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STATE OF ATTRITION 2025

Report *by LutherOne*

THE $1 TRILLION TALENT PROBLEM

In the U.S. alone, companies lose an estimated **$1 trillion every year** to voluntary attrition. That's twelve zeros worth of wasted productivity and potential — more than the GDP of Switzerland and enough to buy nearly two billion iPhones. And that's just in one country.

After a relatively quiet 2024, HR leaders are now bracing for a **"Great Re-Resignation"** in 2025 and beyond, a new wave of attrition with the potential to rival the pandemic-era quit rates. A recent LinkedIn and Microsoft survey revealed that **more workers want to leave their jobs now than at the peak of the original Great Resignation**.

The upside? Most attrition is avoidable. Over half of departing employees say their company could have made changes that would've convinced them to stay. And with modern HR tech, organizations can now spot the signals early — before disengagement turns into departure.

At LutherOne, our data science team analyzed thousands of data points from companies across industries, sizes, and regions to uncover the top **correlators of attrition** — and how they differ by generation. Because the data is clear: what drives a Gen Z developer to stay isn't the same as what keeps a Gen X manager engaged, a millennial sales rep motivated, or a baby boomer consultant loyal.

This report breaks down what's really driving attrition across all generations in the workplace and offers science-backed strategies to keep each group engaged, empowered, and, ultimately, employed in your organization's future.

METHODOLOGY

All data in this report comes from anonymous LutherOne engagement surveys. Attrition data was collected over a substantial period of time, ending in December 2024. Our data science team aggregated responses across various industries, locations, and languages, and analyzed the engagement scores of employees who eventually left their organizations.

The analysis revealed consistent patterns of declining scores in specific categories leading up to their departure — patterns we refer to as “attrition predictors.” Moreover, we identified specific areas that further complement and reinforce these attrition predictors, giving organizations a clear idea of areas of consideration for improving attrition and turnover.

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THE GENERATIONAL ATTRITION GAP

Job hoppers. Office ghosters. Career catfishers. Gen Z have been characterized as the "least loyal" of all generations. But how do they compare against all workers?

When it comes to attrition across new employees, the data reveals a clear generational divide. Baby boomers and Gen X show when they accept a job they commit, with less than 5% quitting within the first twelve months of starting a job. One-fourth of Gen Z, on the other hand, send in their resignation notice before their first-year anniversary. Millennials? They're stuck in the middle, with 10% leaving one-year in.

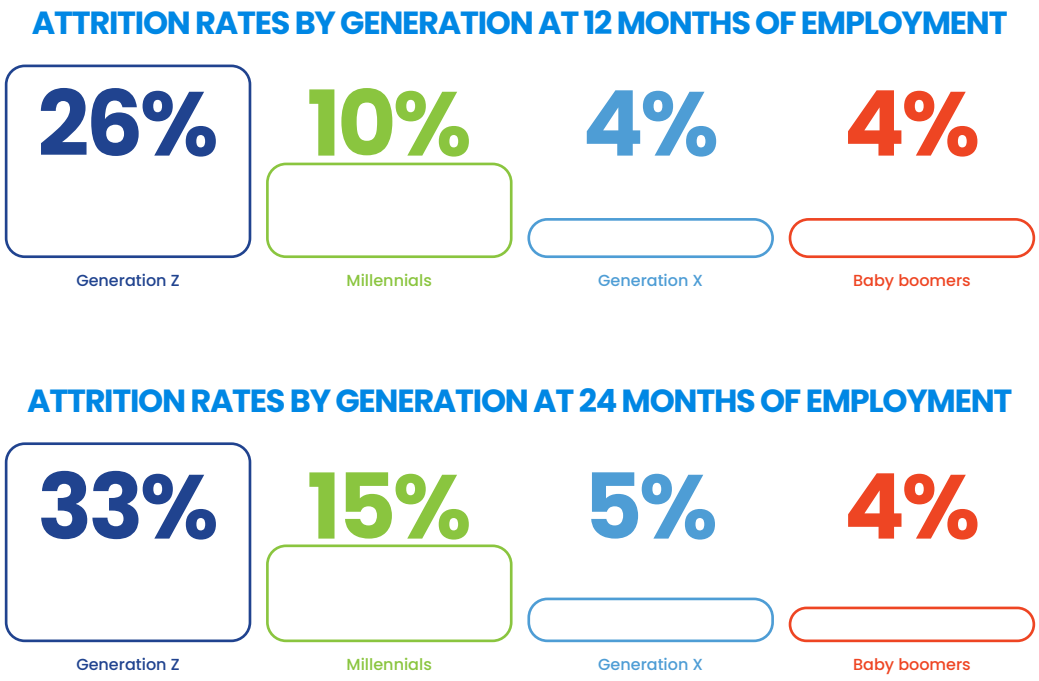


Fig 1.1- Attrition rates for all employees measured at month 12 and month 24 of employment. Data is segmented by generation (as determined by birth year).

When we compare attrition rates at year one and year two of employment, generational differences again emerge. Attrition among baby boomers and Gen X stays steady, increasing by just 1 percentage point or less. For Gen Z, that number jumps by 7 percentage points over the same period.

WHY GEN Z LEAVES: BURNOUT, BALANCE, AND BETTER ENVIRONMENTS

Gen Z, born between 1997 and 2012, has disrupted the way we work in the short time they've been on payroll. And their influence will only grow: In 2025, they have now surpassed the number of baby boomers in the workplace — and by year's end **they'll make up 27% of the global workforce**, per a World Economic Forum report.

The old ways of talent attraction and retention won't cut it anymore with this group. They value salary less. They prioritize work-life balance more. They lack the ability to manage stress as well as other generations and they're not willing to make any compromises for an organization that doesn't meet their values or work preferences.

