current Population Survey. The results were also weighted to reflect the distribution of these professions within the public sector workforce as a whole.

ENDNOTES

- 1 Pew Research, "Millennials are the largest generation in the U.S. labor force," 2018.
- 2 U.S. Bureau of Labor Statistics, Current Labor Statistics (National).
- 3 U.S. Census Bureau and the Bureau of Labor Statistics Current Population Survey.
- 4 Accenture, "Job One: Reimagine the State Government Workforce," March 2019.
- 5 U.S. Bureau of Labor Statistics, "Employment Situation Summary," January 2020.
- 6 Center for State and Local Government Excellence, "Survey Findings: State and Local Government Workforce: 2019 Survey," July 2019.
- 7 Bureau of Labor Statistics, "Employee Benefits in the United States Summary," September 19, 2019.
- 8 Center for State and Local Government Excellence, "Survey Findings: State and Local Government Workforce: 2019 Survey," July 2019. Page 7.
- 9 National Institute on Retirement Security, "State and Local Employee Views on Their Jobs, Pay and Benefits," November 2019.
- 10 Gallup, "Millennials: The Job-Hopping Generation," May 2016.
- 11 Gallup, How Millennials Want to Work and Live, 2016.
- 12 Boston College Center for Retirement Research, "Comparing Compensation: State-Local Versus Private Sector Workers," September 2011.
- 13 Center for State and Local Government Excellence, "Survey Findings: State and Local Government Workforce: 2019 Survey," July 2019.
- 14 Bureau of Labor Statistics, "Employee Benefits in the United States Summary," September 19, 2019.
- 15 Center for State and Local Government Excellence, "Survey Findings: State and Local Government Workforce: 2019 Survey," July 2019.
- 16 Pew Research, "Millennials aren't job-hopping any faster than Generation X did," April 2017.
- 17 United States Census Bureau, "State & Local Government Snapshot," February 15, 2018.
- 18 National Institute on Retirement Security, "Win-Win: Pensions Efficiently Serve American Schools and Teachers," October 2017.

- 19 National Institute on Retirement Security, “Retirement Reform Lessons: The Experience of Palm Beach Public Safety Pensions,” February 2018.
- 20 National Institute on Retirement Security, “Enduring Challenges: Examining the Experiences of States that Closed Pension Plans,” August 2019.
- 21 National Institute on Retirement Security, “Millennials and Retirement: Already Falling Short,” February 2018.
- 22 National Institute on Retirement Security, “Pensionomics 2018,” December 2018
- 23 National Association of State Retirement Administrators, Social Security Coverage. <https://www.nasra.org/socialsecurity>.
- 24 National Institute on Retirement Security, “Retirement Insecurity 2019 Americans’ Views of the Retirement Crisis,” March 2019.
- 25 Millman, “Decisions, Decisions: An Update on Retirement Plan Choices for Public Employees and Employers,” August 2017.
- 26 National Institute on Retirement Security, “Retirement Insecurity 2019 Americans’ Views of the Retirement Crisis,” March 2019.
- 27 National Institute on Retirement Security, “Retirement in America | Out of Reach for Most Americans,” September 2018.
- 28 National Institute on Retirement Security, “Examining the Nest Egg: The Sources of Retirement Income for Older Americans,” January 2020.
- 29 National Association of State Retirement Administrators, “Significant Reforms to State Retirement Systems,” December 2018.
- 30 Boston College Center for Retirement Research (CRR), “Stability in Overall Pension Plan Funding Masks A Growing Divide,” October 2018.
- 31 NRTA Pension Education Toolkit, “Cost of Living Adjustments.”
- 32 National Association of State Retirement Administrators, “Issue Brief: Cost-of-Living Adjustments,” December 2018.
- 33 For a full discussion see I. Boivie and C. Weller, 2012, “How DB plans influence labor relations in the wake of the Great Recession,” in D.J.B. Mitchell, Ed., Public Jobs and Political Agendas: The Public Sector in an Era of Economic Stress, Labor and Employment Relations Association Research Volume, Cornell University Press, Ithaca, NY.
- 34 National Institute on Retirement Security, “Win-Win: Pensions Efficiently Serve American Schools and Teachers,” October 2017.



