Not So Fast | *Long-Term Employment in the U.S., 1969–2004*

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In recent years, a conventional wisdom has emerged suggesting that the extent to which U.S. workers and employers form long-term relationships has significantly deteriorated. A 2003 *New York Times* article asserted that "workers today face a workplace that operates without the myth of job security."[1] A similar article from 2005 quotes the chief economist of a Chicago financial services firm as saying that the 1990s brought about major changes in our economy and, "It's no longer lifetime employment like it was thirty years ago."[2] When asked directly, workers themselves appear to be more worried than in previous years about the risk of separating from their employers.[3] Despite this widespread perception of major changes in the employment relationship in the United States, quantitative studies have, until very recently, shown little evidence of fundamental changes in empirical measures of job stability.

This chapter presents direct empirical evidence on the prevalence of and trends in "lifetime" or long-term employment in the United States for cohorts ending their careers between 1969 and 2004. I depart from earlier work on long-term employment in the United States by focusing on measures of tenure in the longest job ever held for several cohorts of workers near the end of their working lives. This provides a natural and direct measure of the frequency of long-term employment. In contrast to

more commonly used measures of workers' tenure on their current job or annual turnover, this retrospective measure of the length of workers' longest jobs speaks directly to the prevalence of long-term employment relationships over the course of workers' entire careers.

By using both these retrospective measures and different data sets than previous studies of job stability, this study covers a longer time span, adding slightly more historical perspective on the significance of recent changes. Most previous studies have relied on Current Population Study (CPS) files or longitudinal data, such as the Panel Study of Income Dynamics, from which consistent tenure data are available only from the mid-1970s forward. Many of these studies are also complicated by changes in question wording of several of the key tenure measures, which may make comparability over time difficult.

I use data from three different data sets to estimate the distribution of tenure on the longest job ever held, from cohorts of workers observed within two years of age sixty between 1969 and 2004. Specifically, data are drawn from the Retirement History Survey (RHS), started in 1969; the National Longitudinal Study of Older Men (NLS), started in 1966; and the Health and Retirement Study (HRS), started in 1992. From each of these surveys, I construct a measure of tenure on the longest job a worker has ever held, from questions that (with one exception discussed below) are quite consistent over time. I examine cohorts of men who are aged fifty-eight to sixty-two years in each of the years 1969, 1975, 1980, 1992, 1998, and 2004. Because the first two data sets are available only for men (or only partially available for women), I limit my analysis to men, for whom there is the strongest suspicion of declining employment stability.

Several findings emerge from this study. First, the length of workers' longest jobs has changed very little for male workers completing their careers between 1969 and 2004. Average tenure on the longest job is approximately twenty-two years in both 1969 and 2004. Second, the endpoints over which these trends are calculated are quite important to this conclusion. If, in particular, trends are considered for a later period starting in 1975 or 1980, there is evidence of a decline of two to four years in longest tenure. Third, using regression analysis to forecast future cohorts' longest tenure as they approach age sixty provides additional evidence of some decline in long-term employment. Finally, while

there is some evidence of recent changes in the probability of having a long-term job, it remains the case that most male workers in the United States can expect to remain with one employer for at least twenty years, suggesting that conventional wisdom may overstate the case for structural changes in U.S. employment relationships.

1 CURRENT FINDINGS ON TRENDS IN JOB TENURE

The question of whether job stability has declined in the United States, and the tendency for academic studies and the popular press to disagree over its answer, have been around since at least the mid-1990s. A collection of empirical research related to this controversy is contained in a collection of studies from 2000 edited by David Neumark.[4]

Neumark summarized several empirical investigations of changes in job stability and/or job security covering the period from the mid-1970s through the mid-1990s. Most of the studies included in his volume point to some modest increase in turnover (or some decline in average tenure), for some worker groups, during some subset of the years between 1970 and 1995. However, what is clearly *not* found is consistent evidence of a major change in the dynamics of worker–firm relationships. Neumark (p. 23) thus concludes that it would be "premature to infer long-term trends towards declines in long-term employment relationships."

