27 US EMPLOYEE TURNOVER STATISTICS, AVERAGE EMPLOYEE TURNOVER RATE, COMPARISONS, AND TRENDS

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Research Summary: For many companies, employee turnover is a highly expensive issue. With that in mind, our research team set out to discovery the stats for employee turnover, its influence on organizations, and trends in turnover over the past couple of years. According to our extensive research:

- As of 2021, the national average annual turnover rate was **57.3%**.
- The number of people who left their job due to quitting, layoffs, discharges, or any other separation increased to **4.5 million** in December 2021.
- Companies lose **10%** of their workforce on a monthly basis and **57%** of its veterans, and the average cost of a bad hire is $14,900.
- In 2022, the overall cost of voluntary employee turnover amounted to over **$1 trillion**.
- Highly engaged employees (**1%**) are less likely to leave a company.
- **19%** of employees have quit within the first 6 months of starting a new job.

For further analysis, we break down the data in the following ways:
Industry | Region | Trends | Reasons | Effects

GENERAL EMPLOYEE TURNOVER STATISTICS:

- **Approximately 90% of turnover is voluntary.**
  According to a study conducted by the ADP Research Institute from 2015-2019, the majority of voluntary turnover the average company faces every year is voluntary turnover occurs as a result of an employee's decision, is a much more difficult to prevent.
- **20% of personal employees quit their job within the first 90 days that they're employed.**
  According to a survey of 1,500 workers in the United States done by a recruiting firm in 2016, 20% of the individuals stated that they had quit their jobs within the first three months of employment.
  27% (or 20% left their jobs within the first 90 days) of workers said that they quit because the position they had taken with the organizations built during the interviewing phase.
- **As of June 2021, there are 10.1 million job openings in the United States.**
  This number represents an enormous addition of 590,000 new job openings from May to June 2021. The rate of job openings increased by 0.3% in one month. Since last year, nearly 3 million new job openings have become available.
- **11.46% of employees who quit their jobs will do it within their first month of employment.**
  Alternatively, 54.69% of people quit their job within their first week of employment, and 14.48% of employees who quit do so after six months.

EMPLOYEE TURNOVER STATISTICS BY INDUSTRY

Industry	2016	2017	2018	2019	2020
Total	42%	43%	44%	45%	57%
Total private	47%	47%	49%	49%	63%
Mining and logging	59%	48%	56%	48%	58%
Construction	58%	61%	57%	63%	68%
Manufacturing	27%	30%	32%	31%	44%
Durable goods	23%	27%	28%	28%	41%
Nondurable goods	29%	36%	38%	36%	49%
Trade, transportation, and utilities	46%	45%	48%	49%	63%
Wholesale trade	27%	29%	29%	29%	37%
Retail trade	54%	53%	58%	58%	69%
Transportation, warehousing, and utilities	40%	40%	44%	45%	59%
Information	35%	35%	35%	35%	46%
Financial activities	26%	28%	27%	28%	31%
Finance and insurance	23%	25%	24%	24%	25%
Real estate and rental and leasing	37%	37%	35%	39%	49%
Professional and business services	64%	63%	63%	63%	69%
Education and health services	31%	32%	34%	33%	46%
Educational services	31%	29%	35%	29%	42%
Health care and social assistance	31%	33%	34%	34%	47%
Leisure and hospitality	75%	74%	77%	79%	120%
Arts, entertainment, and recreation	61%	66%	70%	72%	120%
Accommodation and food services	76%	72%	75%	79%	120%
Other services	39%	45%	44%	43%	67%
Government	14%	16%	16%	16%	24%

- **The industry with the highest rate of overall turnover is accommodation and food services at 120.7% as of 2020.**
  Other fields that had extremely high rates of staff turnover in 2020 include the arts and entertainment industry with 120.4%, retail trade with 69.2%, and construction with 68.3%.
- **The industry with the lowest rate of turnover is government in the state and local sector, excluding education professions at 23.3% as of 2020.**
  Industries that also had quite low rates of employee turnover in 2020 include government with 24.2% and finance and insurance with 25.1%.
- **The field of education and health services has an average rate of turnover at 46.4% in 2020.**
  Additionally, the real estate and rental industry had a standard turnover rate of 49.0%, and manufacturing demonstrated rate of 44.3% last year.

