

European Labour Market Trends

August 2024

Indeed Hiring Lab

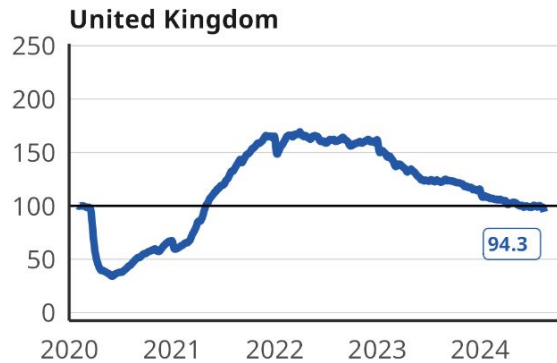
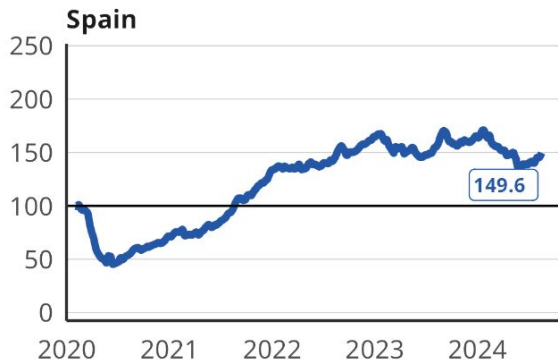
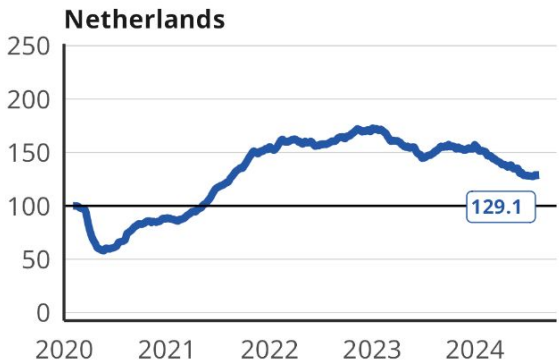
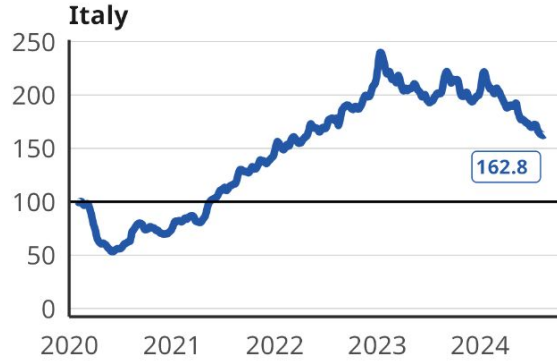
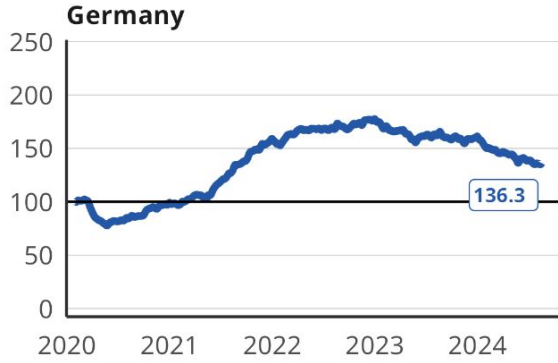
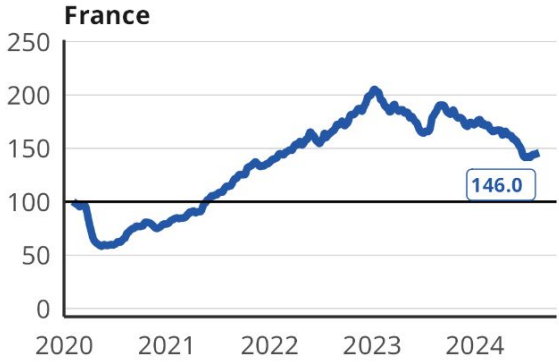


Europe - labour market overview

- European labour markets continue to loosen, especially the larger European economies. But job postings still remain higher than pre-pandemic norms in most areas.
- Job postings are declining across sectors: The share of occupational sectors in which postings are still higher than before the pandemic has decreased significantly, mostly in Northern Europe.
- High-remote, high-wage sectors have seen the largest decreases in postings.
- While surveys suggest firms are lowering their employment expectations, redundancies remain lower than in 2019.
- Remote work has become widespread but reached a plateau in most countries.
- While wage growth varies strongly across Europe, it is generally down from post-pandemic highs in most nations.

Job postings are falling in most large European economies

Indeed Job Postings Index (100 = 01 Feb 2020), seasonally adjusted, to 16 Aug 2024

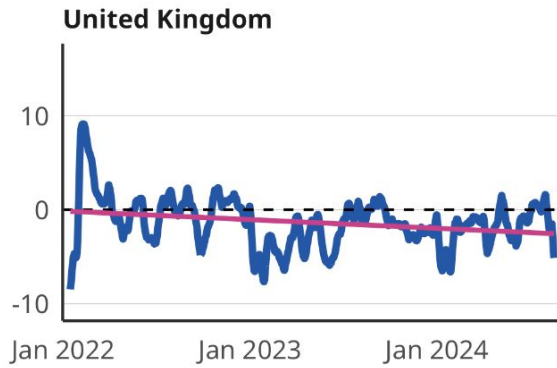
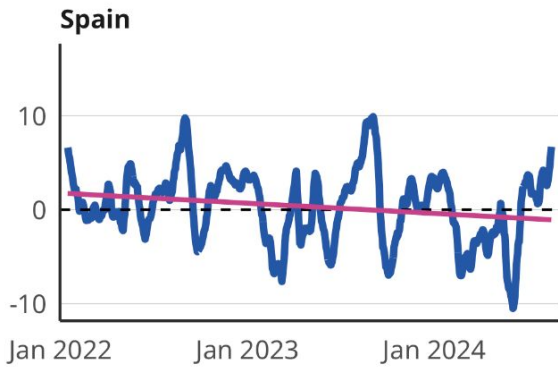
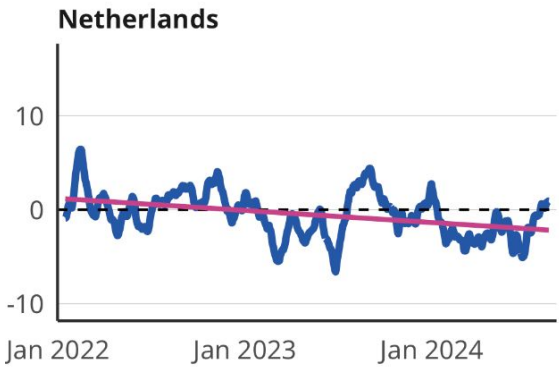
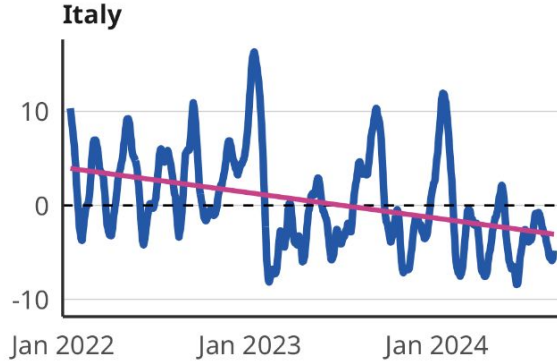
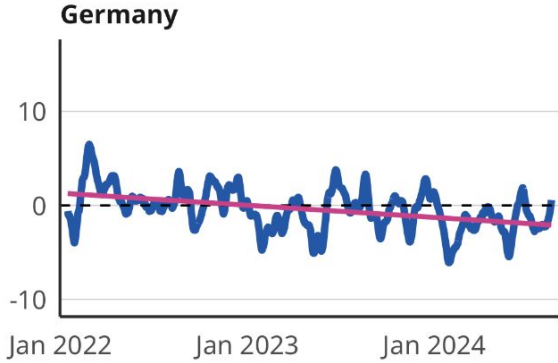
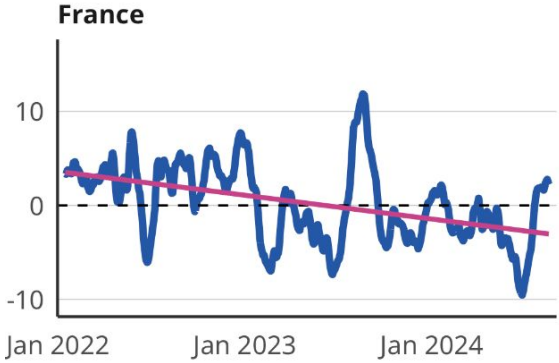


Source: Indeed



Job postings are decreasing across Europe

Month-on-month growth rates in the Indeed Job Postings Index, seasonally adjusted, 15 Jan 2022 - 16 Aug 2024