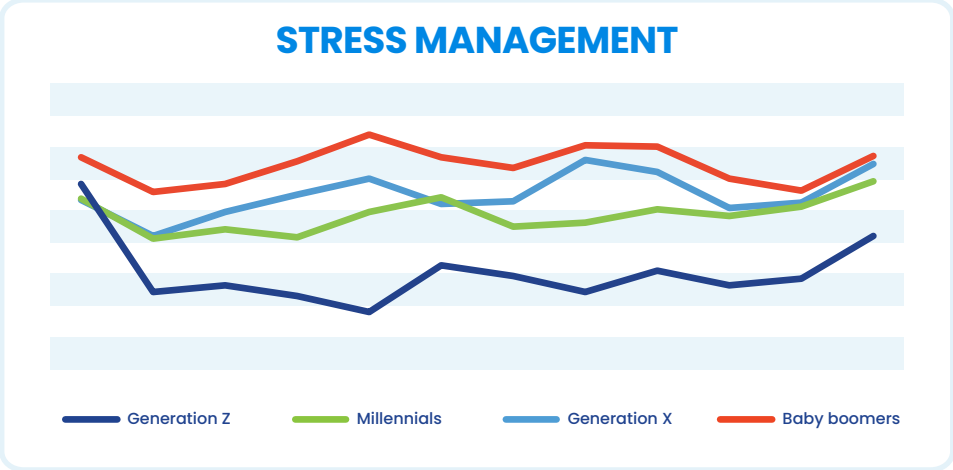


Fig 2.1- Stress management scores (as rated by employees per LutherOne engagement surveys) segmented by generation for the full calendar year of 2024

Gen Z shows a remarkably lower ability to handle stress than their superiors, making work-life balance their number one priority. Growing up in the digital age and reaching adulthood during the COVID-19 pandemic, this generation is looking for jobs that add to their daily lives — without the added stress.

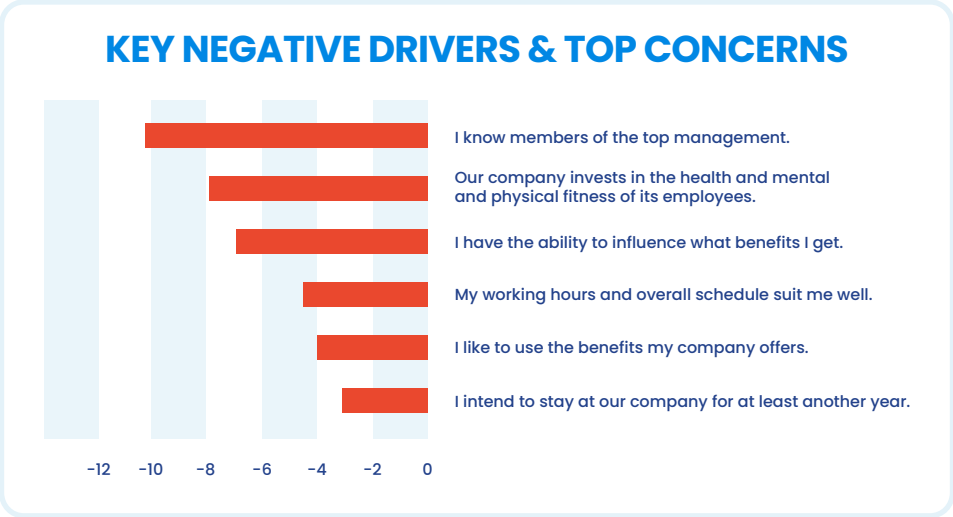
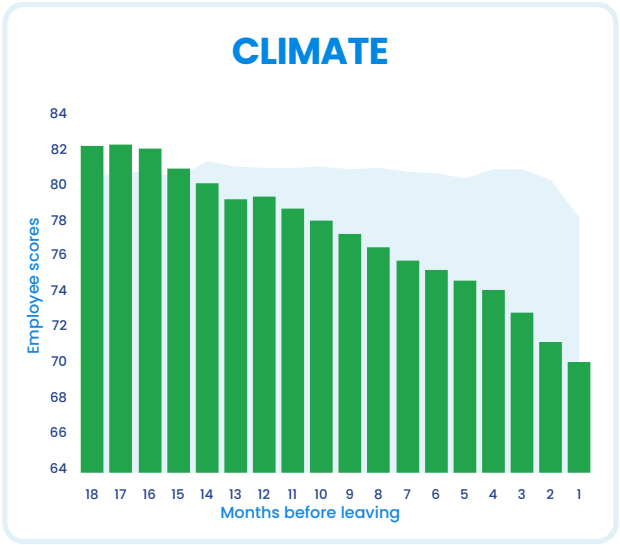


Fig 2.2- Aspects of employee engagement rated more negatively by Gen Z than baseline (all employees across all generations) per LutherOne engagement survey data for the full calendar year of 2024

The most recent data shows that Gen Z consistently rate mental and physical health investments and working hours significantly more negatively than other generational cohorts (Fig. 2.2), identifying them as major barriers to retention. As a result, they look for other organizations or working setups (gig working, freelancing etc.) that can better meet these needs and expectations.

Additionally, Gen Z rates their top concerns far more extremely than older generations do their own, highlighting that Gen Z feels more intensely about the issues that matter most to them (Fig. 7).