Some more recent studies have found evidence of declining current job tenure during the 1990s, based on the CPS and other data sources. For example, Leora Friedberg and Michael Owyang show that current job tenure for men declined by approximately one year between 1983 and 1998, using data from the Survey of Consumer Finances.[5] It is not clear, however, that a decline of one year in current tenure suggests a major change in the underlying employment relationship. They also show much larger changes in measures of expected job tenure among current workers. A more recent and extensive study by Henry Farber, using more years of data from the CPS, documents a decline in current tenure among men, starting with cohorts born in the 1940s.[6] Farber also compares current tenure among employed men born from the 1920s through the 1970s and shows that, adjusting for age and a variety of other factors, cohorts starting with those born in the 1950s have current job tenure that is 35% to 40% lower than that of cohorts born in the 1920s.

My study differs from prior work mainly in the measure of employment stability that is used. I focus on groups of men who are observed near the end of their working lives, and utilize retrospective data on their completed (or nearly completed) tenure in the longest job ever held. As noted above, there are several advantages of this approach. First, it avoids the need to translate from job retention rates or distributions of current tenure into measures that speak directly to the frequency of long-term employment relationships. If, for example, similar fractions of workers at the end or their working lives in 1969 and in 2004 have been with a single employer for more than twenty years, it is difficult to argue that the prevalence of long-term employment relationships has changed.

A second advantage is that, while the data I use nominally span only a slightly longer period of time than previous work (1969 to 2004), they make comparisons that effectively include many earlier years. Measures of tenure in the longest job for the initial cohort observed in 1969, for example, will summarize the turnover probabilities faced by workers from the 1930s through the 1960s. One concern with many of the previous studies is that consistently collected data from prior to the mid-1970s are virtually nonexistent.

The primary disadvantage of the approach used here is that measure of tenure on the longest job will, of course, directly reflect workers' entire careers only for those individuals who are close to the end of their careers. Tenure on the longest job ever held by a thirty-five-year-old, for example, will not reflect the likelihood that a current job may *eventually* last for many years. For this reason, I utilize data focused on older workers, and look only at workers who are between fifty-eight and sixty-two years of age. The drawback of this is that fairly recent changes in employment relationships may not yet be evident in my sample of older workers, particularly if recent cohorts of older workers were at least partially insulated from these changes. I consider this possibility in the final section, and show that there is evidence of declining employment stability if I include a broader set of workers whose careers are still in progress in 2004.

2 DATA

Before presenting my basic empirical findings, I briefly describe the three data sets used.

2.1 RETIREMENT HISTORY SURVEY

The Retirement History Survey (RHS) began in 1969 with a survey of approximately eleven thousand men and unmarried women aged fifty-eight to sixty-three. While these individuals were reinterviewed every other year until 1980, I rely primarily on information collected at the first survey wave. To maintain consistency with later cohorts drawn from other data sets, I look at the subsample of men aged fifty-eight to sixty-two in the initial year, 1969.

The main questions of interest for this chapter come from a section of the survey that collects retrospective information on previous jobs held. In particular, survey respondents are asked a series of questions about the longest job they ever held, including the year in which that job started and the year in which it ended. From these questions, I calculate tenure in the longest job held.

2.2 NATIONAL LONGITUDINAL SURVEY OF OLDER MEN

The National Longitudinal Survey of Older Men (NLS) began in 1966 by surveying a sample of men aged forty-five to fifty-nine in that year. Because of the much broader age range in the NLS survey than in the RHS, I use the NLS to construct three separate cohorts of older men, observed in three different calendar years. Specifically, I look at the distribution of tenure on the longest job for: (1) men aged fifty-eight to sixty-two in 1969 (for comparison with the RHS results), (2) men aged fifty-eight to sixty-two in 1975, and (3) men aged fifty-eight to sixty-two in 1980.

The key questions used from this data set are similar to those from the RHS. In particular, individuals in the initial year of the NLS were asked for the dates at which their longest previous job started and ended, as well as the date at which their current job started. In each subsequent year of the NLS survey, individuals are asked whether they are still with the same employer as in the previous survey wave. If they are not, they are asked about when their current job started, and about any intervening jobs completed between the current and previous survey. To code tenure in the longest job for each of the three cohorts in 1969, 1975, and 1980, I utilize data on both the longest job held at the initial survey year and updates from the longitudinal data.