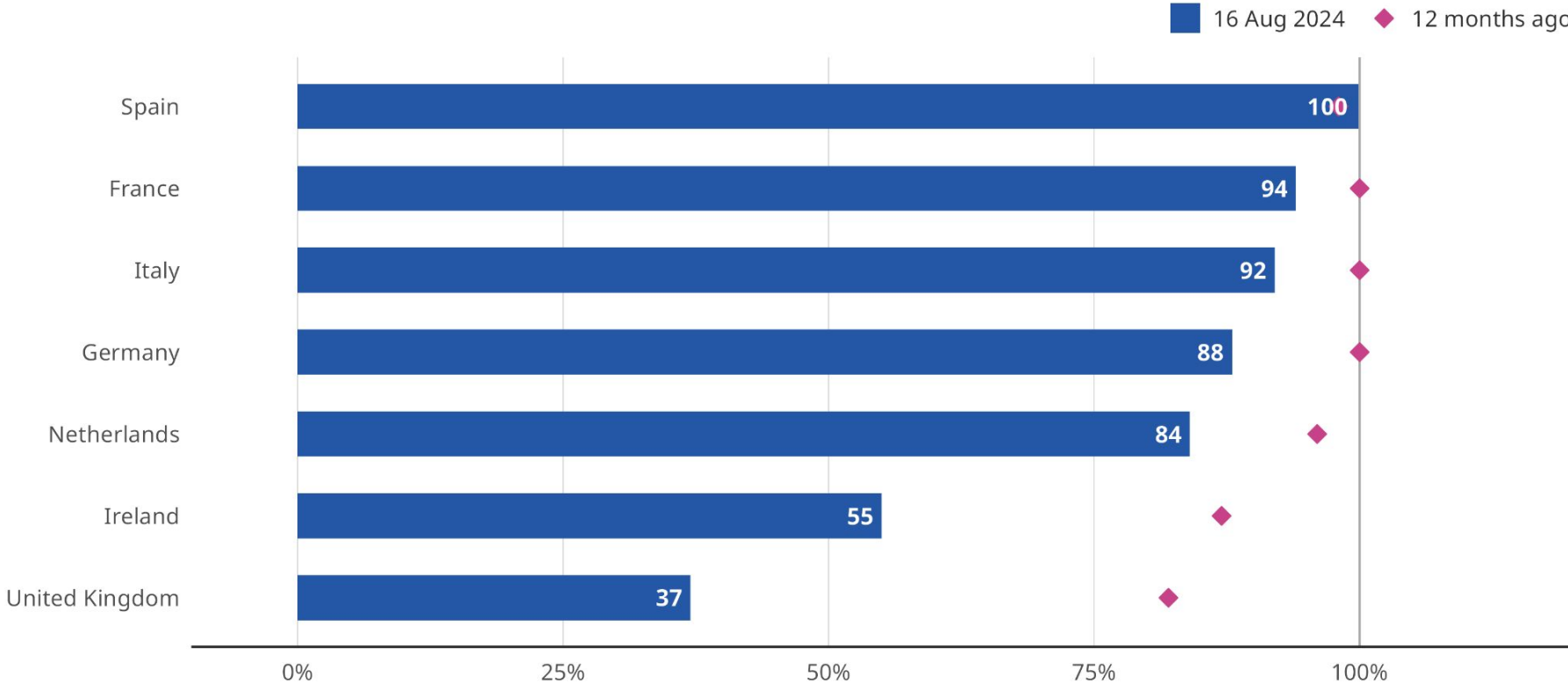


Source: Indeed



Job postings are elevated in majority of sectors in continental Europe

Share of occupational categories with postings above the pre-pandemic baseline (01 Feb 2020)

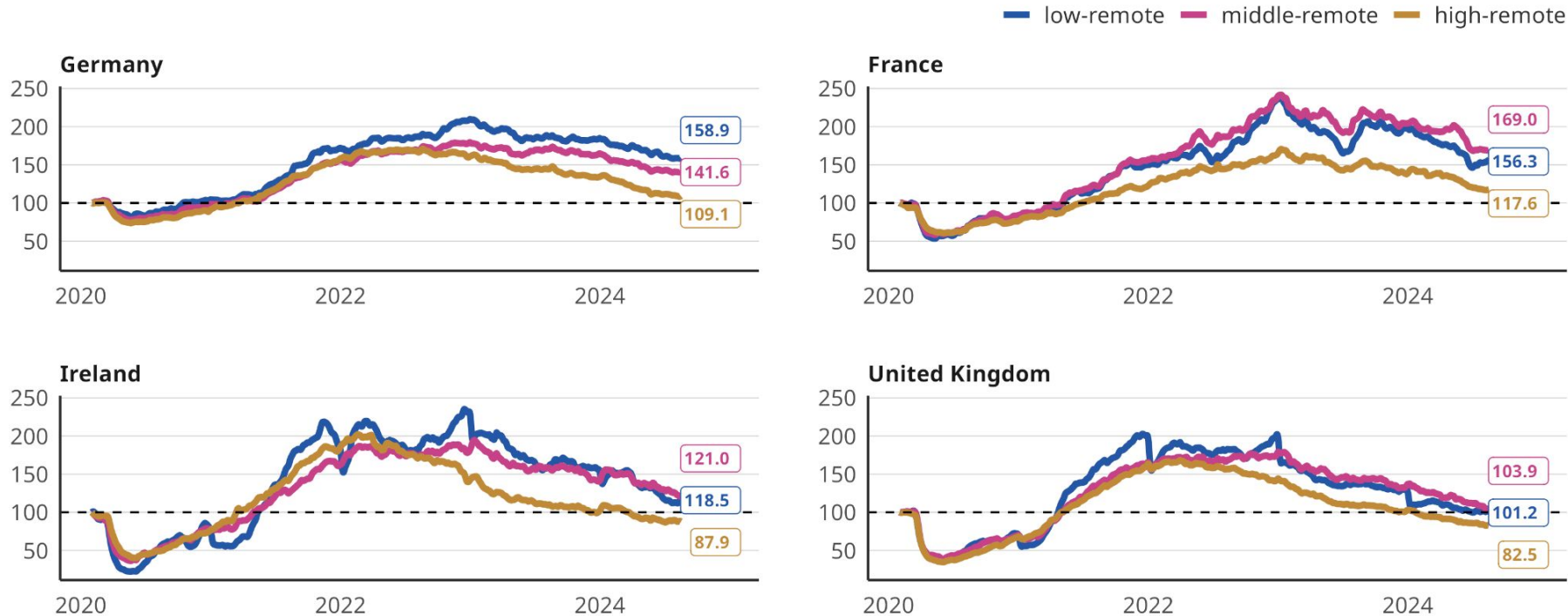


Source: Indeed



High-remote postings have experienced the most pronounced drop across countries

Index 100 = Feb 2020, seasonally adjusted, to 16 Aug 2024



Source: Indeed

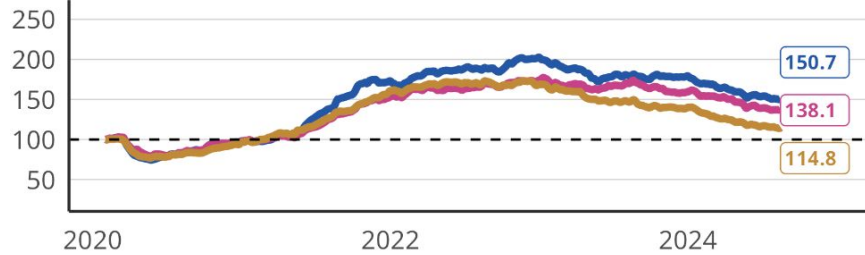


Postings in high-wage sectors have declined the most

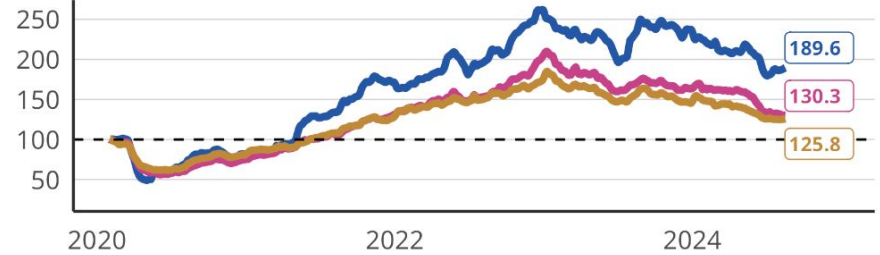
Index 100 = Feb 2020, seasonally adjusted, to 16 Aug 2024

— low-wage — middle-wage — high-wage

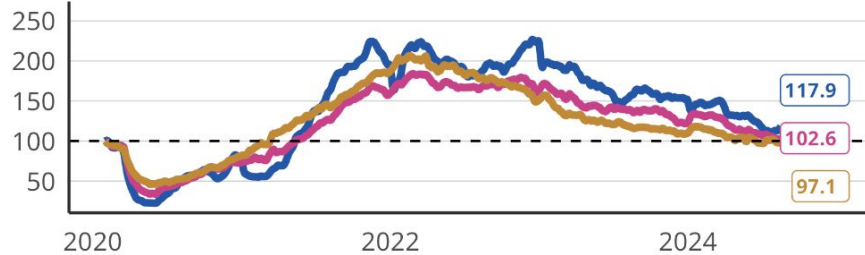
Germany



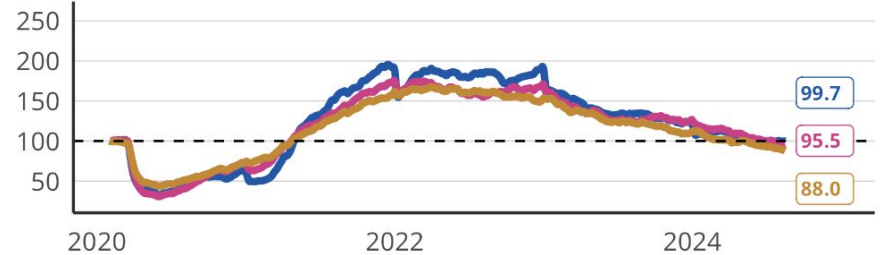
France



Ireland



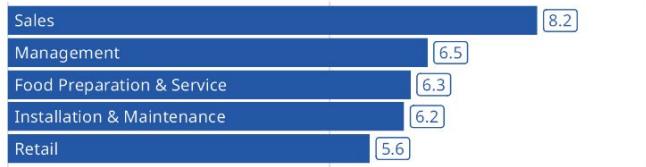
United Kingdom



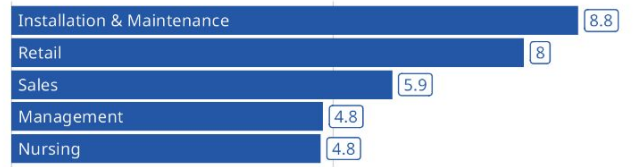
Sales, food preparation & service, and management jobs dominate postings