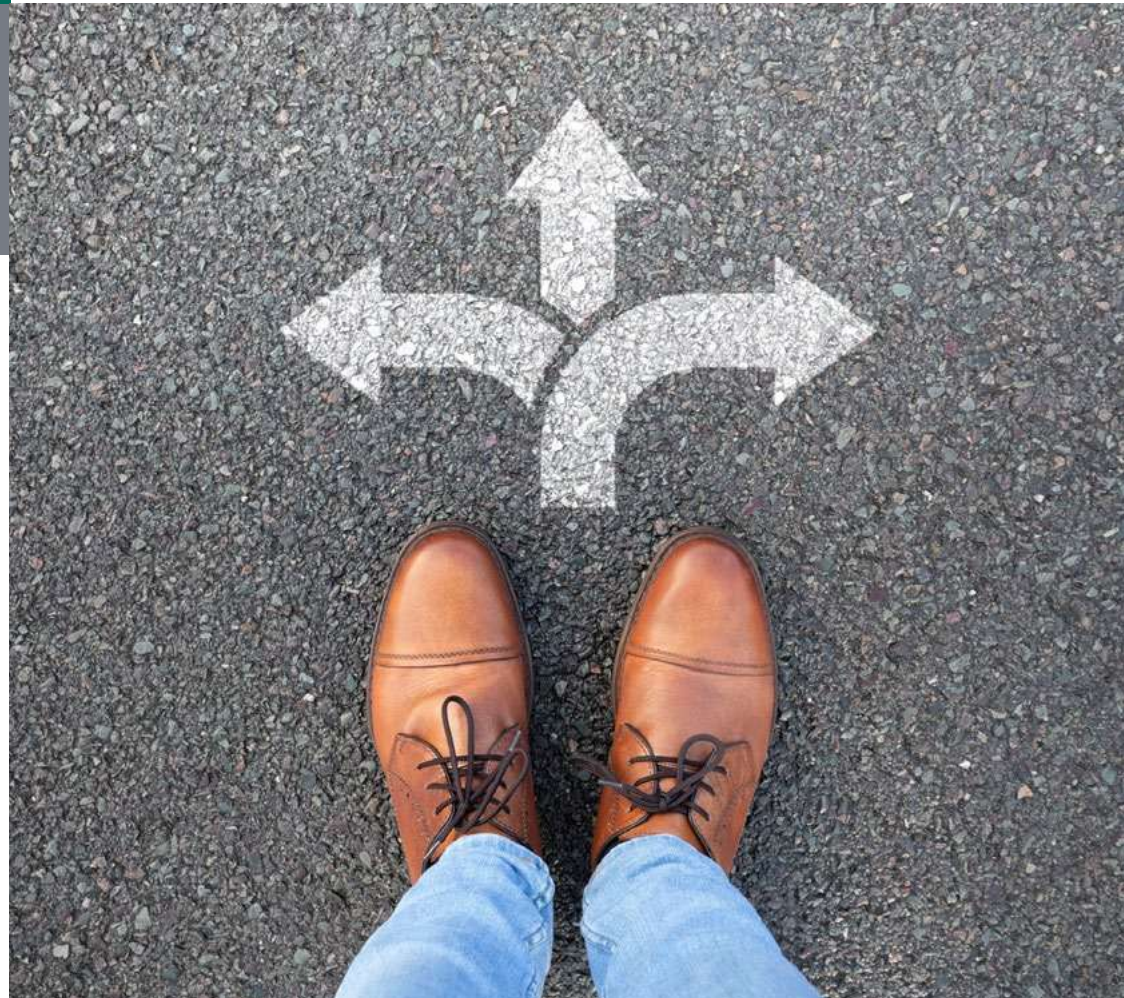
NATIONAL INSTITUTE ON
Retirement Security

Reliable Research. Sensible Solutions.

1612 K Street, NW
Suite 500
Washington, DC 20006
www.nirsonline.org
info@nirsonline.org
tel: 202.457.8190
fax: 202.457.8191

DEBUNKING THE JOB-HOPPING MYTH:

A Data-Driven Look at
Tenure and Turnover
Among Younger Workers



NATIONAL INSTITUTE ON
Retirement Security

Reliable Research. Sensible Solutions.

By Tyler Bond, Dan Doonan,
and William Kenneally

September 2025

ABOUT THE AUTHORS

Dan Doonan is executive director of the National Institute on Retirement Security. With the Board of Directors, Doonan leads the organization's strategic planning, retirement research, and education initiatives. He has more than 20 years of experience working on retirement issues from different vantage points including an analyst, consultant, trainer, and retirement plan trustee. Previously, he was a senior pension specialist with the National Education Association. Doonan began his career at the Department of Labor as a mathematical statistician, and also spent seven years conducting actuarial analyses with Buck Consultants in the retirement practice. His experience also includes positions as a research director and labor economist. Doonan holds a B.S. in mathematics from Elizabethtown College and is a member of the National Academy of Social Insurance. He is a frequent speaker on retirement issues, including testimony before legislative bodies, and often is quoted in the news media.

Tyler Bond is the research director for the National Institute on Retirement Security (NIRS). He works with the executive director to plan all NIRS research products. Since joining NIRS, Bond has authored or co-authored numerous research reports, issue briefs, and fact sheets on a wide range of topics relating to retirement security. He regularly speaks at conferences about NIRS research and testifies before policymakers.

Previously, Bond spent four years at the National Public Pension Coalition, where he directed the research program and authored six original research reports. He also has held positions on Capitol Hill and at the Center on Budget and Policy Priorities. Bond holds a B.A. in political science and philosophy from Indiana University and an M.A. in public policy from The George Washington University. He is a member of the National Academy of Social Insurance.

William Kenneally is a business student at Temple University's Fox School of Business and a research intern with the National Institute on Retirement Security. He is pursuing a Bachelor of Business Administration in Actuarial Science with an expected graduation in 2026. He has taken coursework focused financial mathematics and probability, including Theory of Interest and Actuarial Probability. William is a member of Gamma Iota Sigma and the Society of American Baseball Research. He also has experience in journalism as a former writer for *The Cageliner* at The Edmund Burke School.