TOP FOUR PREDICTORS OF ATTRITION FOR GEN Z:





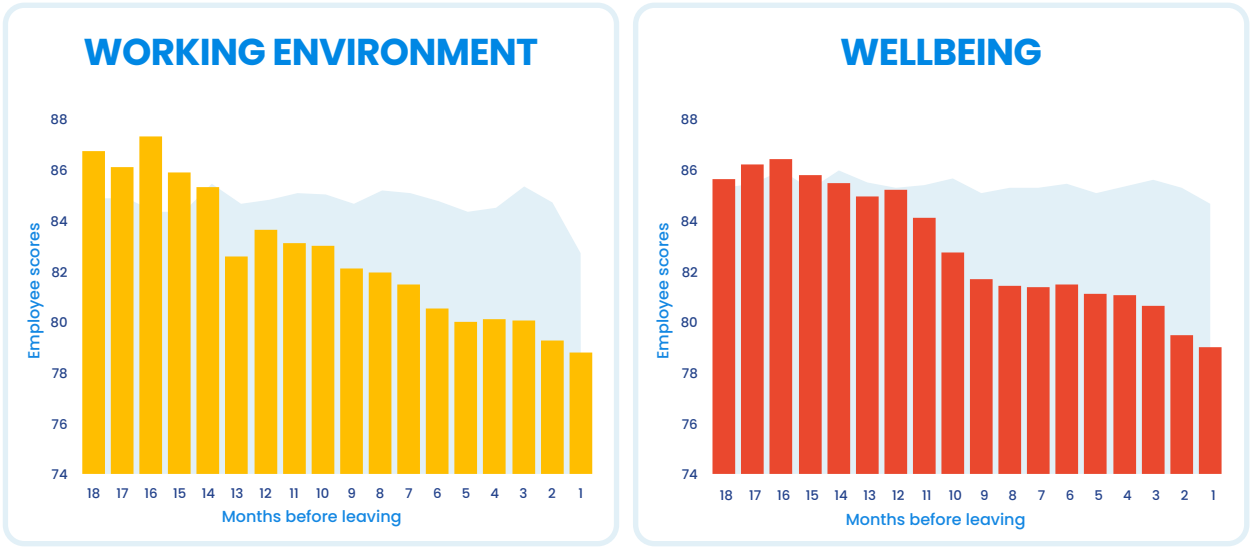


Fig 2.3- Aspects of employee engagement with the most significant downward trends before a Gen Z employee leaves a company, as determined by employee answers to engagement survey questions in these categories. The light blue behind the bars represents baseline engagement data, an aggregation of all employee scores across all generations.

By analyzing engagement data, we can see a clear pattern of decreasing employee sentiment in four major areas before a Gen Z employee quits:

1. **Company climate**- Employee scores on the overall daily experience at work
2. **Stress management**- Working hours, breaks, and work-life balance scores
3. **Working environment**- Ratings on facilities, equipment, and work setup
4. **Wellbeing**- How employees score the atmosphere and relationships at work

This contrasts with other generations and the workforce as a whole, which remain relatively stable in these four categories throughout their tenure at their company (Fig 2.3).

Therefore, keeping Gen Z productive (and ultimately on the payroll) boils down to targeting your engagement strategies in these four key areas.

WHAT KEEPS GEN Z: STRATEGIES FOR RETENTION

With their presence already growing, Gen Z represents the future of your front line and leadership teams. By building a retention strategy that supports their needs and targets their negative engagement correlators, you build a workplace where they want to stay.

1. Foster flexibility

For Gen Z, flexibility isn't a perk but a priority. Raised in a hyper-connected world where boundaries between work and life often blur, this generation places a high value on personal well-being, time autonomy, and balance. Rigid 9-to-5 structures feel outdated to a cohort that prioritizes purpose and mental health alongside performance, as seen in the data, with "working hours" being a top concern for this group (Fig 2.2) and "working environment" being a key correlator with attrition (Fig 2.3).

To support Gen Z, organizations should embrace:

- Flexible Scheduling
- Hybrid or Remote Options
- Results-Based Performance

2. Create a connected culture

Known as "digital natives," Gen Z grew up connecting over the internet instead of over coffee. This means they crave meaningful connection at work—but on their terms. Unfortunately, **many Gen Z employees rate their connection with top management as "poor"** (Fig 2.2), which directly affects overall motivation and retention.

To keep Gen Z engaged and prevent turnover, leaders must rethink how they connect. Empathetic leadership is key: managers should prioritize active listening, show genuine understanding, and communicate transparently. Providing regular, personalized check-ins —not just annual reviews—helps build the trust and rapport Gen Z need and helps decrease stress surrounding their performance.

Additionally, Leaders should create opportunities for cross-team collaboration to break down silos and create a sense of belonging by:

- Encouraging informal company-wide meetups
- Posting themselves on the internal social network
- Creating mentorship programs across age groups
- Frequently holding inclusive brainstorming sessions

3. Build a wellness-first workplace

With decreasing wellness scores highly correlating with attrition (Fig 2.3) and a lower tolerance to stress (Fig 2.1), **wellbeing benefits are crucial for attracting and retaining Gen Z talent**. This generation places a strong emphasis on mental health, work-life balance, and overall well-being—often seeing these factors as inseparable from their professional lives. Offering flexible work arrangements is a great start, but companies that go further to provide comprehensive wellness support will truly stand out.

TIP

Use employee engagement surveys to collect feedback on what benefits resonate most with your workforce.

Leaders should consider expanding benefits to include mental health resources like counseling, stress management programs, and mindfulness training. Encouraging regular breaks, promoting physical activity through wellness challenges or gym memberships, and offering access to nutrition advice can also boost employees' health and happiness.

It's equally important to create a culture where wellness is openly discussed and prioritized. **Leaders should model healthy behaviors** and check in regularly with their teams about workload and stress levels. Providing space for employees to disconnect after hours and respecting boundaries helps prevent burnout.

WHY MILLENNIALS LEAVE: MIDDLE MANAGEMENT & MONEY WOES

Born between 1981 and 1996, millennials are stepping into middle management—often their first major career leap. But the role is far from glamorous.

Stuck between the demands of senior leadership and the expectations of younger teams, millennials often experience the "middle manager squeeze." Many report feeling disconnected—from their leaders, their peers, and even their teams. **In engagement surveys, they rate relationships with colleagues and connection to top management significantly lower than other generations** (Fig 3.1), while their sense of cooperation also lags behind (Fig 3.2).