% of total postings by occupational sector, 16 Aug 2024

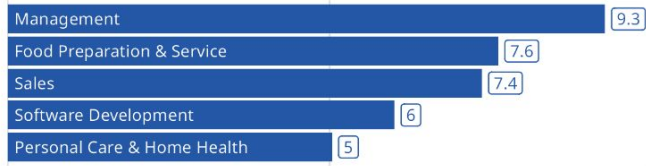
France



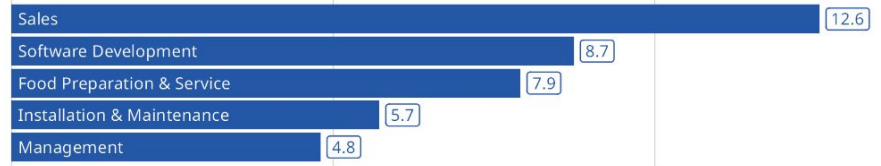
Germany



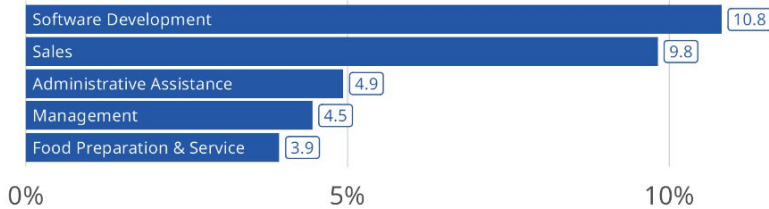
Ireland



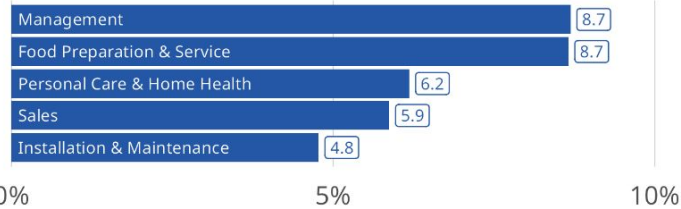
Italy



Spain



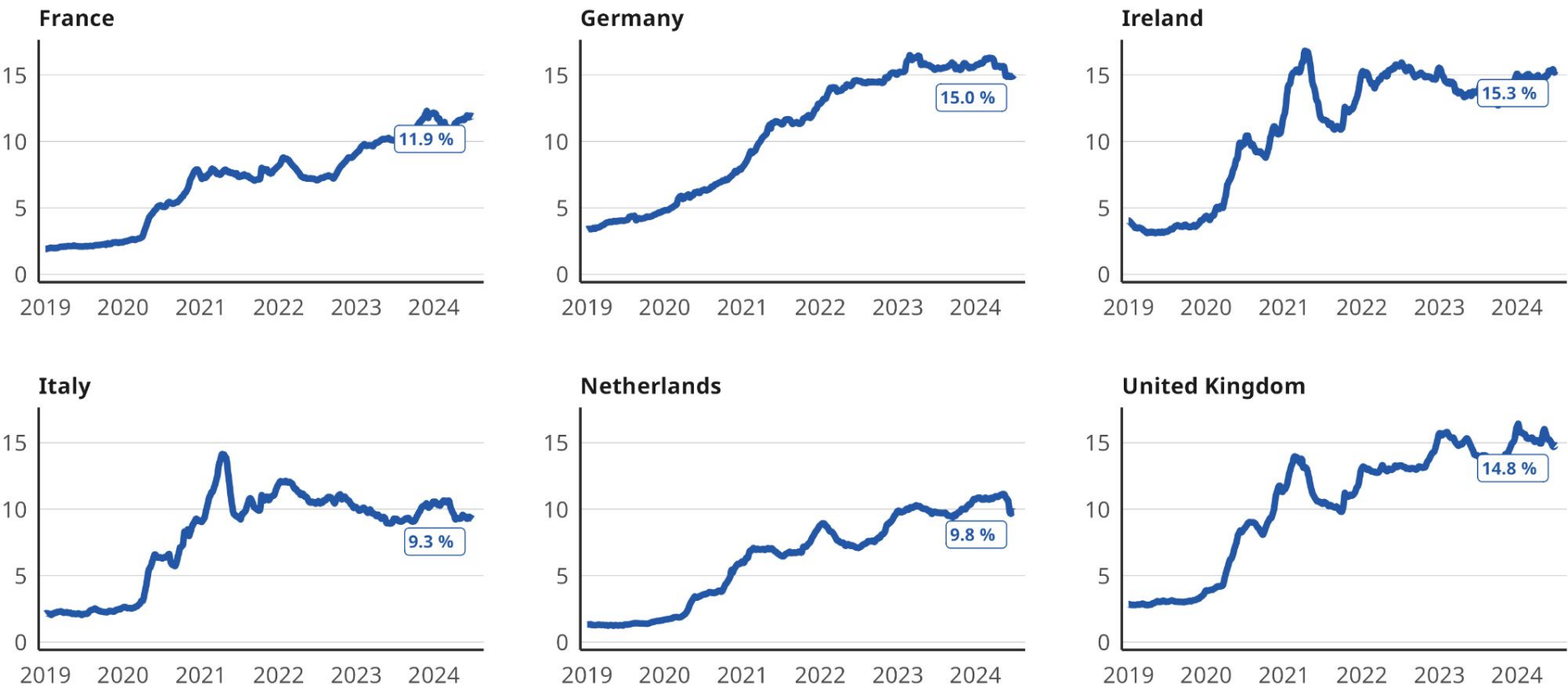
United Kingdom



Source: Indeed, 7-day moving average of job postings, seasonally adjusted.

Remote work is stabilising at a high level

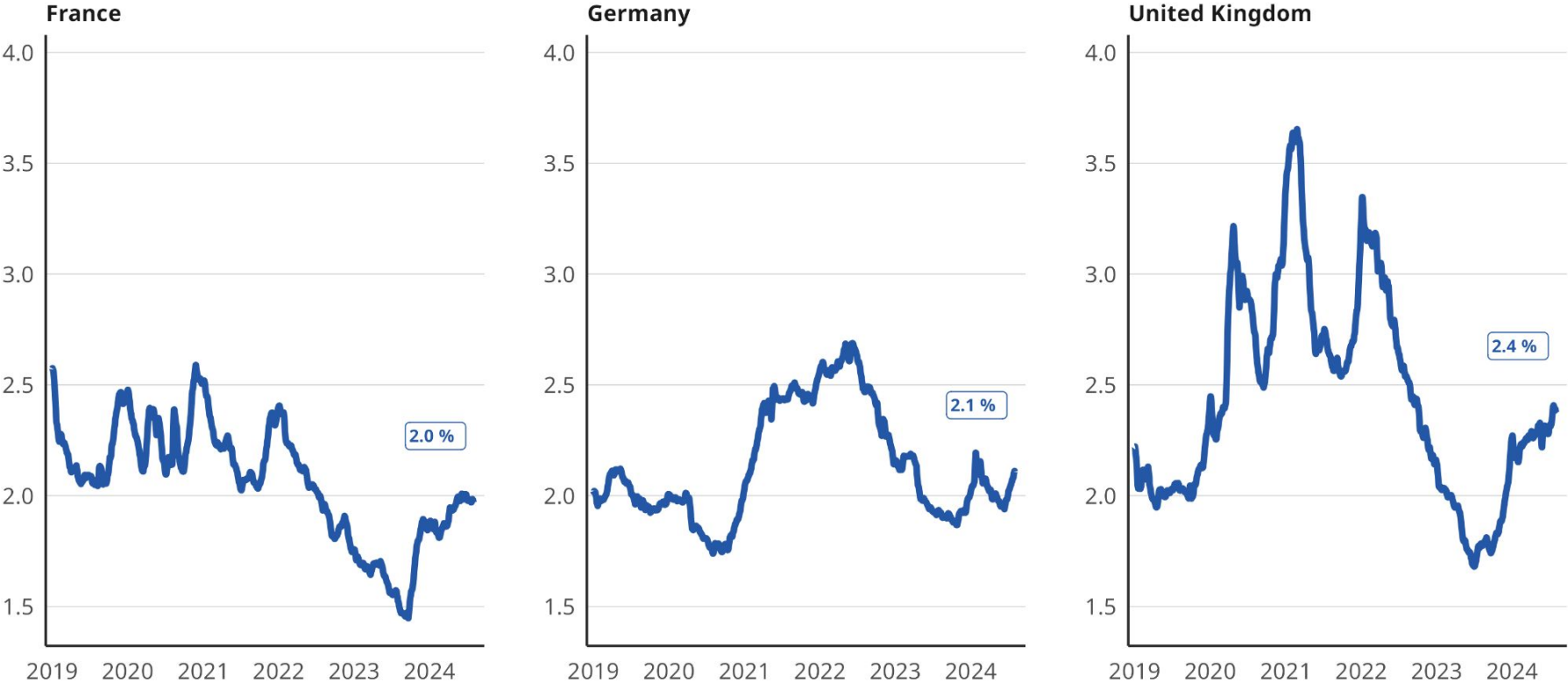
Share (%) of job postings mentioning remote/hybrid terms, to 16 Aug 2024



Source: Indeed. Cross-country level differences are partly due to differences in sector composition.