2.3 HEALTH AND RETIREMENT STUDY

Finally, the Health and Retirement Study (HRS) began in 1992 with a survey of individuals ages fifty to sixty-one and their spouses. These individuals have been resurveyed every other year since then. In addition to the initial HRS cohorts born between 1931 and 1941, later years of the survey have included those born from 1942 through 1953. This allows me to define three cohorts from the HRS: (1) men aged fifty-eight to sixty-two in 1992, (2) men aged fifty-eight to sixty-two in 1998, and (3) men aged fifty-eight to sixty-two in 2004.

There is one substantive difference from the earlier data sets in the survey question used in the HRS to capture tenure in the longest job. In the first wave of the HRS, individuals are asked about their current job (if currently employed) or their previous job (if not currently employed). Then, individuals are asked whether they had some previous job that lasted for at least five years, along with how many such jobs they have held. If there are multiple previous jobs lasting for five years or more, the individual is asked for starting and ending dates only for the *most recent* of these jobs. Because the other surveys ask specifically about the length of the longest job ever held, there is the potential for the calculated length of longest job in the HRS to be understated. If, for example, an individual worked at one previous job for ten years, and then at a subsequent job for six years prior to the initial HRS wave, we would miss the longest job tenure because of the structure of the questions. Analysis across data sets shows that, for most workers, the most recent long-term job is also the longest job, and so this question difference in the HRS is unlikely to result in significant bias. I investigate this in more detail and, as explained below, find that this seems unlikely to affect my estimated trends.

3 RESULTS: THE DISTRIBUTION OF TENURE ON THE LONGEST JOB, 1969–2004

The basic facts about long-term employment among U.S. men are summarized in table 2.1. Each column presents summary measures of the distribution of longest tenure among men aged fifty-eight to sixty-two for a different survey year. Because these tabulations are based on a fixed age group, the columns can also be thought of as reflecting different five-year birth cohorts of men. For convenience, the table also lists the midpoint

of the birth years of the men on which each column is based. Among men born in the five years centered around 1909, average and median tenure on the longest job are approximately twenty-two years. Similarly, for the cohort born around 1944, average and median longest tenure remain at twenty-two years.

A potentially important point, given the large number of studies of employment stability that begin with data from the 1970s or early 1980s, is that longest tenure does increase to approximately twenty-four years for those cohorts observed at age fifty-eight to sixty-two in 1975 and 1980. As a result, there appears to be a reduction in average tenure if we compare current rates of long-term employment with those prevailing in the mid-1970s or early 1980s, as many previous studies have done. This downward trend, however, does not remain when earlier birth cohorts (observed in 1969) are included. The picture that emerges from the full set of years covered in table 2.1 is not consistent with a major break in the prevalence of long-term employment among men in the United States over the past thirty years.

The fraction of men with longest tenure below ten, twenty, or thirty years are similarly inconsistent with a reduction in the importance of long-term employment relationships. Much of the recent rhetoric has suggested that a typical worker should no longer expect to remain with one employer for a significant fraction of his or her career. For all of the cohorts represented in table 2.1, however, more than half of the men conclude their careers with twenty or more years with a single employer, and around a quarter have thirty or more years of tenure on their longest job.

To compare these results with earlier estimates of long-term employment probabilities, note that an important study by Robert Hall originally argued that stable, "near-lifetime" employment was quite prevalent in the United States, based on the empirical finding that approximately 37% of men were in jobs that would eventually last for more than twenty years.[7] My estimates emphasize even more strongly the likelihood that most workers will have *some* job during their working lives that lasts for more than twenty years. Most comparable to the results presented here, Hall reports that among male workers aged fifty-five and over, roughly 50% will have eventual job tenure of twenty or more years. The results in table 2.1 show that this remains true for workers completing their careers in the past few years, just as it was for those retiring in the early 1970s.