Now entering middle management and major life milestones like buying homes and starting families, millennials are feeling the financial strain. After the 2008 housing crisis and rising post-pandemic living costs, many find their salaries falling short. They rate "fair salary," "reward structures," and "rewards relative to living standards" more negatively than any other generation (Fig 3.1).

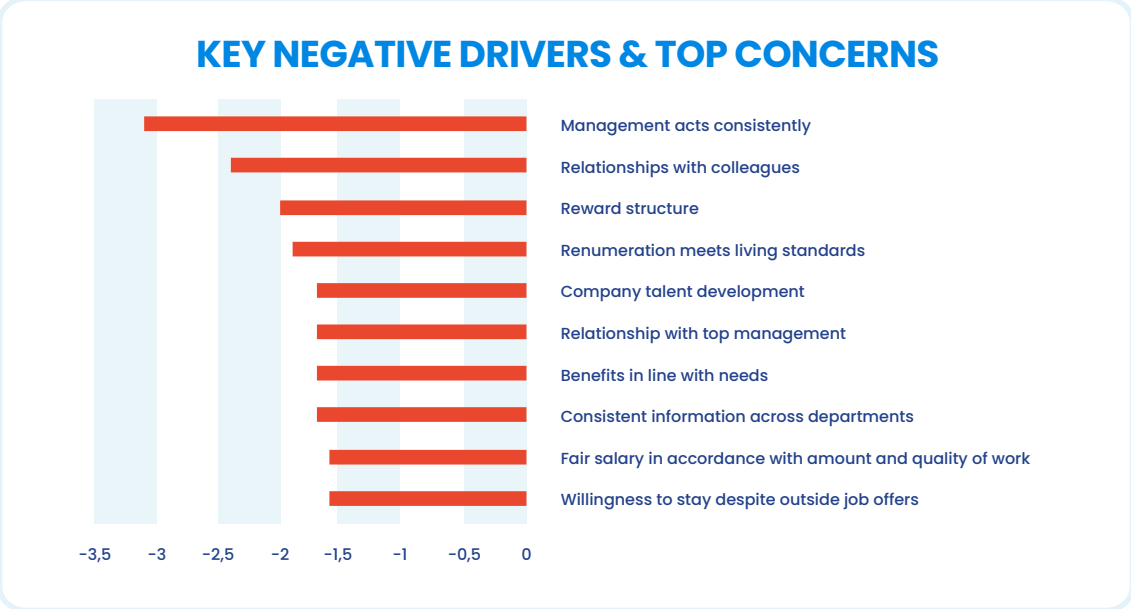


Fig 3.1- Aspects of employee engagement rated more negatively by millennials than baseline (all employees across all generations) per LutherOne engagement survey data from the full calendar year of 2024

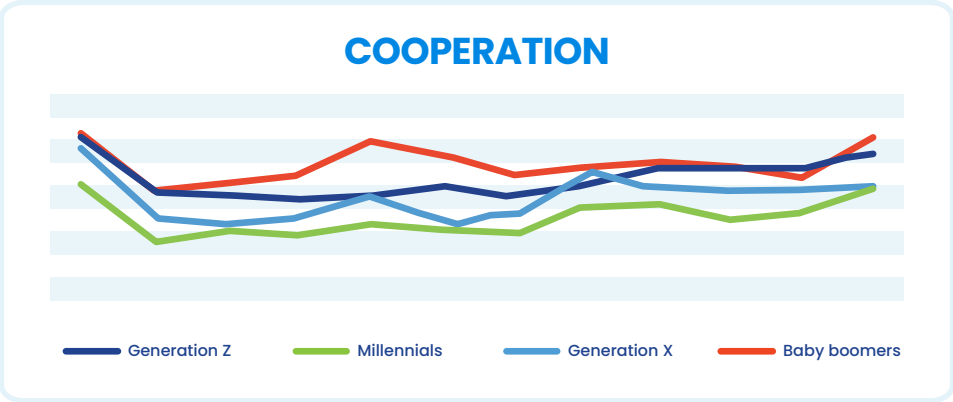


Fig 3.2 Cooperation scores (as rated by employees per LutherOne engagement surveys), segmented by generation for the full calendar year of 2024.

Millennial attrition drivers (connection to top management, relationships with colleagues, fair pay) closely reflect their roles as middle managers and first-time leaders.

TOP FOUR PREDICTORS OF ATTRITION FOR MILLENNIALS:

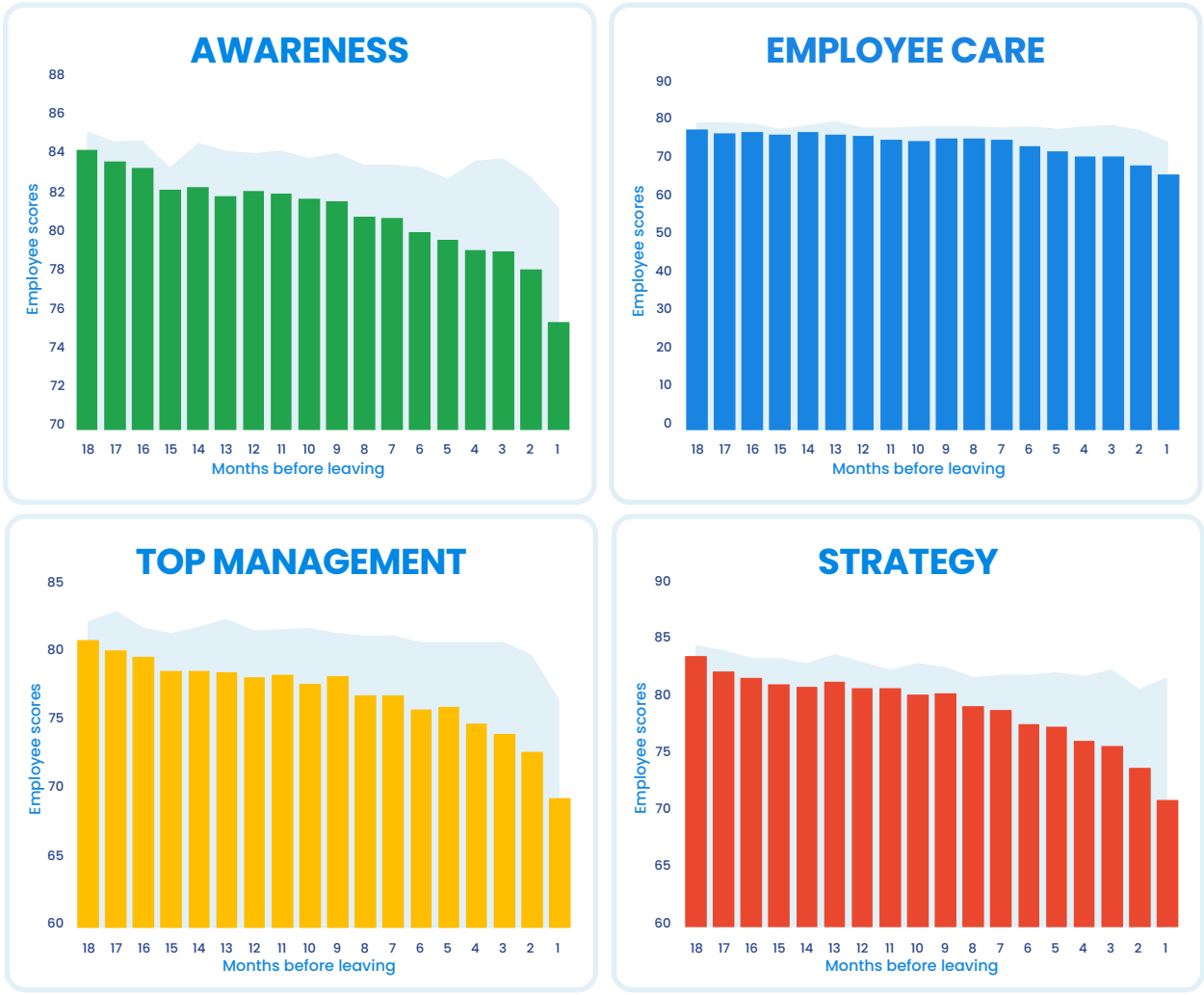


Fig 3.3 Aspects of employee engagement with the most significant downward trends before a millennial employee leaves a company, as determined by employee answers to engagement survey questions in these categories. The light blue behind the bars represents baseline engagement data, an aggregation of all employee scores across all generations.

By analyzing engagement data, we can see a clear pattern of decreasing employee sentiment in four major areas before a millennial employee quits:

1. **Awareness**- Employee scores on if management keeps employees informed and whether they have the information they need to do their job
2. **Employee care**- Ratings by employees on company trust and support
3. **Top management**- Ratings on the vision, decisions and trustworthiness of leadership
4. **Strategy**- Whether employees understand and believe in company strategy, and how they feel their role plays into this strategy

These patterns highlight the unique challenges of middle management for millennials. Often stuck putting out fires without decision-making power, they feel disconnected from top leadership and company strategy. With limited insight into organizational changes and little sense of influence, trust in leadership erodes. At the same time, a lack of support from their own managers leads to burnout and low scores in employee care—ultimately driving disengagement and turnover.

14%: The average drop in "Connection to Top Management" scores among Millennials who quit - the highest amongst all attrition predictors. (From Fig 3.3)

WHAT KEEPS MILLENNIALS: STRATEGIES FOR RETENTION

As the largest generation in today's workforce, millennials play a pivotal role in organizational success. With many now occupying middle management roles, the most effective way to reduce attrition among this group is to strengthen support systems for those caught in the "**middle manager squeeze**."

1. Increase strategic transparency

Middle managers often operate with limited context, tasked with executing decisions they don't fully understand. This lack of visibility contributes to lower scores in both awareness and strategy (Fig 3.3), as **managers struggle to guide their teams without understanding the rationale behind leadership's decisions**. Being told what to do without knowing why erodes ownership and trust.

To counter this, organizations should make strategic transparency a leadership priority, involving middle managers early in planning processes—not just during rollout. Share context behind company goals, financials, and major decisions in regular, meaningful briefings. When managers are aligned with the "why," they lead with greater clarity, communicate more effectively, and feel invested in outcomes. Building opportunities for upward feedback turns one-way communication into productive dialogue.

2. Invest in manager-to-manager support

The role of middle manager is uniquely demanding—they're expected to drive performance, manage change, and support teams, often without the backing they need. Many feel squeezed between the expectations of top leadership and frontline employees, contributing to low employee care scores (Fig 3.3) and burnout. **Their feelings of isolation are reflected in poor cooperation ratings compared to other generations** (Fig 3.2).

To keep middle managers engaged, companies should create structured peer support systems. Manager roundtables, mentorship pairings, and internal forums for sharing challenges can reduce isolation and build resilience. Targeted wellness programs—such as coaching, mental health resources, and leadership retreats—signal that the company recognizes the pressure they're under. A supported manager is a more present, effective, and loyal one.

3. Empower managers with ownership

A common frustration among middle managers is the lack of autonomy. When they're expected to execute—but not influence—decisions, their connection to top management and strategy suffers (Fig 3.3). Without the ability to shape direction, engagement wanes, and alignment becomes difficult to maintain.

Empowerment begins with giving managers a voice and real influence. Senior leadership can accomplish this by:

- Inviting middle managers to co-create goals that align with company OKRs
- Implementing structured channels for upward feedback
- Encouraging involvement in cross-functional projects
- Welcoming millennials into innovation initiatives and strategic brainstormings

WHY GEN X LEAVES: THEY WANT PURPOSE, PARTNERSHIP, AND PROFESSIONALISM

Born between 1966 and 1980, Gen X grew up watching their baby boomer parents give everything to their jobs. That experience shaped their own approach—favoring autonomy, work-life balance, meaningful values, and a workplace grounded in fairness and opportunity.