AI jobs now represent a consistent portion of the labour market

Percentage (%) of job postings containing AI terms, 7-day moving average, to 16 Aug 2024

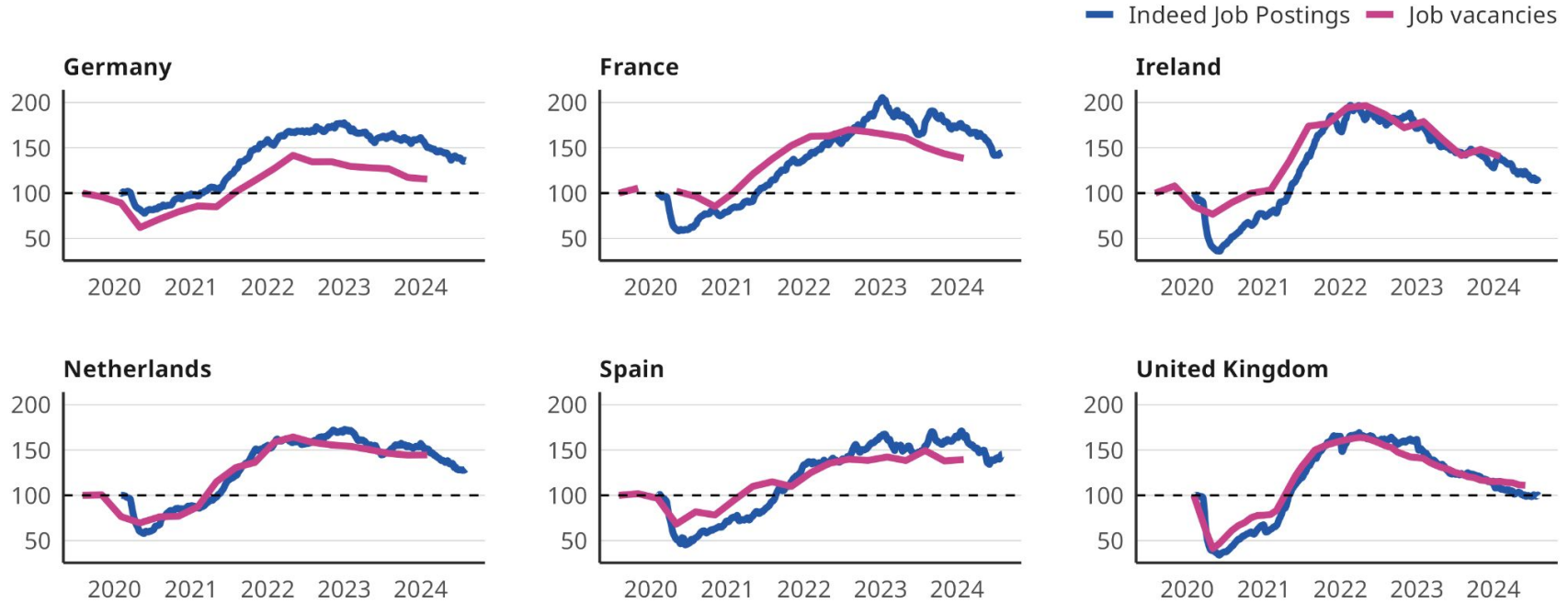


Source: Indeed. Cross-country level differences are partly due to differences in sector composition.



Indeed job postings and official job vacancy data track each other well

Seasonally adjusted index, to 16 Aug 2024

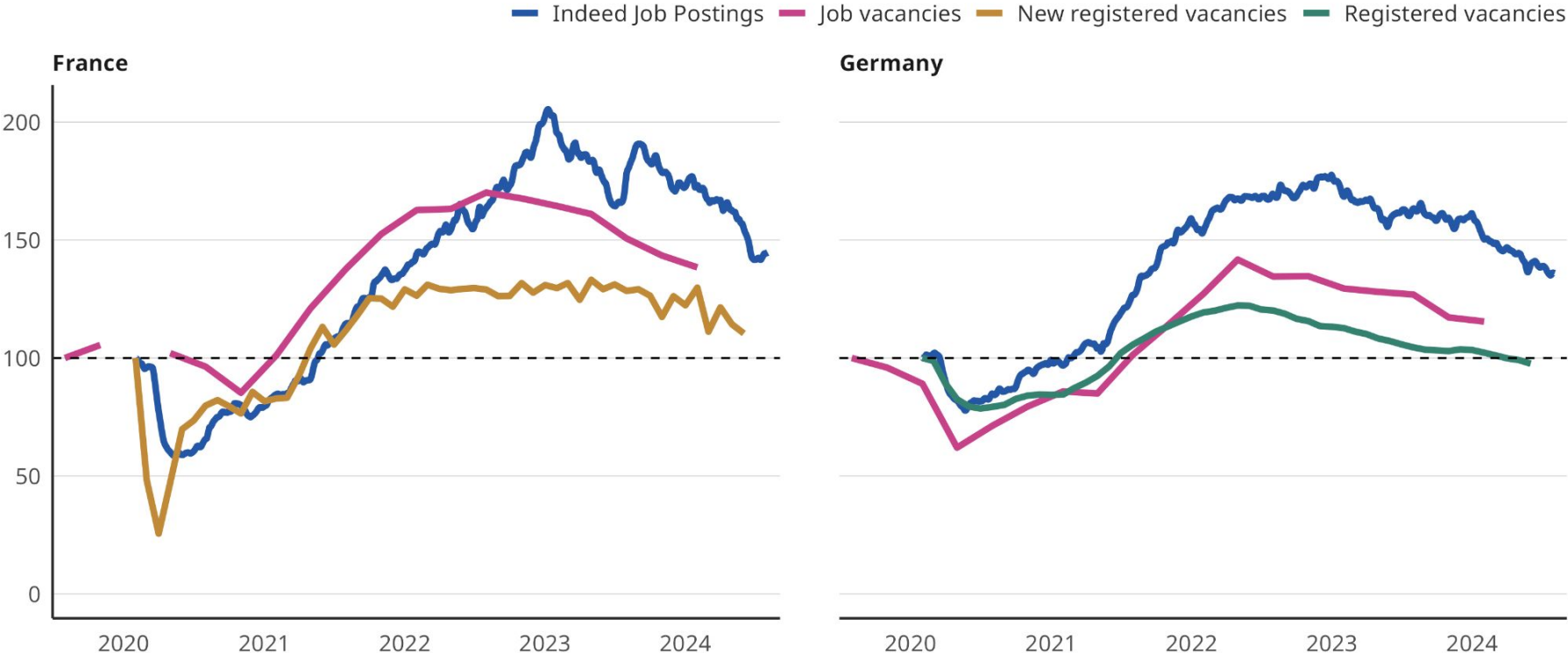


Source: Indeed, Eurostat (Germany, France, Spain, Ireland, Netherlands; quarterly data, to Q1 2024), ONS (United Kingdom; monthly data, to June 2024). Index 100 = Feb 2020 for Indeed and ONS data. Index = Q4 2019 for Eurostat data. Missing value in French data for Q1 2020. Eurostat data is survey-based and refers to NACE-Rev. 2 sectors B-S.



Alternative measures of job vacancies show similar declining trends

Indeed job postings and official vacancy data, seasonally adjusted, to 16 Aug 2024