ACKNOWLEDGEMENTS

The authors are grateful for the comments, advice, and assistance provided by Anthony Begnoche and Kelly Kenneally. The views in this report and any errors or omissions are those of the authors alone.

INTRODUCTION

There is a widespread belief that Millennial and Generation Z workers switch jobs more often than Generation X and Baby Boomers did during their early careers. This perception has led some to cast doubt on the appeal of defined benefit pension plans for today's younger workers because pensions often require longer periods of continuous employment to earn full retirement benefits.

However, a careful analysis of employment data indicates that Millennial and Generation Z employees are behaving similarly as prior generations did at the same ages. In fact, there is virtually no evidence that Millennials change jobs more frequently than Generation X employees did when they were younger.¹

Younger workers changing jobs more frequently than older workers is not a new phenomenon. Generation X and Baby Boomers also tended to switch jobs more often when they were early in their careers. In fact, available data show that Millennial and Generation Z workers exhibit similar job-changing patterns to those earlier generations at comparable ages. The Employee Benefit Research Institute (EBRI) has thoroughly documented the patterns in

employee tenure over decades and found similar results as the findings of this research.² Some research even indicates that Millennials are less likely to change jobs than Gen X and Baby Boomers were at the same stage of life.³

Retention and quit rates appear to be primarily influenced by factors beyond generational differences, such as the strength of the job market and overall economic conditions. In a strong economy, companies tend to hire more and can offer more competitive wages, making it easier for employees to change jobs. On the other hand, during periods of economic uncertainty or limited job opportunities, workers are often more cautious about taking career risks or making job moves. According to the Chicago Fed, there is “a strong and positive relationship between the share of employed workers quitting their jobs (quit rate) and the rate of wage and price inflation. Periods of time when the quit rate increases often predate periods of higher inflation.”⁴

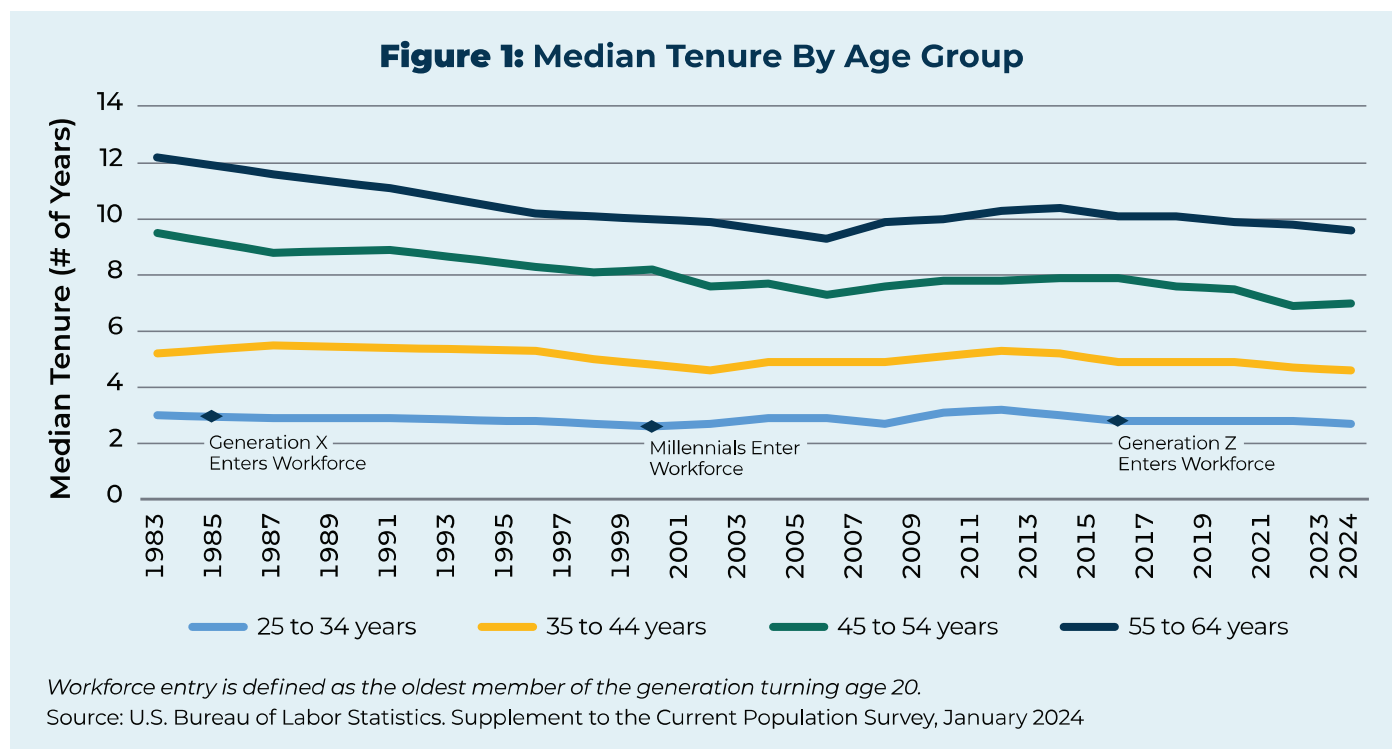
MEDIAN TENURE: A HISTORICAL LOOK AT JOB RETENTION

When looking at job tenure data from the U.S. Bureau of Labor Statistics (BLS), it is clear that shorter job tenure among younger workers is not a new trend, and it's largely consistent across generations. While there has been some overall decline in tenure, especially among older groups, generational differences in job loyalty may be overstated. Economic factors and job market dynamics likely play a more significant role than generational attitudes alone.

