During an economic expansion, new job opportunities appear, not only for the unemployed but also for those who already have jobs. This means that workers might seek alternative employment, but it also means that businesses might try harder to keep their current workforces as the pool of available labor begins to run dry.

During a recession, as jobs become hard to find, workers tend to stay in their current jobs, but firms seek to reduce their workforces.

Therefore, during both expansions and contractions, forces are at work pushing the job tenure rate in opposite directions. While the tenure rate does, in fact, move over the cycle, it does not appear to have any clear business-cycle pattern.

However, the pattern of tenure rates across different groups is quite revealing. Older workers have longer tenure because they have more labor market experience and have been able to settle into a job after a youthful period of searching. People who have more education and occupations with higher skill requirements, such as professional workers, also have longer tenure.

Service-sector jobs turn over rapidly, as shown by their very low median tenure: only 2.4 years compared to 4.8 years for professional and managerial jobs.