SURVEY YEAR	1969	1969	1975	1980	1992	1998	2004
AVERAGE BIRTH YEAR	1909	1909	1915	1920	1932	1938	1944
DATA SOURCE	RHS	NLS	NLS	NLS	HRS	HRS	HRS
ALL MEN							
Mean (years)	21.9	22.3	23.8	24.1	22.7	21.8	21.8
Median (years)	21	22	24	24	23	22	22
% <= 10 years	17.9	15.8	12.5	9.5	14.9	16	17.8
% <= 20 years	48.3	47.5	39.8	36.9	41.4	45.2	45.1
% <=30 years	75.6	75.6	72.4	72.7	72.1	76.1	74.5
N =	6884	1204	1341	968	1298	1513	821
NON-WHITES							
Mean (years)	18.3	18.7	22.0	23.0	19.4	20.0	18.8
Median (years)	17	18	21	25	20	20	17
% <= 10 years	27.4	25.9	14.9	12.1	18.8	19.1	23.9
% <= 20 years	59.2	57.1	48.0	37.3	52.1	51.5	58.3
% <=30 years	86.7	85.2	78.4	78.6	86.4	79.9	84.4
N =	625	369	388	261	234	257	140
WHITES							
Mean (years)	22.2	22.6	24.0	24.2	23.1	22.1	22.3
Median (years)	21	22	24	24	24	22	23
% <= 10 years	17.0	14.8	12.3	9.3	14.4	15.6	16.6
% <= 20 years	47.3	46.6	38.8	37.0	39.9	44.4	42.9
% <= 30 years	74.5	74.7	71.7	72.3	70.2	75.6	72.9
N =	6215	835	953	707	1064	1256	678

All entries are based on tabulations using sampling weights, for the cohort of men aged 58 to 62 in the given survey year.

Table 2.1 Tenure on the longest job, 1969–2004

The remaining rows of table 2.1 show the pattern of longest tenure over time when each cohort is split according to race. Because of small sample sizes, the men are divided only into white and nonwhite groups. Among both racial groups, tenure in the longest job is again quite stable when looking at the end points, but rises for the middle cohorts. The rise (1969–1980) and decline (1980–2004) are particularly steep for nonwhites. Median tenure among nonwhite males goes from seventeen years in 1979 to a high of twenty-five years in 1980, and then returns to seventeen years by 2004. The increase in longest tenure for the group observed in 1980 is notable since it suggests that, for this cohort, longest tenure is actually higher among nonwhites than among whites. These findings confirm (with the exception of 1980) that nonwhite males are substantially less likely than white males to remain with a single

employer for many years. Nearly 60% of nonwhite males have tenure in the longest job of less than twenty years in 2004, compared to just 45% of white males, and median tenure in the longest job is five years lower among nonwhites (for a median of seventeen years) than among whites. Over time, both groups show little change in tenure on the longest job between 1969 and 2004.

Although not shown in table 2.1, I have also tabulated these tenure measures separately by men's level of education. Because many of the changes in the economy over the past thirty years have had differential impacts on more- and less-skilled workers, it is interesting to see whether there are differential changes in tenure by skill level. Among men with twelve or more years of education the story is very similar to that for the entire sample: longest tenure initially rises and then falls somewhat, so that the starting and ending points both show a median of twenty-two years of tenure. Among men with less than a high school education, there is evidence of a decline in tenure. Average tenure in the longest job goes from approximately 21 years in 1969 to 18.6 years in 2004, with median tenure falling from 21 to 17 years over the same period.

The decline in median tenure among those with less than a high school education must be viewed in light of dramatic increases in educational attainment over this period. This is important because the fraction of each cohort defined as "less educated" is shrinking over time. Having less than a high school degree in 2004 places a worker at a much lower point in the overall distribution of education than it did in 1969. In additional tabulations, I find that the decline in tenure among the less educated goes away if I use a relative measure of education that changes over time as average education improves. If I focus on the bottom 25% of the distribution of years of education, rather than a fixed cutoff of twelve years, there is no evidence of a decline in longest tenure between 1969 and 2004.

4 LOOKING BEYOND SUMMARY STATISTICS: DATA CONCERNS AND BROADER LABOR FORCE CHANGES

Despite the finding of relative stability in tenure on the longest job, it is important to ask whether any underlying trends or data issues could be obscuring changes over time. Caution is always required when making comparisons over time based on different data sets in different years.[8] It

is not possible to prove conclusively that the datasets are strictly comparable over time, but I next address two specific concerns about comparability in these data. More importantly, trends in the labor market could have offsetting effects on the distribution of tenure, and could affect the interpretation of changes (or lack thereof) in the tenure distributions.

