CareerBuilder and EMSI Report: Fewer workers moving between jobs; tech job market churn rates more resilient during and after the recession

- Special report details the occupations and metros with the highest and lowest churn rates
- Production/manufacturing and arts/entertainment churn recovered the fastest post-recession
- Churn rate of Web developers in Silicon Valley area doubles in past decade

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CHICAGO, Dec. 8, 2014 /PRNewswire/ -- In a given year, tens of millions of people will leave jobs – either voluntarily or via layoff – and tens of millions of people will be hired to fill the newly vacant positions. This job-to-job movement is known as labor market churn, and according to a new report by CareerBuilder and Economic Modeling Specialists, churn rates are lagging behind job creation. The national churn rate plummeted by 23 percent during the recession and remained below pre-recession levels through 2013.

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"Churn measures the pulse of hiring activity in an economy," said Matt Ferguson, CEO of CareerBuilder and co-author of *The Talent Equation*. "Low churn rates mean fewer workers are moving to jobs that better utilize their skills, which in turn can lower productivity for companies and stall wage growth for individuals. Through 2013, churn rates in most occupations had not yet recovered significantly, but we expect that to change as workers gain confidence in a labor market that continues to improve and expand."

Key Findings

- **People aren't hopping from one job to another – at least not like they did during the economy's pre-recession peak during the mid-2000s.** The average churn rate for all non-farm occupations in the years preceding the recession (2003-2006) was 85.6 percent. During the recession, the rate fell by nearly 19 points (or 23 percent) to 64.8 percent in 2009 and has only recovered modestly since then. In 2013, the national churn rate stood at 68.1 percent. Of note, the churn rate has fallen in every major occupation group over the last decade.
- **Churn rates vary by occupation type.** In 2013, architecture and engineering occupations (44.8 percent) and legal occupations (45.1 percent) had the lowest average annual churn rates. At the other end of the spectrum, food preparation and serving related occupations (109.4 percent) and construction and extraction occupations (98.3) had the highest churn rates. While no occupation group has fully recovered from the recession, production occupations and the category including arts, design, entertainment, sports and media occupations saw the strongest rebound in churn rates, each regaining 35 percent of their declines.
- **Low-wage occupations tend to have the highest rates of annual churn.** For perspective, the occupation with the lowest churn, nuclear power plant operators, had an average annual churn rate of 22.5 percent from 2010 to 2013. Median hourly earnings for this occupation is $37.67 per hour. Meanwhile, fast food cooks, who make $8.88 per hour, had an average churn rate of 113.3 percent.
- **Churn rates of IT occupations were, on average, more resilient during the recession and recovered significantly faster than all non-farm occupations.** Additionally, the effect of the tech boom is seen clearly in certain occupations and metros. For example, the churn rate of Web developers in the San Jose metro grew from 47 percent in 2003 to 93 percent in 2013.
- **The cities with the most severe declines in churn from 2003 to 2013 were North Port-Sarasota-Bradenton, Florida; Virginia Beach-Norfolk-Newport News, Virginia; and Tampa-St. Petersburg-Clearwater.** All three went from over 110 percent churn in 2003 to just over 70 percent in 2013. Among the 75 most populous, Boston is the only metropolitan area that saw an increase in churn over the last decade. It also had the highest average churn rate from 2010 to 2013, at 87.5 percent – just ahead of Raleigh, North Carolina (87.2 percent). Raleigh tied with Bakersfield, California, and Indianapolis for the sharpest upticks in churn from 2010 to 2013; each increased 8.3 points.

Churn Rates by Occupation

The following figure shows how churn rates vary by occupation group, and how each group's rate was affected by the recession. The report notes, however, that because the nature of work performed in each occupation varies greatly, it is not advisable to compare the churn rates of different occupation groups to determine that one is healthier than another.

To view detailed data and an interactive, embeddable version of this and other charts from the report, visit EMSI's blog*.*

Definitions and Data

EMSI calculates the annual churn rate by finding the average of hires and separations in an occupation, then dividing that number by that year's employment figure. Churn can exceed 100 percent in certain industries, occupations, and regions when average hires and separations throughout the year are greater than the number of people employed.

Data on hires and separations comes from EMSI's labor market database, a compilation of more than 90 federal and state employment sources, and is based primarily on the U.S. Census Bureau's Quarterly Workforce Indicators (QWI). QWI connects unemployment insurance forms from businesses with the unique Social Security numbers of each employee. EMSI combines QWI with other datasets to produce up-to-date hires and separations data for all occupations using staffing patterns, which show the percentage occupational makeup of jobs within each industry. QWI offers more industry and geographic detail – and more accuracy because it's based on administrative records – than the Job Openings and Labor Turnover Survey (JOLTS) from the BLS, which sends a voluntary survey to 16,000 businesses every month.

About EMSI

Economic Modeling Specialists Intl., a CareerBuilder company, turns labor market data into useful information that helps organizations understand the connection between economies, people, and work. Using sound economic principles and good data, EMSI builds user-friendly services that help educational institutions, workforce planners, and regional developers build a better workforce and improve the economic conditions in their regions. For more information, visit www.economicmodeling.com.

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