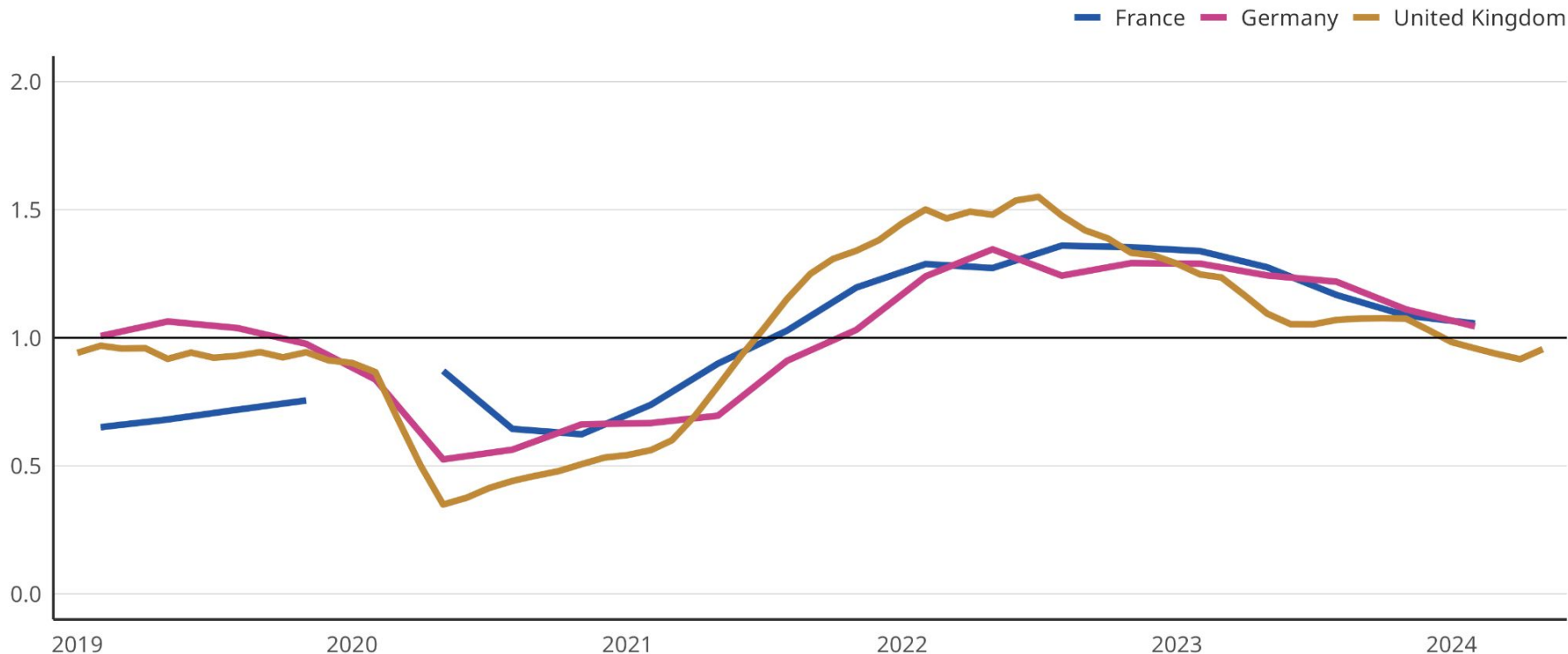


Sources: Indeed, Eurostat (Job vacancies, quarterly data, to Q1 2024), OECD (Registered vacancies, monthly data, to Jun 2024). Index 100 = Feb. 2020 for Indeed and OECD data. Index = 2019Q4 for Eurostat data.



Labour markets are gradually loosening in major European economies

Vacancies per unemployment, normalised to their long-term mean, seasonally adjusted data, to Q1 2024

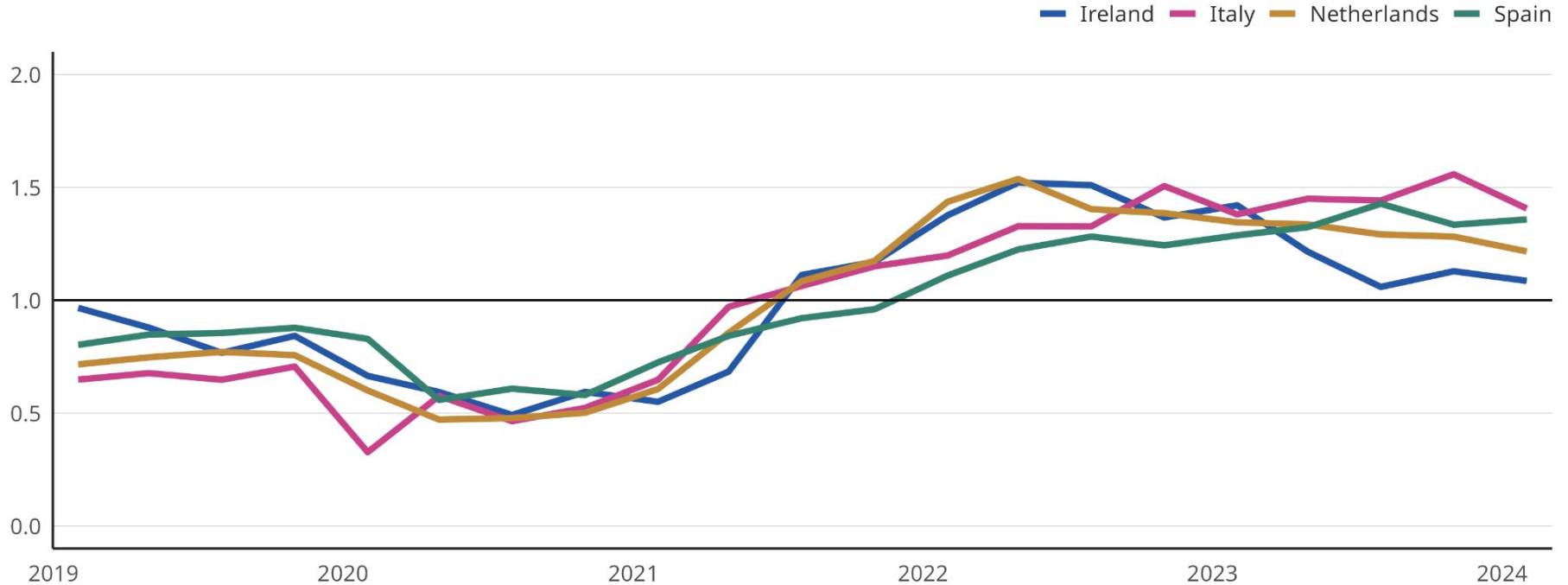


Sources: Eurostat, ONS. Tightness is normalised to its mean over the observed period. Unemployment among ages 15-74 (UK: 16-64). Vacancies from Eurostat refer to NACE-Rev.2 sectors B-S. Missing value in French vacancy data for Q1 2020.



Labour market tightness is stabilising in Spain and Italy, easing in Ireland and the Netherlands

Vacancies per unemployment, normalised to their long-term mean, seasonally adjusted data, to Q1 2024

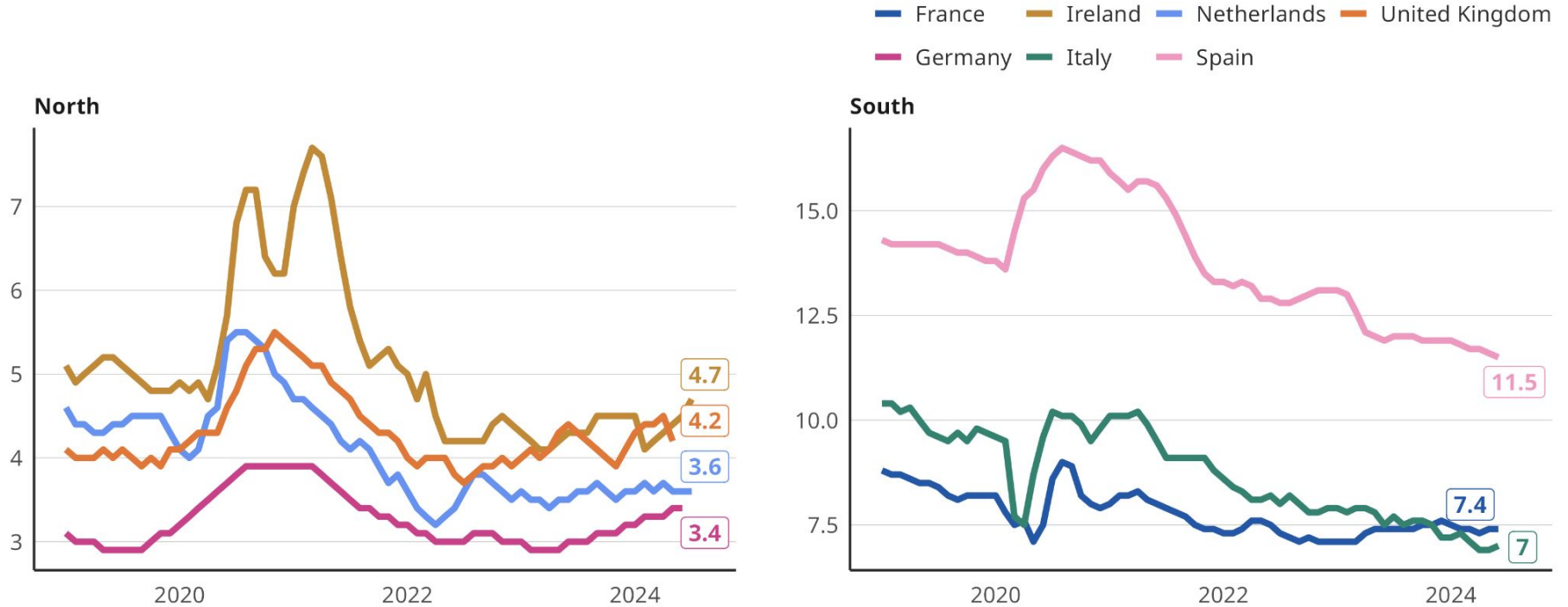


Sources: Eurostat. Tightness is normalised to its mean over the observed period. Unemployment among ages 15-74 (Spain: 16-74). Vacancies refer to NACE-Rev.2 sectors B-S. For Italy, the number of vacancies is approximated by the vacancy rate referring to sectors B-S except O.