One pattern that stands out in table 2.1 is that tenure in the longest job appears to increase from 1969 to 1975, but then levels off or falls after 1980. This peak is particularly steep among nonwhite men and is entirely driven by data from the later two NLS cohorts. One possible explanation for these increases in longest tenure across the NLS cohorts involves sample attrition from the NLS. It is well-documented that attrition from the NLS cohort of older men was significant, particularly during the 1970s and 1980s.[9] If those who leave the survey (and so are not observed in 1975 and 1980) tend to have lower job tenure than those who remain (which comparisons of tenure in the years prior to attrition suggest is the case), this attrition from the sample could produce an apparent, but spurious, increase in longest tenure over time.

To examine the extent to which sample attrition may account for the peak in longest tenure during 1975 and 1980, I estimate longest tenure in 1969 for individuals who do not respond in the later years of the survey. Specifically, I take tenure on the longest job as of the final year an individual responds to the survey, and use this to replace the missing observation in 1980 (and similarly for those who do not respond in 1975). This will understate their true longest tenure by 1980, since this value can only increase over time, and so will provide a lower bound on the true distribution of longest tenure among the entire cohort present in the sample as of 1969. Following this procedure still produces substantially higher tenure in 1975 and 1980 compared to 1969. This suggests that the increase in longest tenure among cohorts completing their careers in the second half of the 1970s is not an artifact of sample attrition.

A second data issue to consider is the extent to which a difference between the tenure questions in the HRS and the other data sets could lead to an understatement of longest tenure for the men observed in 1992, 1998, and 2004. As noted above, the HRS collects information on tenure in the most recent job lasting more than five years, rather than explicitly asking for the longest of all previous jobs. This could lead to an apparent finding that tenure is low in the 1990s and 2004 relative to

previous decades, since the data sets covering those earlier decades ask specifically about the longest job ever held.

To estimate the quantitative importance of this data issue, I use several additional variables from the job history section of the HRS. Specifically, I use information on the number of jobs an individual had that lasted for five or more years, and information on when the most recent of these jobs (and the only one for which actual tenure information was reported) began. Briefly, if a worker's most recent previous job suggests that much of his work history is unaccounted for by the current and previous job recorded in the HRS, it is possible that another (unreported) job is actually his longest. In such cases, I assume that longest tenure is actually the entire span of labor-force participation not yet accounted for, to get an upper bound on the true tenure on the longest job. This exercise increases median tenure on the longest job in the HRS by approximately one year. While the longest tenure distributions in the HRS are thus probably slightly understated, the magnitude of this understatement is modest, certainly less than one year.[10]

Potentially more important than details of data collection are changes over the past several decades in the behavior and labor market experiences of these cohorts. Specifically, differences across the cohorts in age of retirement, educational attainment, and veteran status could produce changes in length of longest tenure when no underlying change in the nature of employment relationships has occurred (or could obscure actual changes).

Table 2.2 summarizes several characteristics of the different cohorts of men. First, there is a strong trend towards earlier retirement. Among men fifty-eight to sixty-two years old observed in 1969, between 4% and 6% had already retired. By 2004, however, more than one-third of the cohort reports themselves as retired. This is consistent with much earlier work documenting a long-term trend in the United States towards earlier retirement.[11]

The trend towards earlier retirement could have a simple mechanical effect on tenure in the longest job, particularly if most of the longest jobs are also the last jobs workers hold before retiring. If the total lifetime length of labor-force participation is reduced by several years from the earliest to the latest cohorts considered here, we might also expect a reduction in tenure in the longest job. In 1992, for example, 61% of the observed

BIRTH YEAR	1909	1909	1915	1920	1932	1938	1944
DATA SOURCE	RHS	NLS	NLS	NLS	HRS	HRS	HRS
Percent retired:	5.6	4.0	18.0	26.9	29.6	35.7	37.1
Average age:	59.9	59.9	60.0	60.4	59.4	59.9	60.0
Average yrs of education:	10.1	9.8	10.4	11.0	12.3	12.7	13.4
Percent veterans:*	25.7	25.7	50.5	77.1	70.3	46.3	4.16

All entries are based on tabulations using sampling weights, for the cohort of men aged 58 to 62 in the given survey year.
* Percent veterans comes from tabulations in Bound and Turner (1999) and is for white males only.

Table 2.2 Characteristics across cohorts observed, 1969–2004

cohort who are still employed report that they are currently working in their longest job. As workers end their careers sooner, even without any corresponding change in the underlying stability of employment relationships, we should also see some decline in the tenure measure used here.