Employees aged 25 to 34 years in 1983 were exclusively Baby Boomers and their median job tenure was three years. Employees between 25 and 34 years old in 2024, an

assortment of Millennials and Gen Z employees, recorded a median job tenure of 2.7 years—which is higher than in 2000 (2.6 years). In other words, the median Baby Boomers only stayed at their jobs for a few months longer when they were young than Generation Z and Millennials in 2024.

The other age groups have followed a similar trend throughout the last four decades. Thirty-five to 44-year-old employees' median tenure has remained consistent from 1983 to 2024. **Figure 1** clearly depicts the fact that younger people across generations have historically lower tenures than employees older than them.



Additional research supports this claim. The Pew Research Center found that “college-educated Millennials are sticking with their jobs longer than their Gen X counterparts. About 75 percent of college-educated 25- to 35-year-olds (75% for men and 74% for women) had worked for their employer at least 13 months in 2016. In 2000, somewhat fewer college-educated Gen X women (70%) had been on the job that long. Among college-educated Generation X men, 72 percent had similar tenure.”⁵ The same study also concluded that “the increasing job tenure of college-educated Millennials is consistent with a decline in employer switching among all working-age adults since the 1980s.”⁶

In fact, if there is any real trend in the median tenure in Figure 1, it is that older workers have shorter tenures today than older workers in the past. This could be due to several possible factors, including the decline of private-sector pension plans that provide strong financial incentives to stay in place until retirement, a decline in the percentage of Americans working in manufacturing (where retention has been consistently strong), or the fact that there are simply more opportunities in today’s dynamic economy to find a new job.

The bottom line: younger workers today are behaving similarly to younger workers of previous generations.

The role of economic conditions in driving employee turnover was illustrated during two recent major events: the Great Recession of 2008 and the Covid-19 pandemic

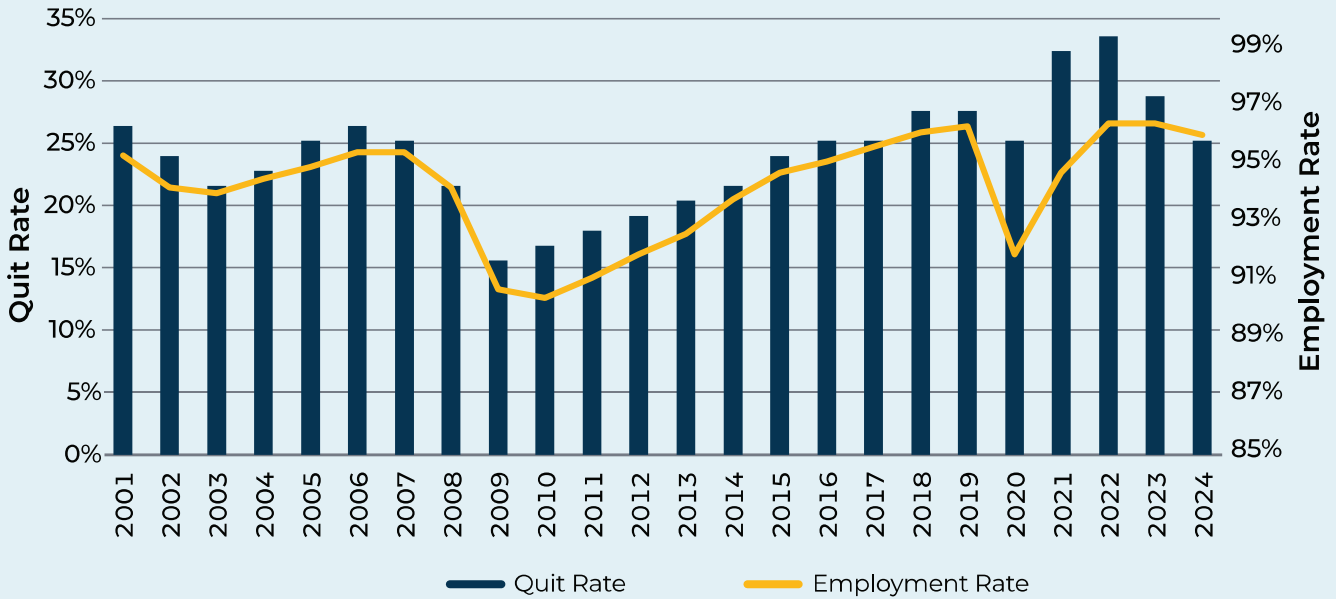
shutdown of 2020 (**Figure 2**). During the Great Recession, the employment rate (defined here by one minus the unemployment rate) declined sharply and the quit rate fell as the economy shed jobs. During this difficult economic time job losses were widespread and hiring was slower than it had been previously. Once the economy began to recover, employment increased and the quits rate reverted to more normal levels.