Unemployment rates drifting slightly upwards in the North, levelling off at higher level in Southern Europe

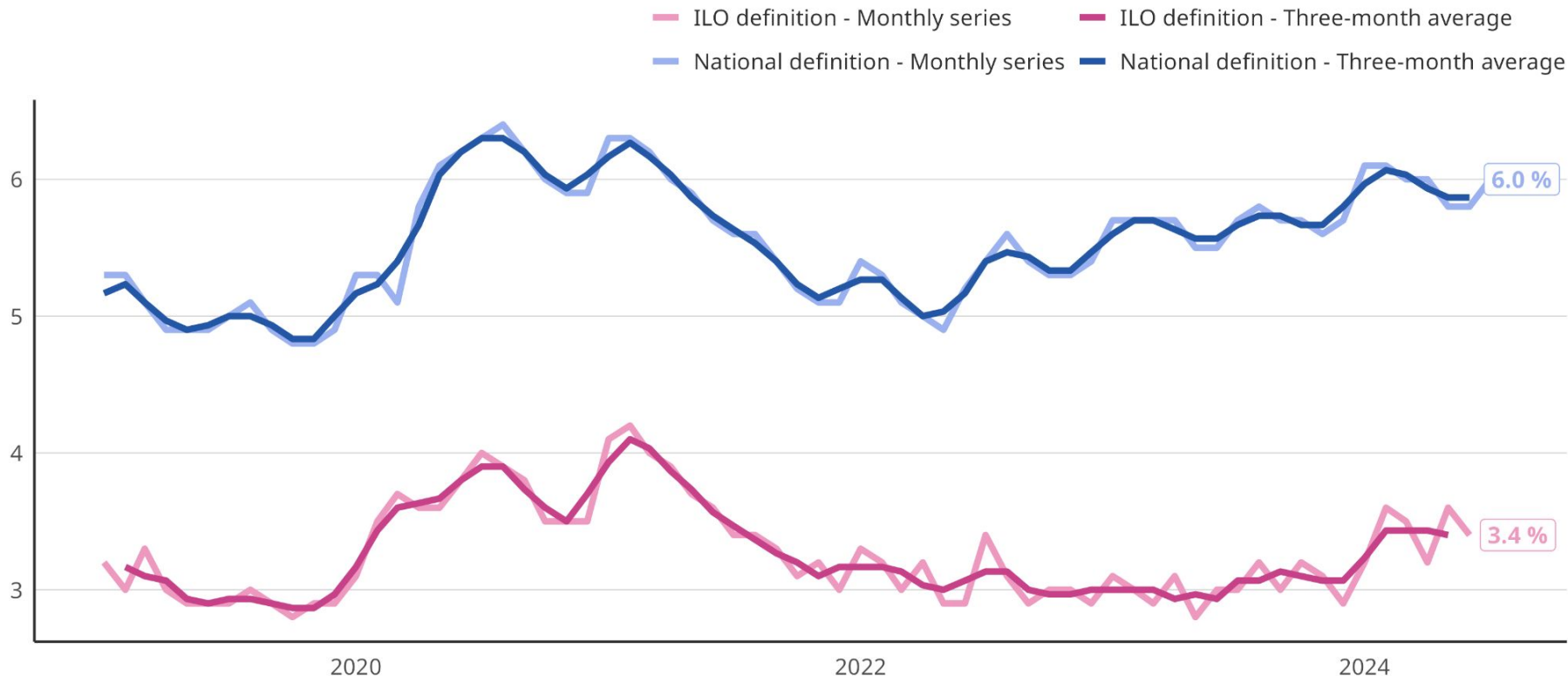
Unemployment, in % of the labour force, Europe, Jan 2019 - Jul 2024



Sources: Eurostat, ONS. Seasonally adjusted unemployment rate among ages 15-74. ONS data refers to ages 16-64, latest data: May 2024.

German unemployment is gradually rising

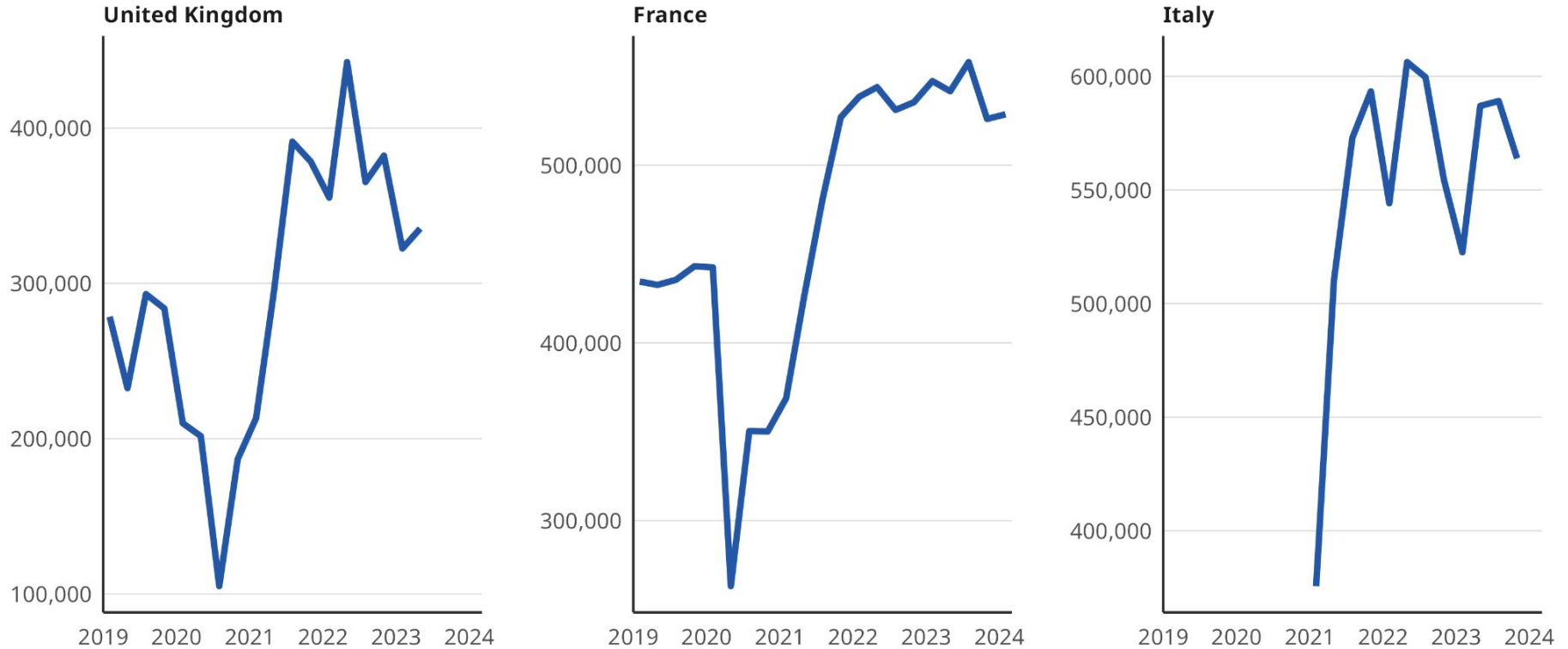
Unemployment, in % of the civilian labour force, Europe, Jan 2019 - Jul 2024



Sources: Eurostat (ages 15-74, to July 2024), Destatis (ages 15-65, to Jul 2024).

Resignations remain elevated compared to 2019 but are down from their peaks

Number of quits by country



Sources: ONS (United Kingdom, LFS data, to 2023-Q2), DARES (France, administrative data, including authorized early terminations of fixed-term contracts, to 2024-Q1), Ministry of Labour and Social Policies (Italy, administrative data available 2021-2023, to 2023-Q4).

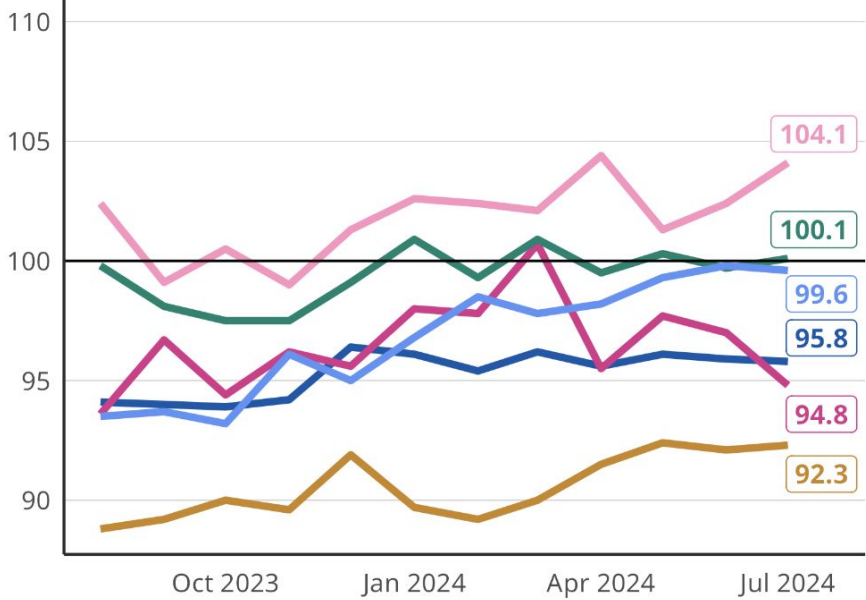


Employment expectations are dropping as economic sentiment stabilises

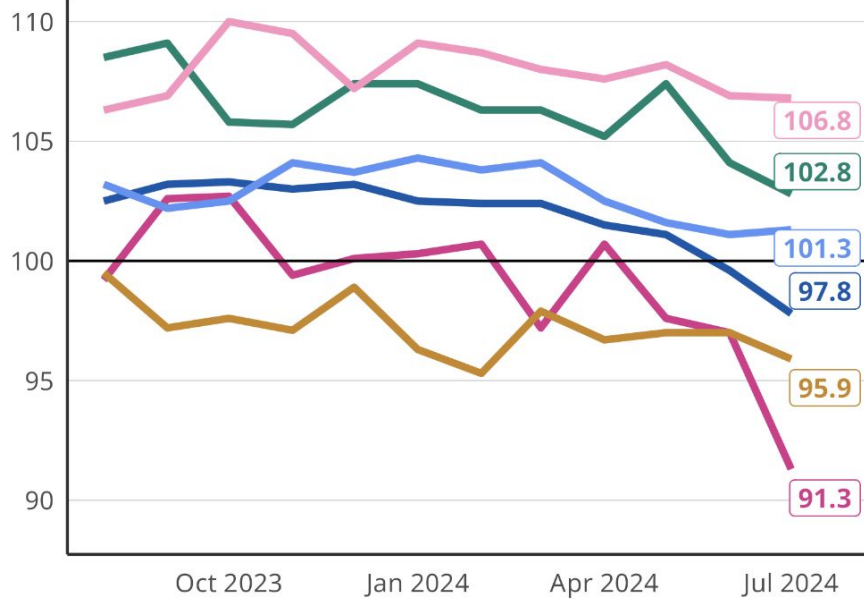
Index (long-term average = 100), monthly data, to Jul 2024