To approximate how much changes in retirement age changes affect longest job tenure, I create a counterfactual distribution of tenure that holds the fraction already retired constant at approximately 5%. First, I calculate the number of years since retirement for those individuals who are already retired by 1992, 1998, or 2004. Approximately 85% of those already retired in 1992 would still have been working if the age of retirement had not changed between 1969 and 1992. For these men, I add the number of years since retirement to their reported longest tenure. This will overstate the effect of reduced retirement age on my measure of tenure in the longest job, since some of the longest jobs have been completed several years prior to retirement. For all men, this simulation raises average tenure on the longest job in the HRS by approximately one year. Thus, the conclusion of stability in longest tenure between 1969 and 2004 would likely be modified to one of a small increase in longest tenure if reductions in the retirement age had not occurred.

The increase in educational attainment is another striking change in the older male labor force during this time period shown in table 2.2. Average education among the different cohorts of men rises substantially over the period examined here. Average years of education for the fifty-eight- to sixty-two-year-old men observed in 1969 is just 10.1 years; by 2004 the cohort of the same age has average educational attainment of 13.4 years. How might this rising educational attainment affect eventual

tenure on the longest job? There could again be a direct, mechanical effect, similar to that arising from changes in the retirement age. As individuals spend more time in school, holding all else constant, total time in the labor market will decline, and so we would expect some reduction in tenure on the longest job, even without any change in employment stability over the life cycle. The trends in educational attainment and retirement ages, taken together, suggest that men born in the 1940s will be in the labor force for two to four fewer years than those born around 1910. As was the case with the trends towards earlier retirement, this suggests that tenure in the longest job might have fallen slightly even without a major change in the employer–employee relationship.

It is also reasonable to expect that higher educational attainment could lead to an increase in longest tenure, since more-educated individuals are more likely to hold long-term jobs. The magnitude of this difference, however, does not seem to be enough to modify the basic results. I have used regression analysis to examine trends in average tenure across the cohorts, controlling for average levels of education. Controlling for changes in education levels has no noticeable effect on the estimated trends.

A final potentially important change across the cohorts of men studied here is in the fraction of men who took time out of the civilian labor force to serve in the military. Because there are relatively large differences across cohorts in the fraction of men who are veterans, this could also affect patterns of longest-job tenure. A period of military service could, for example, delay the job-shopping process, and result in men starting their career jobs later in life. If cohorts with unusually high levels of military service are also those with unusually short tenure, this could confound my attempt to measure changes in the underlying employment relationships.

It is difficult to investigate this issue directly with the current data sets, because the RHS and the NLS do not contain information on military service. Fortunately, data are available from other sources on the fraction of various birth cohorts who have completed some military service. John Bound and Sarah Turner report the fraction of white males in the corresponding birth cohorts who had some military service, taken from 1980 Census data.[12] Their results are repeated in table 2.2 here, and show that the fraction of veterans is particularly high for those men that I

observe in 1980 and 1992 (birth cohorts centered around the years 1920 and 1932). Thus, the possibility that earlier cohorts have artificially low tenure due to higher rates of military service is ruled out. On the contrary, it is precisely those cohorts with the highest levels of tenure (and in the middle of the period studied) that also have the highest probabilities of past military service.

5 RECONCILING WITH OTHER FINDINGS, AND LOOKING TO THE FUTURE

Most of the analysis presented thus far is at odds with the widespread view of substantial erosion in long-term employment relationships in recent years. As noted above, it is possible that very recent changes will not be apparent in my tabulations of longest tenure from workers at the very end of their careers. In this section, I extend my analysis based on the HRS to make fuller use of slightly younger individuals observed in that data set. This is helpful both for forecasting how longest tenure may evolve in the near future, and for reconciling these results with other recent studies.

Before moving to the additional data analysis, two points about my results so far are important to note. First, results in table 2.1 show that conclusions about trends in employment stability may be somewhat sensitive to the starting and ending points of particular studies. Without the observations for men from 1969, in particular, there would appear to be a modest decline in tenure on the longest job between 1975 and 2004. Second, if job-changing rates increased in the mid-to-late 1990s, the most recent cohort considered here (sixty-year-olds in 2004) would already have accumulated substantial job tenure and may have been somewhat insulated from these changes.