These expectations show-up clearly in the data. When Gen Xers leave, it's often because those core needs aren't being met—especially around **transparency, values alignment, and their ability to influence their work** environment. This group is particularly critical of working conditions, ethical leadership, and their lack of input in choosing benefits compared to their colleagues (Fig 4.1).

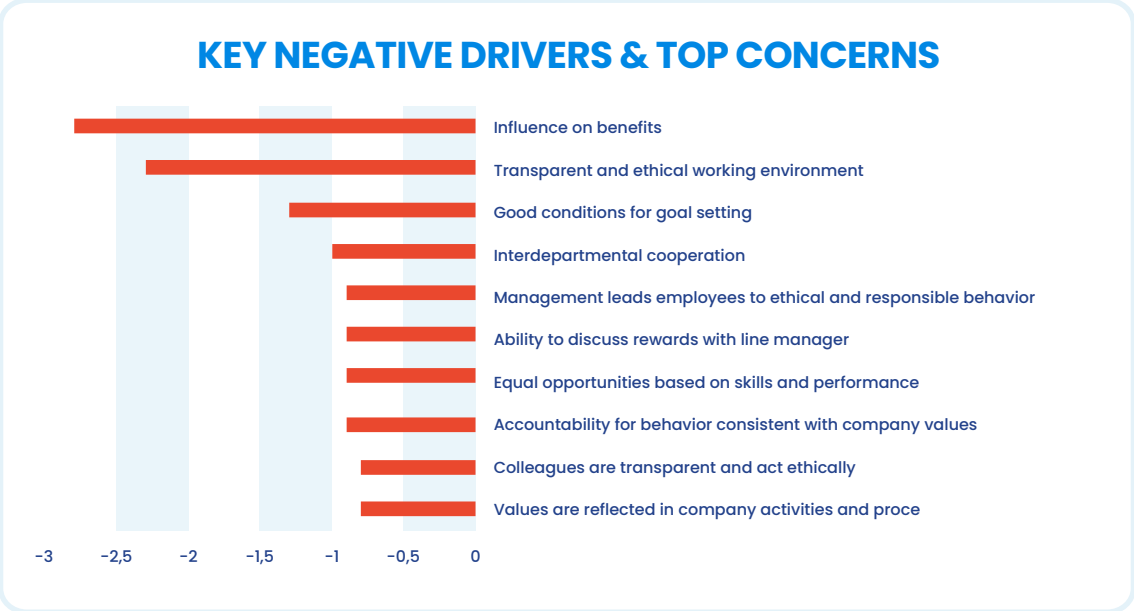


Fig 4.1 Aspects of employee engagement rated more negatively by Gen X than baseline (all employees across all generations) per LutherOne engagement survey data from the full calendar year of 2024.

Interestingly, Gen X is the **least critical of all generations** in regard to this data. Their top concern falls just under 3 points from baseline—compared to Gen Z, whose leading negative driver exceeds 10 deviations (Fig 2.2).

TOP FOUR PREDICTORS OF ATTRITION FOR GEN X:



Fig 3.3 Aspects of employee engagement with the most significant downward trends before a millennial employee leaves a company, as determined by employee answers to engagement survey questions in these categories. The light blue behind the bars represents baseline engagement data, an aggregation of all employee scores across all generations.

By analyzing engagement data, we can see a clear pattern of decreasing employee sentiment in four major areas before a Gen X employee quits:

1. **Team efficiency**- Employee scores on if they believe their team has clear goals, roles, and responsibilities
2. **Motivation**- Whether an employee feels their work is meaningful and enjoyable
3. **Employee care**- Ratings by employees on company trust and support

4. **Diversity**- Scores on whether employees believe there are equal opportunities available for everyone

For Gen X, diversity also includes age—ensuring older workers have the same opportunities as their younger peers. In today's AI-driven workplace, many Gen X employees feel displaced by both emerging technologies and the younger generations who navigate them with ease. If Gen X feel they aren't treated fairly, they have no problem leaving for an organization that will.

WHAT KEEPS GEN X: STRATEGIES FOR RETENTION

TIP

Gen X are the least critical of all generations, inspired by their baby boomer parents. Having anonymous surveys where they can share their true feelings is key to understanding their needs.

Gen X is nearing retirement and holds more institutional knowledge than any other generation. Retaining them is key to preserving that expertise—and requires intentional strategies to keep them engaged.

1. Reinforce purpose through role clarity

Gen X places a high value on **structured work environments** where roles are clearly defined and outcomes are meaningful. To strengthen team efficiency, regularly revisit job descriptions, team goals, and interdependencies. Make sure responsibilities are clearly communicated and aligned across functions. Avoid ambiguity in expectations—clarity builds confidence and reduces the friction that often leads to disengagement.

Beyond structure, Gen X wants to feel their work matters. Organizations can help them feel valued by:

- Connecting their goals with company values and purpose
- Praising and rewarding individuals who have made impact
- Recognizing long-term growth in addition to short-term output

2. Prioritize ethical and transparent leadership

Gen X rates **transparent behaviors more negatively** than other groups (Fig 4.1) making trust a top priority for this generation- and it starts at the top. Encourage leaders and managers to model **values-based behavior** by being transparent in their decision-making and consistent in how they treat employees. Use all-hands meetings, manager check-ins, and internal updates to openly discuss company direction, challenges, and wins—especially in times of change.

Establish clear, two-way feedback channels where employees can voice concerns, offer suggestions, and feel heard, then act on that feedback. Gen X is more likely to stay when they feel they have equal opportunities to express ideas and insights (Fig 4.1).

3. Encourage continuous development

For Gen X, career growth still matters—but they often feel overlooked in favor of younger talent. Audit your development programs, stretch assignments, and promotion pipelines to ensure opportunities are truly equal and accessible across all age groups.