- Euro Area
- Germany
- Netherlands
- France
- Italy
- Spain

Economic sentiment



Employment expectations



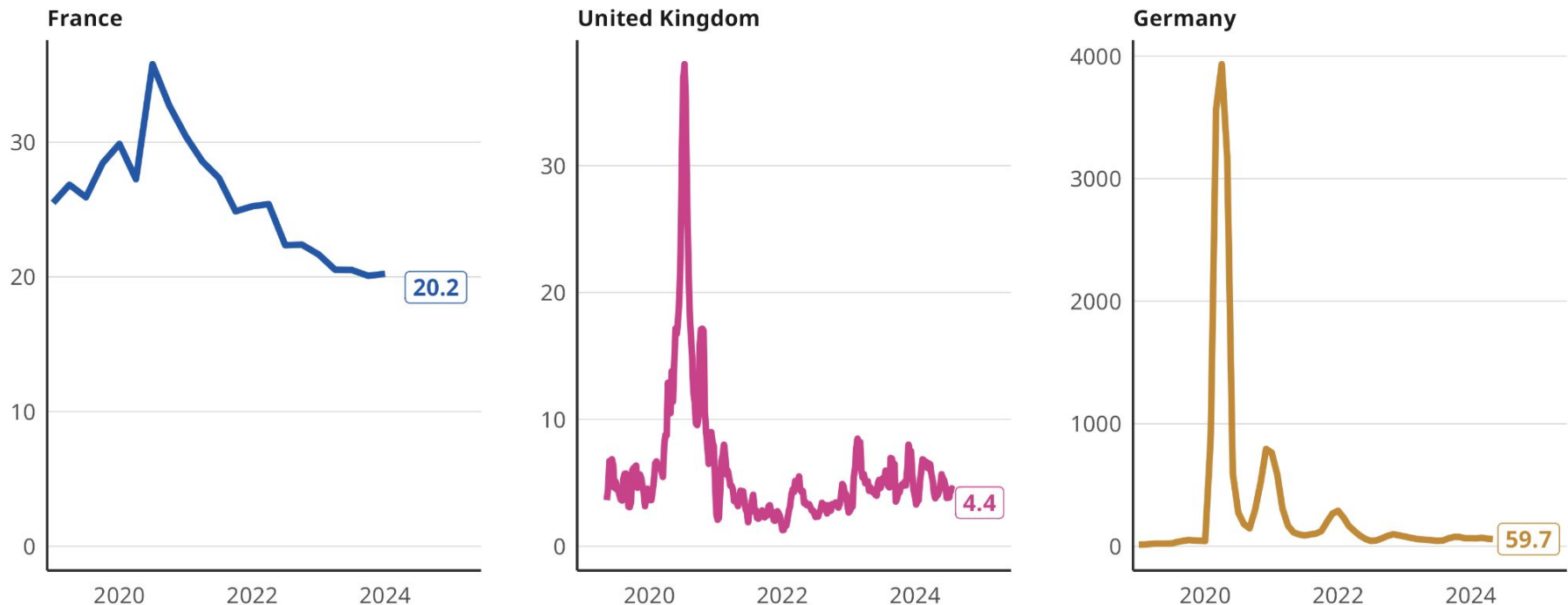
Source: Business and Consumer Survey, European Commission. Seasonal adjustment and calculation of long-term average by the publisher.



Workforce adjustments remain at low level, slowly rise in the UK

Measures of redundancy, in 1000s

— Layoffs ('licenciements économiques') — Notified potential redundancies — Number of short-time workers (notifications)

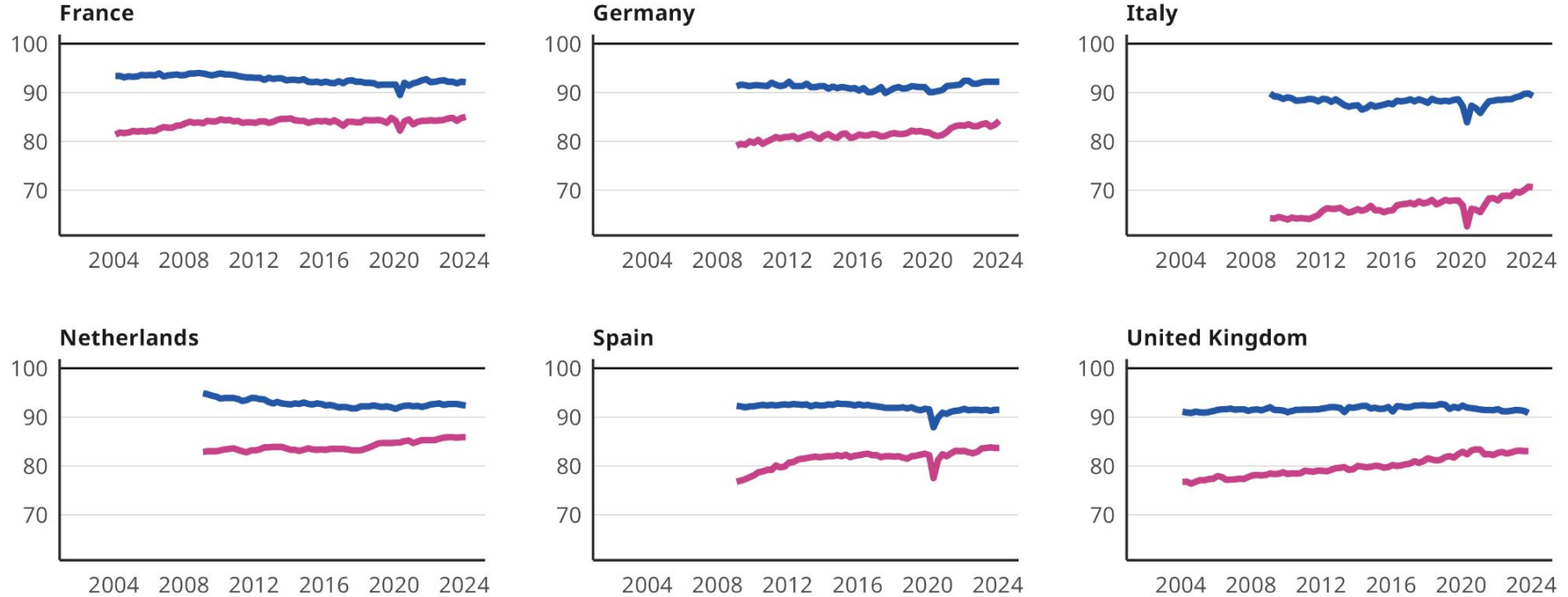


Sources: ONS (UK, 4-week average of weekly data, to 04 August 2024), DARES (France, quarterly data, s.a., to 2024-Q1), Bundesagentur für Arbeit (Germany, three-month moving average, to May 2024).

Women's Labour force participation is slowly catching up to men's

Labour force participation rate by gender, in percent of the population aged 25-54, to 2024-Q1

Male Female



Sources: ILOSTAT (UK, to 2023-Q4), Eurostat (EU countries, to 2024-Q1). Seasonally adjusted.

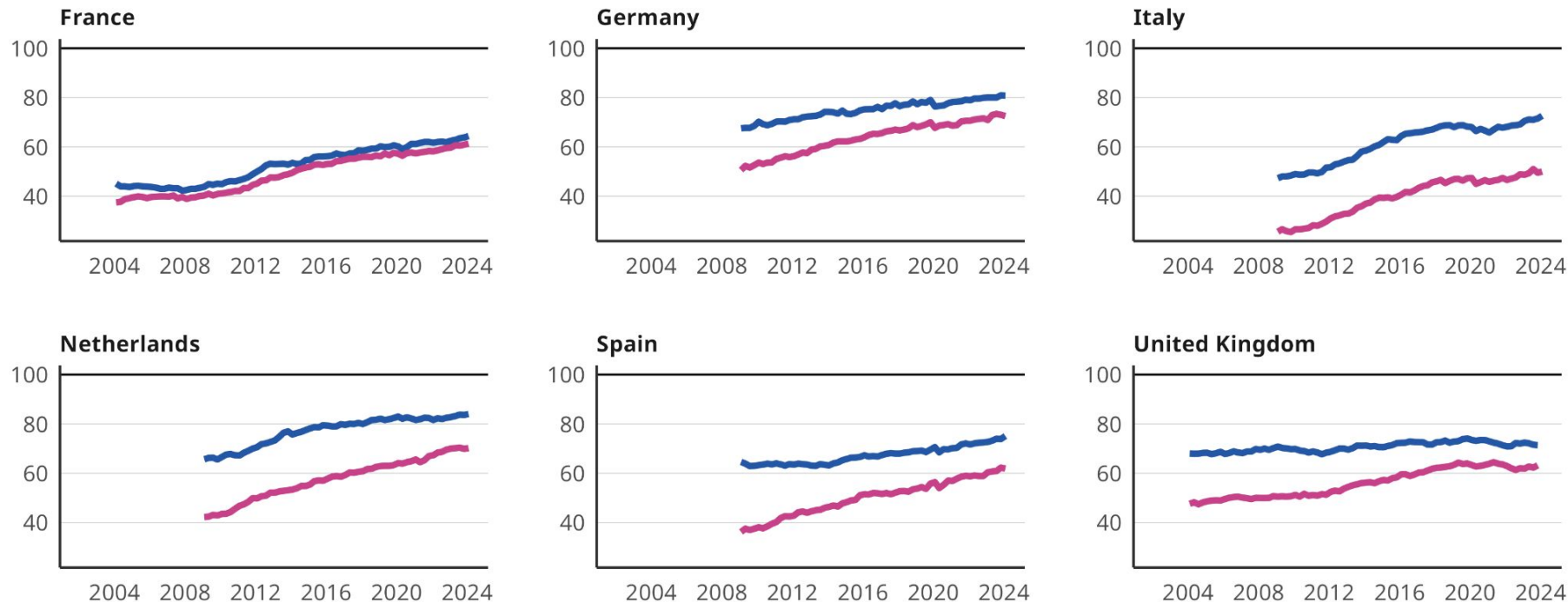
Limited data availability due to break-corrected data from Eurostat with back estimates for 2009-Q1 to 2020-Q4 (except France).