Following large initial job losses in the spring of 2020, the quick rebound in the employment rate and sharp increase in the quit rate from 2020 to 2021 depicts the “Great Resignation.” The “Great Resignation” refers to the unprecedented number of workers who voluntarily left their jobs after the COVID-19 pandemic, often in search of better working conditions, higher pay, or more meaningful employment. The nationwide trend highlighted a shift in worker preferences amid a rapidly changing labor market.⁷ In retrospect, there were again many jobs lost during the early months of the pandemic and there may have been pent-up demand for switching jobs due to a suppression of opportunity that resulted from efforts to address health threats.

Differences in employee turnover also emerge across different sectors and industries, whether it is public sector versus private sector or across different industries within the private sector.

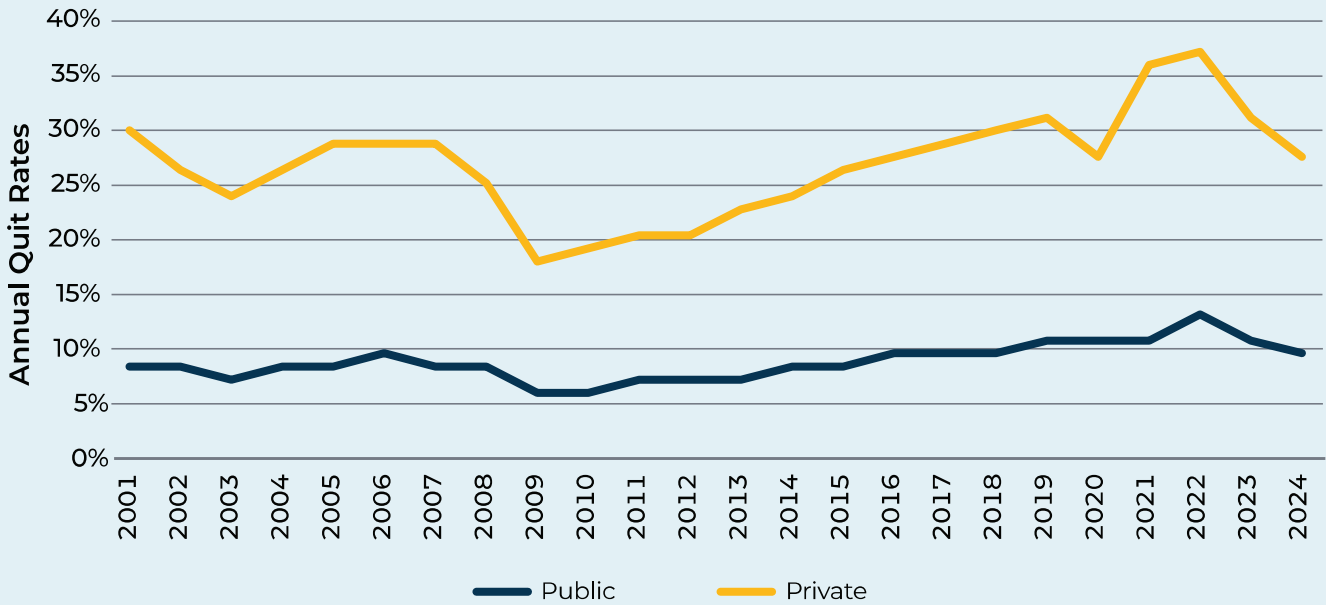
Employee benefits are a significant factor in an employee’s decision on whether to stay at their job or not. The public