Make career conversations a regular part of check-ins, and avoid assumptions that mid-career employees are less interested in advancement.

Offer learning and development tracks that reflect both the current skills and future ambitions of Gen X talent. Highlight examples of employees who've advanced or reinvented their roles later in their careers to normalize growth beyond early tenure. When development is inclusive, Gen X sees a future with the organization—and chooses to stay.

WHY BOOMERS LEAVE: CONNECTION, COMPLIANCE, AND COOPERATION

Baby boomers, the oldest workforce generation, are loyal—but will retire or move on if their needs aren't met. Many delay retirement through part-time or consulting roles, so organizations must actively engage them to keep their expertise from going elsewhere.

Characterized by their discipline to their work, it's no surprise that boomers are most critical when it comes to organizations following rules and regulations. Given their age, it's also understandable why work safety is of high importance as well as discrimination, as seen in Fig 5.1.

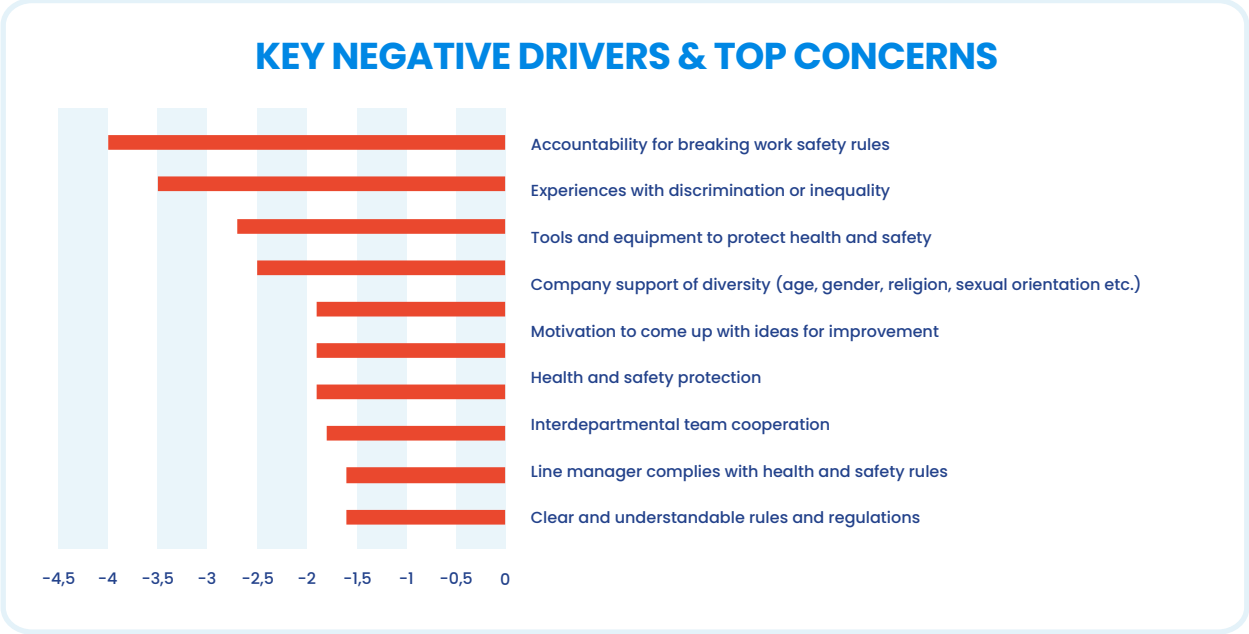


Fig 5.1 Aspects of employee engagement rated more negatively by boomers than baseline (all employees across all generations) per LutherOne engagement survey data from the full calendar year of 2024.

Many boomers feel left behind at work, often due to perceived age discrimination, resulting in **lower ratings for cross-functional cooperation and motivation to produce improvement ideas** (Fig 5.1).

Note that because the majority of the baby boomer generation are already retired (a factor in attrition rates) or close to retiring, concrete correlations between job factors and attrition could not be drawn.

WHAT KEEPS BABY BOOMERS: STRATEGIES FOR RETENTION

Despite the absence of attrition prediction data, the key negative drivers of baby boomers present many strategies for retention.

1. Reinforce Structure Through Clear Policies and Standards

Baby boomers often thrive in environments where expectations are well-defined and consistently upheld — and are put off where rules go unfollowed (Fig 5.1). Their strong commitment to policies and organizational standards stems from decades of working within **structured, process-oriented systems**. To support this mindset, organizations should ensure that policies (especially around performance, conduct, and accountability) are clearly communicated, fairly applied, and regularly reinforced.

Equally important is recognizing and rewarding adherence to those standards. Boomers value being seen as dependable, consistent contributors. Reinforcing their role as role models for work ethic, compliance, and process excellence can elevate their sense of purpose and position them as culture carriers within the organization. Structured environments where accountability and fairness are visible foster loyalty—and give boomers confidence that their contributions are respected and aligned with company values.

2. Promote inclusive people development

Despite their experience, many boomers report feeling sidelined or underestimated, often due to **unconscious age-related bias**. To counter this, companies should invest in inclusive development strategies that affirm boomers' continued value. Encourage participation in skill-building programs, leadership training, and strategic projects that allow them to stretch and contribute at a high level.

One impactful approach is reverse mentoring, which pairs boomers with younger employees to create a two-way exchange of knowledge. Boomers can share institutional expertise and leadership insight, while gaining exposure to digital tools and evolving cultural trends. This mutual learning not only combats age stereotypes but also helps boomers stay connected, engaged, and confident in their relevance within the organization.