To examine whether my focus on completed careers obscures recent changes, I make use of the fuller sample from the HRS. The HRS currently surveys individuals born between 1921 and 1953, and includes a slightly broader range of birth years due to inclusion of spouses of respondents. In this section, I use all of these observations from the HRS and estimate simple regressions similar to those reported in Farber's 2007 study.[13] Specifically, Farber uses regression to hold constant workers' age and other characteristics, and then reports cohort-

specific changes in the length of the current job. For all individuals observed in the HRS between 1992 and 2004, covering birth cohorts from 1915 to 1953, I estimate a version of Farber's equation 1:

$$ln(T_{ijk}) = C_j + A_k + \varepsilon_{ijk}$$

The dependent variable is the log of either current tenure or tenure on the longest job. These measures are regressed on dummies for birth cohorts (C_j), current years of age (A_k), and in some cases additional controls for demographics and education. Because I have a much smaller data set, with fewer workers observed in any particular age by birth cohort cell, I use ten-year birth cohort groups. When the log of current tenure is the dependent variable, most directly replicating Farber's analysis, my results are very consistent with his. Specifically, men born in the 1940s and 1950s have current tenure that is from 20% to 35% lower than the cohort born in 1915. I next estimate the same regression with tenure on the longest job as the dependent variable. This regression shows that tenure on the longest job has declined by 10% to 25% between birth cohorts of men from 1915 and those born in the 1940s and 1950s. These regressions also allow me to control for a variety of additional characteristics, including race, education, ethnicity, and veteran status; this does not substantially change the estimated trends in longest tenure.

Why do these regression results based on HRS data show a decline, in contrast to the simple means presented in table 2.1? First, this is partially a function of the birth cohorts covered in the HRS. The earliest cohorts included in these regressions were born in approximately 1915, and so they are most similar to a comparison of means that ignores the first two columns of table 2.1. Second, using the expanded HRS also allows me to include slightly younger workers, who have not yet reached age sixty by 2004. Men born after 1945 show the largest reductions in tenure on the longest job, and these men are not included in the analysis in table 2.1.

A natural question to ask at this point is whether the simple comparison of means or the regression-based estimate is most preferred. The regression analysis allows for using more of the HRS data, since I can statistically adjust for age rather than limiting the analysis to those who are observed around age sixty. On the other hand, it is not possible to directly incorporate the observations from the NLS and RHS into the

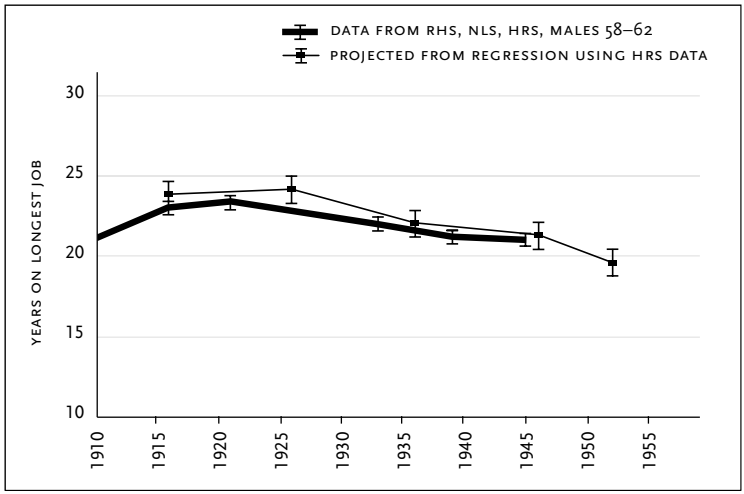

Figure 2.1 Tenure on the longest job: males at age 60, by birth cohort

regression analysis. Finally, the regression analysis relies on assumptions concerning the evolution of longest tenure across cohorts and ages. Specifically, it assumes that the shape of the age profile of longest tenure, or how longest tenure evolves as workers age, does not change across cohorts. More importantly, figure 2.1 shows that these two sets of analysis are largely consistent with one another. The thick black line shows average tenure in the longest job for men, taken from table 2.1, based on observations of birth cohorts when they reach age sixty. The grey line connects predictions of longest tenure for several birth cohorts of men predicted from the regression coefficients estimated with only the HRS data, as described earlier in this section. The figure also shows 95% confidence intervals around both sets of estimates.