Figure 2: Annual Quit Rate vs Employment Rate Among All U.S. Workers



Source: U.S. Bureau of Labor Statistics. Job Openings and Labor Turnover Survey

Figure 3: Quit Rates: Private vs Public Sector Jobs

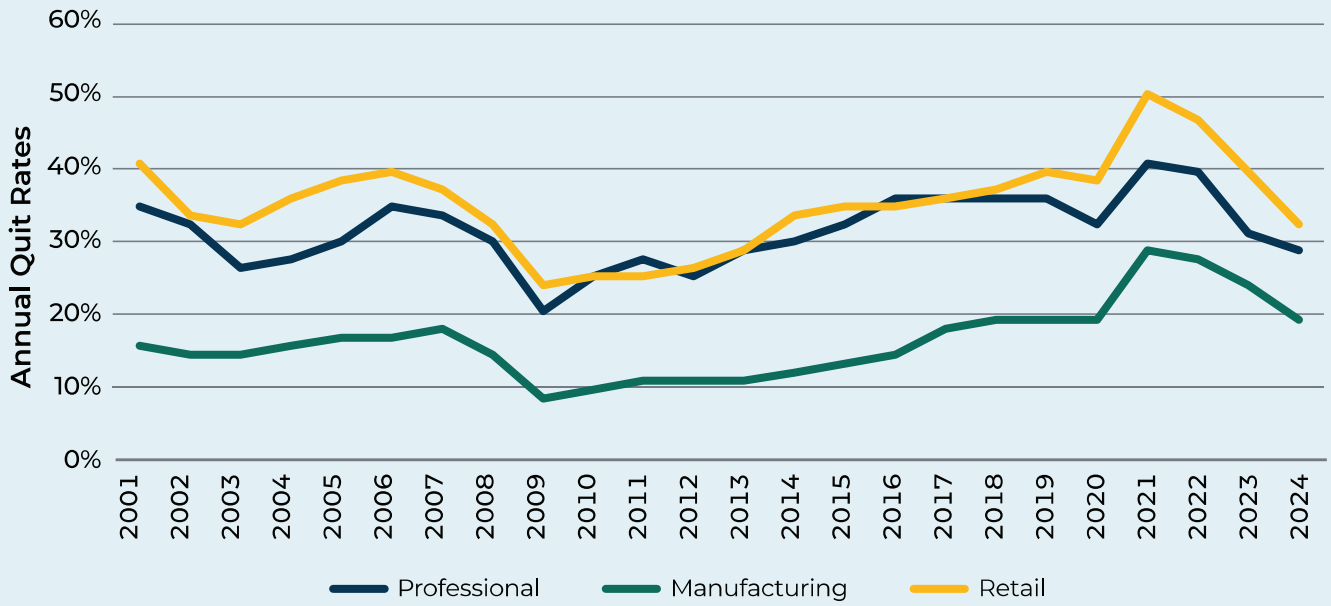


Source: U.S. Bureau of Labor Statistics. Job Openings and Labor Turnover Survey

sector tends to offer strong healthcare and retirement benefits. For example, about 86 percent of state and local government employees have access to a defined benefit pension plan as compared to only 15 percent in the private sector.⁸ Additionally, 89 percent of state and local government employees have healthcare benefits through

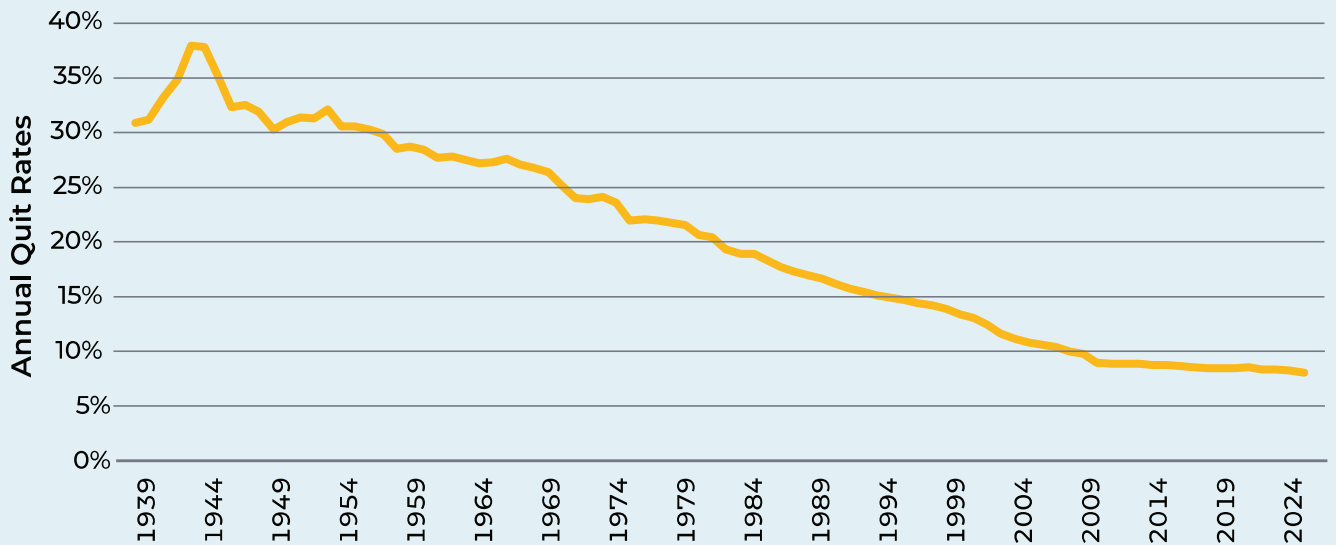
their employer, higher than the 72 percent in the private sector.⁹ Despite lower average pay, public sector benefits incentivize employees to stay in their jobs and reward long careers, hence the historically higher private sector quit rates seen in **Figure 3**.