Traditional mentoring:

- Senior employee mentors junior staff
- Focus on career growth and experience sharing
- Hierarchical and guidance-driven
- Builds leadership pipeline

Reverse mentoring:

- Junior employee mentors senior staff
- Focus on new trends, tech, and insight
- Collaborative and perspective-driven
- Builds cultural awareness and adaptability

3. Invest in wellness with flexibility

Retaining Baby boomers also means supporting their evolving health and lifestyle needs. Wellness programs tailored to their stage of life—like preventive care, stress management, ergonomic support, and fitness initiatives—can help address common physical and mental health concerns. Providing personalized health resources shows respect for their well-being and reinforces that the organization values them as whole people.

Equally important is flexibility. Whether through hybrid schedules, reduced hours, or part-time transition roles, **flexible work arrangements allow boomers to continue contributing without compromising their health or personal priorities**. Aligning with their high expectations for health and safety (Fig 5.1), these options show that the company understands—and supports—their need for balance, purpose, and longevity in the workplace.

GENERATIONAL ATTRITION PREDICTORS AT A GLANCE:



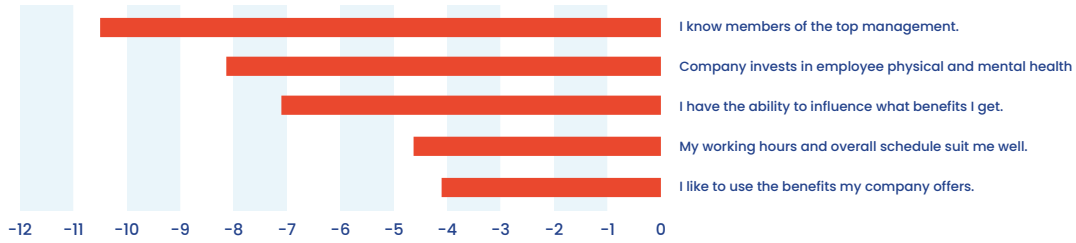




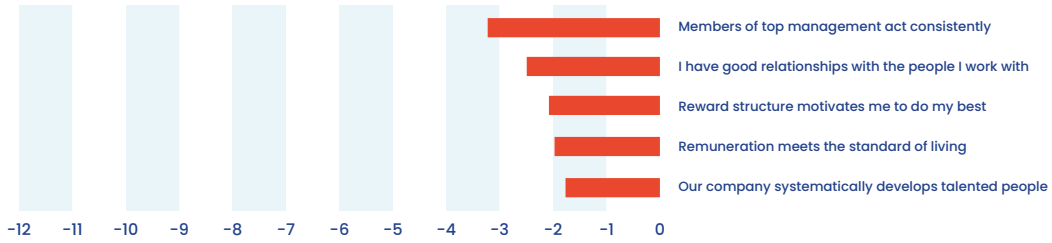
Fig 6. A summary of the top four generational attrition predictors, as seen in prior chapters of this whitepaper. Note that images are for illustrative purposes only.

* TOP CONCERNS- COMPARED:

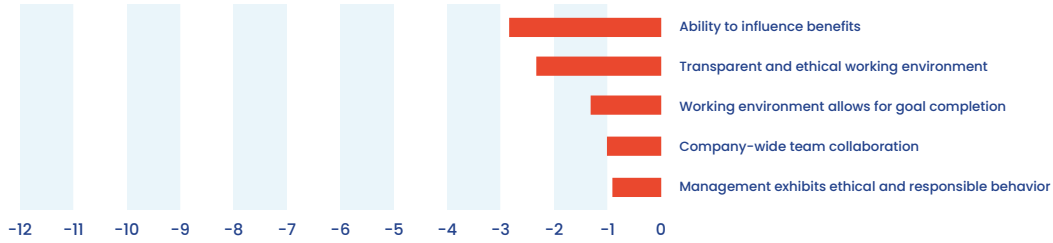
GEN Z



MILLENNIALS



GEN X



BOOMERS

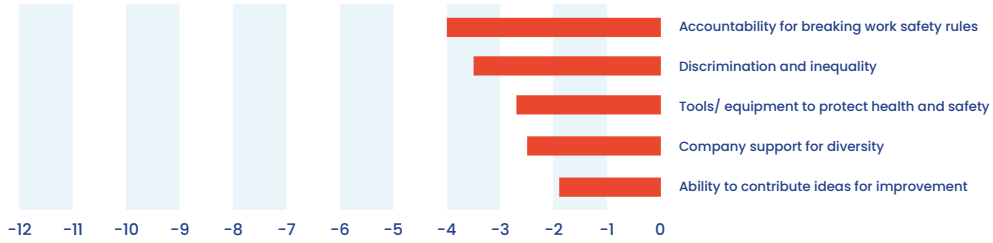


Fig 7 The data (collected from the full calendar year of 2024) shows that while Gen Z reports fewer negative perceptions overall, their concerns are more intense—especially around work-life balance, which makes up three of their top five concerns (benefits, working hours, mental & physical health investments).

THE KEY TO ATTRITION PREVENTION: LEADING BY LISTENING

Retaining a multi-generational workforce means recognizing that each generation has unique needs and expectations. The key to keeping employees engaged—and reducing attrition—is simple: listen actively, act intentionally.

While global patterns exist, every organization is unique. That's why it's essential to continuously collect and analyze your own workforce data—to ensure employees of every generation are supported in the ways that work best for them. And while trends emerge throughout every generation, it's important to remember every individual is unique- and has their own needs. Additionally, the needs of every generation can change over time, making it more important than ever to make surveying a continual process.

LutherOne's continuous engagement surveys deliver real-time insights into what matters most to each generation. Instead of relying on assumptions, leaders gain clear, action plans powered by expert recommendations written by expert people scientists, to respond effectively and meaningfully.

Beyond just listening, LutherOne's feedback tools facilitate 360 degree feedback, fostering open communication that helps address issues early and strengthen trust. This ongoing dialogue ensures that the voices of baby Boomers, Gen X, Millennials, Gen Z, and future generations are heard and valued.

By leading through listening and responding with purpose, organizations can build a workplace where every generation feels heard, supported, and motivated to stay—creating stronger cultures and long-term loyalty.

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