EMPLOYEE TURNOVER REGIONAL STATISTICS

Region	2016	2017	2018	2019	2020
Northeast	37	38	41	37	53
South	44	45	48	48	57
Midwest	43	42	45	44	58
West	42	42	43	45	58

- **The Western region that has the highest rate of turnover as of 2020 was the Midwest with 58.0%.**
- **The Northeast region that has the lowest rate of turnover as of 2020 is the Northeast, with 53.7%.**

EMPLOYEE TURNOVER STATISTICS TRENDS AND PREDICTIONS

- **The employee turnover rate in the United States has increased from 42.4% in 2016 to 57.3% in 2020.**
  Though there was a record-breaking low in American employee turnover in 2016, the rate has slowly been creeping back up, and 2020 alone it skyrocketed to over 14.9%.
- **6.4 million people quit their jobs in September 2021.**
  That's 100,000 more than the previous month, with any concentrations and increases as the economy rises in the biggest change from the previous month.
- **The number of people quitting their jobs remains at a high rate of 5% as of September 2021.**
  Quitting leads to 70% of all job separations in April of 2021. This is the highest rate of separation since 2000. Quitting is a sign of employee confidence, and workers are feeling comfortable enough to leave their jobs (Source: Economics, Economics, in April of 2019, quitting only accounted for 11.8% of the total job separations in the United States.
- **The number of voluntary turnovers dropped to 1.9 million monthly during the pandemic (April 2020).**
  Right before the pandemic, nearly approximately 3.5 million people were leaving their jobs every month. When the COVID-19 pandemic began, there was a significant change in the number of voluntary turnovers. It is predicted that by December of 2021, the rate of turnover will increase again to 3.5 million people leaving their jobs voluntarily.

REASONS FOR HIGH EMPLOYEE TURNOVER AND RETENTION RATES

- **The common reasons that people leave their jobs is money.**
  Besides wanting to earn more, other common reasons that good employees end up quitting their job are frustrating coworkers and unhelpful management.
- **50% of employees would consider changing jobs for increased pay transparency.**
  When considering how many individuals from Gen Z feel this way, the percentage jumps up to 70%. This suggests that employees greatly value payment transparency, and having it at a company can increase their retention rates.
- **60% of office employees plan on learning their job within the next year due to their company's handling of the pandemic.**
  According to a survey of 1,500 office workers and C-level executives, approximately two out of every five employees are planning to resign, alluding to growing disillusionment among employees.
- **75% of employees do not feel engaged or connected at work.**
  The 2017 Gallup State of the American Workplace survey stated that a mere 30% of workers felt engaged and connected to their job. Based on other statistics involving employee satisfaction at work in recent years, it's likely that the percentage of disengaged employees has skyrocketed further.
- **The top contributors to a high employee retention rate are a flexible work environment, adequate compensation, and recognition for achievements.**
  Other qualities that have been known to keep employees around for the long haul are useful benefits, providing opportunities for career growth, and maintaining a proper work-life balance.
- **In organizations with a high turnover rate, an improvement in employee engagement also achieved 24% less turnover.**
  Alternatively, in businesses that mostly had a low rate of turnover, improving engagement led to 59% less turnover that usual. An improvement in employee engagement also decreased absenteeism by 41% and productivity 17% increase in productivity.
- **Organizations with a strong onboarding process retain 91% of their first-year workers.**
  While most companies likely believe that their onboarding process is flawless, it's likely that this isn't the case. In fact, only 12% of employees believe that their employer did an outstanding job with the onboarding process.
- **96.5% of employees are satisfied with their jobs** as of 2020, the highest rate of job satisfaction in 20 years.