Figure 2.1 shows that the HRS regression-based predictions show both slightly higher tenure and a slightly steeper decline between the 1915 cohort and later cohorts. Generally, however, the patterns are similar, and the confidence intervals for the two series overlap. Note that the regression coefficients can be used to predict what longest tenure will be when the men born around 1951 reach age sixty. These predictions are represented by the right-most point in the figure, where the dotted line connecting them indicates that these are out-of-sample projections. That

is, this cohort is not observed at age sixty, and so this prediction depends critically on the assumption of no change in the age profile of longest tenure. Focusing on these predictions for the cohort born in 1951 suggests that longest tenure will fall to around twenty years for individuals reaching age sixty in 2011. This does suggest that some of the change in employment stability is not yet evident if we limit our focus to relatively old workers.

6 CONCLUSION

To conclude, I return to the question raised and assertions made by media discussions of employment stability. Has lifetime employment largely disappeared as a feature of the U.S. labor market? The clear answer to this question is no. Even the most pessimistic evidence presented above suggests that male workers retiring in the next few years will end their careers with an average of two decades with a single employer. Has there, however, been a decline in the prevalence of lifetime employment? The answer to this question appears to be yes, with the decline occurring quite recently. Men who will retire in the next several years will have tenure on their longest job that is roughly 25% lower than cohorts who retired in the mid-1970s. This decline is probably tempered to something closer to a 10% reduction if the comparison is instead made to men who retired in the late 1960s.

Concurrent changes in the labor market should be kept in mind in interpreting these trends. In particular, men who complete their careers in 2008 and later have been in the labor force for substantially fewer years than their earlier counterparts, as the result of spending more years in school and retiring earlier. Thus, it should not come as a surprise that their time with a career employer is somewhat shorter as well. Taken together, the magnitude of observed declines in long-term employment and the reduction in total years in the labor force suggest caution in concluding that employment relationships in the United States have undergone a major structural change.

NOTES

1 Julie Connelly, "Youthful Attitudes, Sobering Realities," *New York Times,* October 29, 2003.

2 William J. Holstein, "Office Space: Armchair MBA; Job Insecurity, From the Chief Down," *New York Times,* March 27, 2005.

3 Schmidt, Stefanie R., "Job Security Beliefs in the General Social Survey: Evidence on Long-Run Trends and Comparability with Other Surveys" in *On the Job: Is Long-Term Employment a Thing of the Past?,* ed. David Neumark (New York: Russell Sage Foundation, 2000).

4 David Neumark, ed., *On the Job: Is Long-Term Employment a Thing of the Past?* (New York: Russell Sage Foundation, 2000).

5 Leora Freidberg and Michael T. Owyang, "Explaining the Evolution of Pension Structure and Job Tenure," Working Paper (Federal Reserve Bank of St. Louis, 2004).

6 Henry Farber, "Is the Company Man an Anachronism?" in *The Price of Independence: The Economics of Early Adulthood,* ed. Sheldon Danziger and Cecelia Rouse (New York: Russell Sage Foundation, 2007). See also his chapter in this volume.

7 Robert Hall, "The Importance of Lifetime Jobs in the U.S. Economy," *American Economic Review* 72 (1982): 716–24.

8 Even when using the same data set, such as the CPS, there is a possibility that changes in question wording or other survey methodology could lead to spurious time series comparisons.

9 See, for example, U.S. Department of Labor, Bureau of Labor Statistics, *NLS Handbook* 2003.

10 This is an upper bound on the potential error in the HRS measures since the years not covered by a recent or current long-term job may also be split among several relatively short jobs. This is especially likely since the unaccounted-for jobs occur early in workers' careers, when job changing is more frequent.

11 See, for example, Richard Burkhauser and Joseph Quinn, "Has the Early Retirement Trend Reversed?" (unpublished manuscript, Boston College, 1997).

12 John Bound and Sarah Turner, "Going to War and Going to College: Did World War II and the G.I. Bill Increase Education Attainment for Returning Veterans?" *Journal of Labor Economics* 20 (2002): 784–ß815.

13 Farber, "Is the Company Man an Anachronism?"