Figure 4: Quit Rates: Professional & Business Services vs Retail vs Manufacturing



Source: U.S. Bureau of Labor Statistics. Job Openings and Labor Turnover Survey

Figure 5: Percentage of American Workforce Employed in Manufacturing



Source: U.S. Bureau of Labor Statistics. Current Employment Statistics (Establishment Survey)

Even within the private sector, various industries see different levels of workers voluntarily leaving their jobs. **Figure 4** depicts quit rates across three industries: Professional and Business Services, Retail, and Manufacturing. Professional and Business Services include

fields like consulting, legal, accounting, and administrative support. This sector supports a wide range of industries and is a major source of high-skill jobs. Retail covers the sale of goods to consumers through stores and online, including clothing, food, and electronics. It's one of the largest U.S.

employment sectors. Manufacturing involves producing goods like cars, machinery, and electronics. While smaller than in past decades, manufacturing remains crucial to exports and innovation.

Job retention trends vary across these three industries. The difference in quit rates between the manufacturing industry and the professional services and retail industries can be partly explained by the variation in employee benefit offerings. The manufacturing industry sees higher retention in part because it offers more robust pay and benefits to its workers. As of 2021, 90 percent of manufacturing workers have healthcare benefits and 84 percent have retirement benefits that are provided through their job.¹⁰ Retail jobs rarely offer such comprehensive benefits, which can contribute to higher quit rates.

Quit rates in the manufacturing industry have remained steady despite the long-term decline in the number of manufacturing jobs in the U.S. (**Figure 5**). This trend suggests that American workers are not inherently less loyal to their jobs, but rather that the U.S. economy has been moving away from industries that historically have emphasized long careers, like the manufacturing industry.

HAS THE ADVENT OF GIG WORK SIGNIFICANTLY IMPACTED OVERALL EMPLOYEE RETENTION RATES?

The emergence of the “gig economy” is another potential component of the myth regarding Millennial and Gen Z employee tenure. Gig work refers to short term, task based jobs performed by independent workers often facilitated by digital platforms. Workers are typically paid per task or project (a “gig”) rather than receiving a regular salary or wage, giving them flexibility but generally depriving them of benefits and legal protections associated with traditional employment.

There is a perception that younger Americans are quitting their full-time jobs for gig work that provides work schedule flexibility. But the data indicate that the vast majority of gig workers only work a handful of hours each week to provide a secondary source of income that supplements

a full-time job. According to the Pew Research Center, 16 percent of Americans have earned income as gig workers. Among that 16 percent, only 31 percent report that their gig job is their main job. Moreover, only eight percent of these workers say they typically work 30 or more hours a week on gig work. Full-time online gig workers only account for roughly three percent of adults aged 18 and older living in the U.S.¹¹ Thus, there is no evidence to suggest that gig work has shifted generational employment trends.

CONCLUSION

The myth of the job-hopping Millennial or Gen Z worker has had surprising resilience. Despite evidence that younger workers today are behaving much the same as younger workers did in the past, the idea that “young people today change jobs more frequently and therefore want more ‘flexible’ benefits” is still often cited. A simple look at readily available data shows that this is not true. Younger workers always will have shorter average and median tenures because they haven’t had the time to be employed for as long, and younger workers will change jobs more frequently than older workers as they look for the job or career that is right for them. But these are not new phenomena.

A BLS report found that late Baby Boomers held an average of 12.7 jobs over their careers, but nearly half of those jobs were held when they were ages 18 to 24.¹² This suggests that Baby Boomers also changed jobs more frequently when they were young. When these Baby Boomers started a job when they were older than 25, they were more likely to stay in that job for longer.

Employers, policymakers, and others involved in employee benefit design and administration should beware of ascribing overly broad and largely inaccurate beliefs to specific groups of younger workers. The notion that workers in the future would not be interested in a job perk such as a defined benefit pension because they are likely to leave that job quickly isn’t supported by the data. Retirement may not be top of mind for a young worker with more immediate financial concerns, but a robust retirement benefit is likely something they will come to appreciate as they move through life’s various stages, just as prior generations did.

ENDNOTES

1. Business Insider. The Myth of the 'Job-Hopping Generation'. Available on the web at: <https://www.businessinsider.com/millennial-gen-z-job-hopping-myth-switching-roles-boomers-2025-4#:~:text=There's%20even%20evidence%20that%20millennials,bigger%20question%20about%20the%20workplace.>
2. Craig Copeland. "Trends in Employee Tenure, 1983–2022" EBRI. January 19, 2023. Available on the web at: <https://www.ebri.org/content/trends-in-employee-tenure-1983-2022.>
3. Business Insider, Op. Cit.
4. Federal Reserve Bank of Chicago. The Effects of the "Great Resignation" on Labor Market Slack and Inflation. Available on the web at: <https://www.chicagofed.org/publications/chicago-fed-letter/2022/465?utm>
5. PEW Research Center. Millennials aren't job-hopping any faster than Generation X did. Available on the web at: <https://www.pewresearch.org/short-reads/2017/04/19/millennials-arent-job-hopping-any-faster-than-generation-x-did/>
6. The research cited by Pew found no clear cause for the long-term decline in employer switching among working-age adults. <https://link.springer.com/article/10.1007/s13524-017-0551-9>
7. Federal Reserve Bank of Chicago. The Effects of the "Great Resignation" on Labor Market Slack and Inflation. Available on the web at: <https://www.chicagofed.org/publications/chicago-fed-letter/2022/465?utm>
8. 118th United States Congress, Worker Participation in Employer-Sponsored Pensions: Data in Brief and Recent Trends. Available on the web at: <https://www.congress.gov/crs-product/R43439> United States Bureau of Labor Statistics. Employee Tenure. Available on the web at: <https://www.bls.gov/bls/news-release/home.htm#TENURE>
9. Ibid.
10. Goodwin University. Why Work in Manufacturing? The Benefits of Manufacturing Jobs in 2023. Available on the web at: <https://www.goodwin.edu/enews/why-work-in-manufacturing-industry/>
11. Pew Research Center. Americans' experiences earning money through online gig platforms. Available on the web at: <https://www.pewresearch.org/internet/2021/12/08/americans-experiences-earning-money-through-online-gig-platforms/>
12. United States Bureau of Labor Statistics. TED: Economics Daily. Baby boomers born from 1957 to 1964 held an average of 12.7 jobs from ages 18 to 56. Available on the web: <https://www.bls.gov/opub/ted/2024/baby-boomers-born-from-1957-to-1964-held-an-average-of-12-7-jobs-from-ages-18-to-56.html>