Older workers participate at increasing rates with strong cross-country differences

Labour force participation rate by gender, in percent of the population aged 55-64, to 2024-Q1

Male Female



Sources: ILOSTAT (UK, to 2023-Q4), Eurostat (EU countries, to 2024-Q1). Seasonally adjusted.

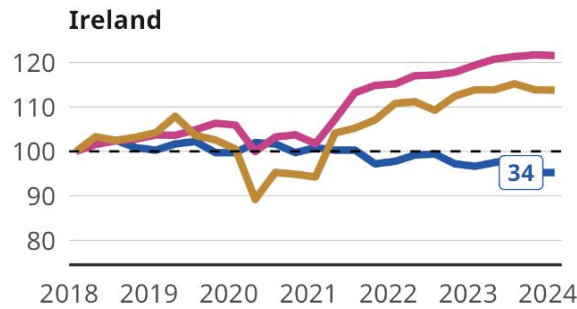
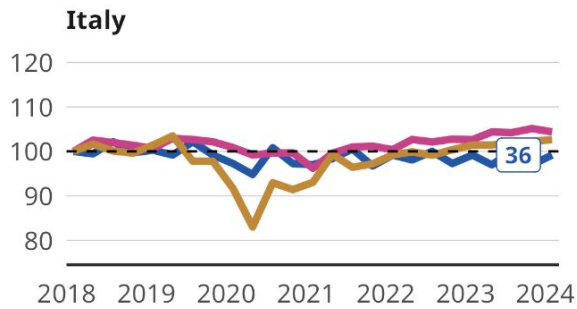
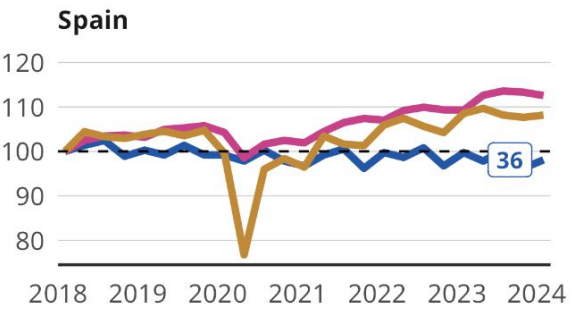
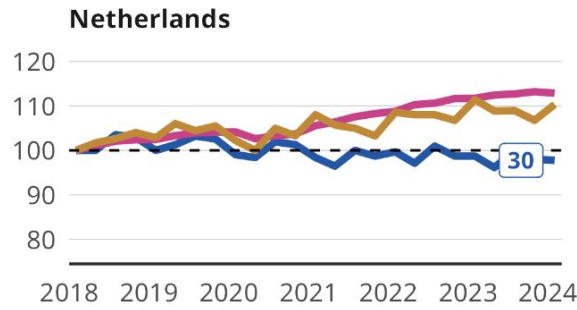
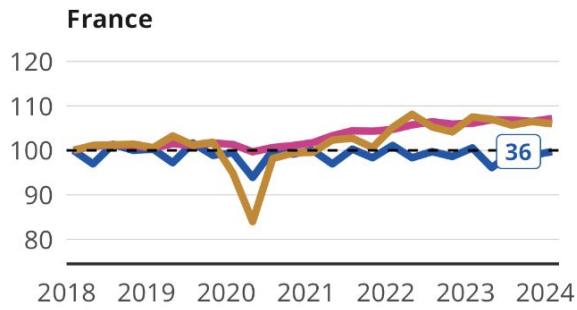
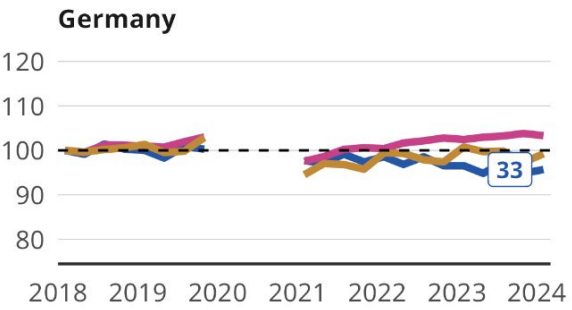
Limited data availability due to break-corrected data from Eurostat with back estimates for 2009-Q1 to 2020-Q4 (except France).



Employment and total hours rising, average hours stagnate

Index 2018-Q1 = 100, to 2024-Q1

— Average hours worked — Employment — Total hours worked



Source: Eurostat. Total hours (lfsi_ahw_q) and employment (lfsq_egan2) are seasonally adjusted, not calendar adjusted, ages 15-74, to 2024-Q1. Average number of actual weekly hours of work in main job (lfsq_ewhan2) are not seasonally adjusted and refer to ages 15+. German LFS data missing for 2020.



Posted wage growth remains strong across Europe, but is fading in France and Germany

Y-o-y growth in posted wages, to 16 Aug 2024



Source: Indeed Wage Tracker



Wage growth patterns have varied considerably across the EU

Y-o-y growth rates in labour compensation measures, to 2024-Q2

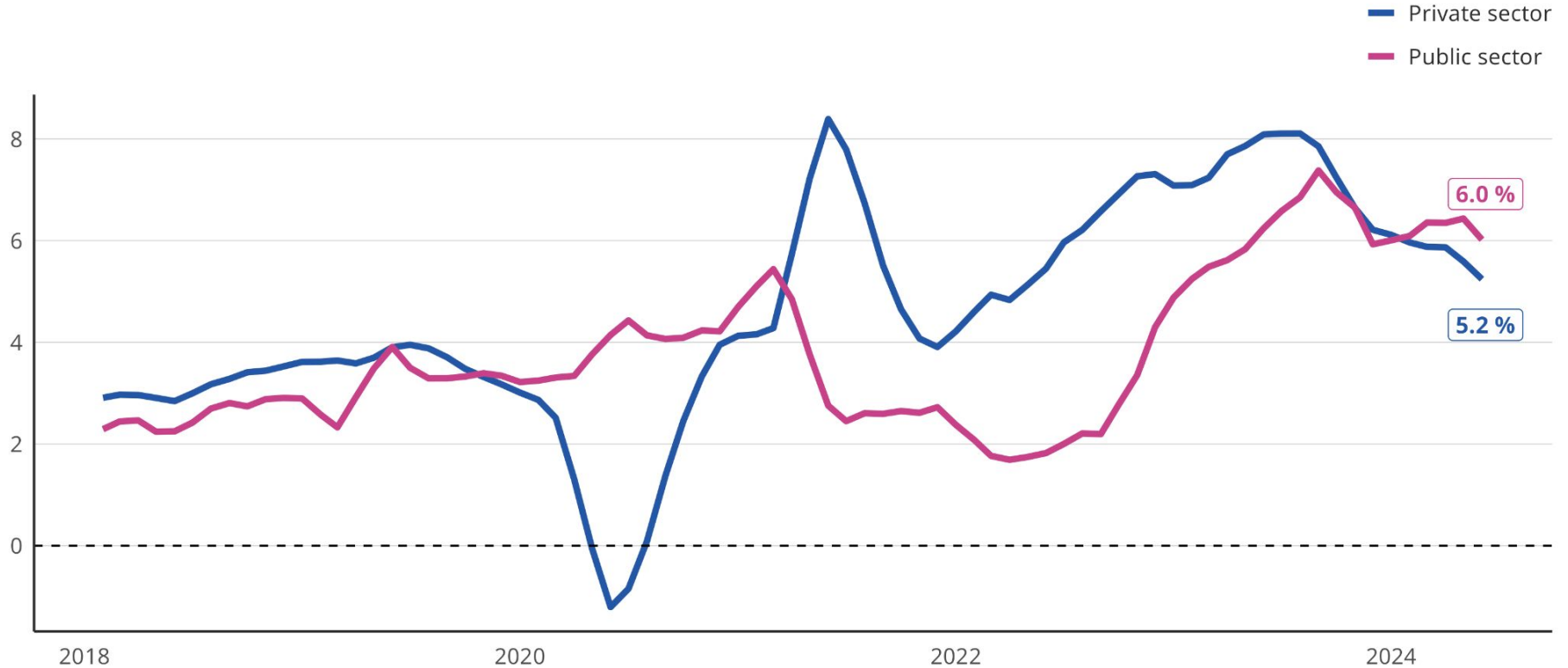


Sources: Eurostat (LCI refers to hourly compensation, including taxes and subsidies; NACE-Rev. 2 B-S, seasonally and calendar adjusted), ECB (CPE, W&S; Total economy, German and French data are seasonally adjusted, the remaining countries are both seasonally and calendar adjusted.)



United Kingdom: growth in average weekly earnings remains strong

Year-on-year growth rates in regular pay, seasonally adjusted, to June 2024



Source: ONS.

→ hiringlab.org

→ data.indeed.com