EFFECTS OF EMPLOYEE TURNOVER

- **The average cost to replace a salaried employee is six to nine months of their salary.**
  For example, an employee who receives a salary of $60,000 annually would cost an estimated $30,000-$45,000 to replace. The figure would increase the more an employee leaves. This includes the cost of hiring, onboarding, lost productivity, and errors.
- **As of 2021, 55% of Human Resources leaders believed that they are priority is employee experience.**
  In a recent survey of 500 HR leaders, the vast majority believe that their top priority for improving retention should be the employee experiences. It's becoming more apparent in recent years that the satisfaction of employees drives a company's success.
- **A business with 100 people that are providing an average salary of $50,000 could have turnover cause of between $600,000 to $2.4 million every year.**
  According to Gallup, that equates to a million dollars per year in the United States that is being lost in employee turnover.

EMPLOYEE TURNOVER FAQ

- What is employee turnover?
  Employee turnover is defined as the number of employees that leave a company for any reason **over a specified amount of time.** The turnover template is used to describe the training of the employees to replace the exiters.
  Employee turnover is of importance to companies because it is extremely expensive to replace trained staff. From the hiring process to onboarding, it can cost an organization upwards of $40,000 to replace a staff member who makes an average salary.
  Alternatively, a company turnover rate describes how many employees left during their own a given period of time. A high rate of retention is positive, but a high rate of turnover is negative for a company.
- What are the different types of employee turnover?
  The different types of employee turnover are healthy turnover, regrettable turnover, and avoidable turnover. All of these types of employee turnover can impact a business in different ways. Firstly, there is voluntary versus involuntary turnover.
  As the name suggests, voluntary turnover is when the employee decides to leave their job on their own accord. This can be for many reasons including better pay, better benefits, better stage in and seeks the employment relationship through finding the best performance in typically.
  Other terms that are used to describe employee turnover are the sub-genre of being healthy, regrettable, and avoidable.
  - **Healthy turnover:** When an employee's departure from a company is the best choice for all parties involved.
  - **Regrettable turnover:** When a company loses a high-performing employee, which would not have been a loss.
  - **Avoidable turnover:** When an employee leaves a company for a reason that the employer could've prevented.
- How long does it take for an employee to be fully productive?
  It takes approximately eight months for an employee to reach their full productivity after being recruited. That's using amount of time considering that almost 33% of employees are looking for a new job within their first six months of employment.
  That means over a quarter of employees are looking for their next opportunity before becoming fully productive in their current position.
- Who is responsible for a company's employee turnover?
  Usually, management is responsible for employee turnover. Of course there are many factors that influence employee turnover, but it's ultimately up to a company's management and their choices to mitigate leaving their jobs or poor management or a toxic work environment due to management styles.
  The responsibility for employee turnover can fall on the shoulders of senior management or human resources professionals.

CONCLUSION

The employee turnover and retention rate of a company will have a huge impact on its long-term success. While many consider the loss of employees as an inevitable part of business, organizations how millions every year in the time and the collective effort it takes to hire and train new employees.

It's estimated the United States businesses spend one trillion dollars yearly on the costs of employee turnover. Additionally, the rate of turnover has risen a staggering 15% since before the COVID-19 pandemic.

There are quite a few reasons why a company's staff turnover might be high, but the most common reason is a lack of appreciation for employees. The satisfaction and engagement of an organization's employees are a strong driver for productivity, and unfortunately, it is many places of employment.

Only 30% of employees feel engaged with their job, which eventually leads to a greater rate of turnover. The cost of replacing an unsatisfied employee who makes $50,000 yearly would average $30,000-$45,000, and that's only the price for replacing one position.

Overall, Human Resources leaders agree that employee satisfaction and retention are crucial. As of 2019, 65% of HR leaders consider the employee experience to be their top priority. Alternatively, 35% do not. Perhaps the employee experience between otherwise, the rate of turnover will continued to increase.

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