WHO WE ARE & WHAT WE DO

Board of Directors

Kelly Fox, Board Chair & Division Chief, CalPERS
Investment Relations

Michael Hairston, Board Vice-Chair & Senior Pension
Specialist, National Education Association

Angela Miller-May, Board Secretary-Treasurer & Chief
Investment Officer, Illinois Municipal Retirement Fund

John Adler, Board Member & Chief ESG Officer, Bureau
of Asset Management, Office of the New York City
Comptroller

Dana Bilyeu, Board Member & Executive Director,
National Association of State Retirement Administrators

Alfred Campos, Board Member & Executive Director,
NRTA, AARP's Retired Educator Community

Katie Comstock, Board Member & Partner, AON

R. Dean Kenderdine, Board Member & Executive Director,
National Council on Teacher Retirement

Hank H. Kim, Esq., Board Member & Executive Director
and Counsel, National Conference on Public Employee
Retirement Systems

Kevin Lindahl, Board Member & Executive Director, Fire
and Police Pension Association of Colorado

Jill Schurtz, Board Member & Executive Director and
Chief Investment Officer, Minnesota State Board of
Investment

Andrew Sherman, Board Member & Senior Vice President,
National Director of Public Sector Market, Segal

Staff and Consultants

Dan Doonan, Executive Director

Tyler Bond, Research Director

Kelly Kenneally, Communications Consultant

Academic Advisory Board

Sylvia Allegretto, PhD, University of California, Berkeley

Brad M. Barber, PhD, University of California, Davis

Ron Gebhardtshauer, FSA, MAAA, Pennsylvania State
University

Teresa Ghilarducci, PhD, The New School for Social
Research

Jacob S. Hacker, PhD, Yale University

Regina T. Jefferson, JD, LL.M., Catholic University of
America

Jeffrey H. Keefe, PhD, Rutgers University

Eric Kingson, PhD, Syracuse University

Alica H. Munnell, PhD, Boston College

Christian E. Weller, PhD, University of Massachusetts
Boston

Our Mission

The National Institute on Retirement Security is a non-profit research and education organization established to contribute to informed policymaking by fostering a deep understanding of the value of retirement security to employees, employers, and the economy as a whole.

Our Vision

Through our activities, NIRS seeks to encourage the development of public policies that enhance retirement security in America. Our vision is one of a retirement system that simultaneously meets the needs of employers, employees, and the public interest. That is, one where:

- employers can offer affordable, high quality retirement benefits that help them achieve their human resources goals;
- employees can count on a secure source of retirement income that enables them to maintain a decent living standard after a lifetime of work; and
- the public interest is well-served by retirement systems that are managed in ways that promote fiscal responsibility, economic growth, and responsible stewardship of retirement assets.

Our Approach

- High-quality research that informs the public debate on retirement policy. The research program focuses on the role and value of defined benefit pension plans for employers, employees, and the public at large. We also conduct research on policy approaches and other innovative strategies to expand broad based retirement security.
- Education programs that disseminate our research findings broadly. NIRS disseminates its research findings to the public, policy makers, and the media by distributing reports, conducting briefings, and participating in conferences and other public forums.
- Outreach to partners and key stakeholders. By building partnerships with other experts in the field of retirement research and with stakeholders that support retirement security, we leverage the impact of our research and education efforts. Our outreach activities also improve the capacity of government agencies, non-profits, the private sector, and others working to promote and expand retirement security.

The National Institute on Retirement Security is a non-profit, non-partisan organization established to contribute to informed policy making by fostering a deep understanding of the value of retirement security to employees, employers, and the economy as a whole. NIRS works to fulfill this mission through research, education and outreach programs that are national in scope.



NATIONAL INSTITUTE ON
Retirement Security

Reliable Research. Sensible Solutions.

1612 K Street, N.W., Suite 500 | Washington, DC 20006

202-457-8190 | www.nirsonline.org

@NIRSONline