Employee turnover is costly business

zenefits

Roughly **100,000–120,000** people quit their jobs every day. It costs roughly **20%** of a salary to replace a lost worker

Quick turnover:
rehiring cost estimates by earnings

Earnings	$30K	$50K	$75K	$100K	$200K*
Cost to rehire	$6,000	$10K	$15K	$20K	$40K

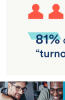
*as rates of salary increase, jobs actually can cost as much as 400% of salary to replace

US employers spend **$2.9M** per day looking for replacement workers. That's **$1.1B** per year

...but what about small business in particular?

99.7% of our nation's employers are small businesses

81% of those business owners agree: "turnover is a costly problem"



It's not just the money that's lost...

Business flow, output, morale, and reputation suffer from losing staff

79.3%
of small businesses say turnover is detrimental to growth

78.6%
of small businesses say turnover negatively impacts productivity

Delays to customer projects and/or services is the **#1 impact**

Biggest
costs of turnover

Delays to customer projects and/or services	24.5%
Loss of productivity	21.1%
Cost of re-hiring and onboarding a replacement	17.2%
Hurting team and/or company morale	15.6%
Stress it creates on immediate team	10.6%
Legal and/or HR issues ramifications	9.1%
Other	1.8%

Healthcare industries see the highest rates of turnover

The industries that are greatest impacted by turnover are those that struggle to hire when they have a job opening. The Bureau of Labor Statistics calculates this by observing a hiring to job opening ratio.

Top 3
industries that struggle most to rehire

- Finance and insurance
- Healthcare and social assistance
- Government jobs (state, local, and federal)

Top 3
industries that easily rehire

- Arts/ recreation/ entertainment
- Retail jobs
- Construction

Turnover by state

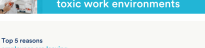
States with highest
turnover rate

- **2.92%** Kentucky
- **2.75%** Arizona
- **2.72%** Tennessee
- **2.64%** Utah
- **2.59%** South Carolina

States with lowest
turnover rate

- **1.21%** New York
- **1.26%** Connecticut
- **1.27%** Massachusetts
- **1.43%** Vermont
- **1.48%** Maine

No business is immune from employees quitting



68.3%
of small and mid sized businesses experienced turnover in the last year

1 in 3
expect their average employee tenure to be less than a year

Mostly, employees leave for better opportunities or to avoid toxic work environments

Top 5 reasons
employees are leaving

1. Higher potential earnings (salary or hourly wage) at a different job
2. Poor interpersonal relationships (conflicts with manager or colleagues, etc.)
3. Personal life changes (marriage, relocation, growth of family, illness, etc)
4. Better benefits package at another company (health, dental, vision, retirement, etc)
5. Leaving job for promotion and/ or increased job responsibilities

Growing businesses can't afford to lose good employees

Businesses still struggle with turnover despite **67.8%** of businesses claiming to recognize when an employee is about to leave through changed behavior (performance decline, unusual office behavior, absenteeism, or tardiness)

63.3% of business owners agree **retaining employees** is harder than **hiring them.**

You can't afford
to lose your best employees

To best mitigate the impact of lost employees to your business flow, customer base, and growth:

consider retention strategies and **plan for turnover**

https://www.bls.gov/news.release/archive/jolt_03222019.htm
3.3 million quits in the month / 30 days = ~110,000 quits/day

June 2019 BLS data on weekly earnings report: https://data.bls.gov/pdq/querytool.jsp?survey=ce
Average weekly earnings = $936 (combined for gender) / 5 = $186.80/day
$747.00 = $23.34 per day, per employee
$23,400,000,000/week / 41,000,271* 786 = $1,270,355.27

Cost to rehire based on Center for American Progress report: https://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf

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https://www.zenefits.com/blog/employee-turnover-infographic/