

European Labour Market Trends

2024-10-01

Indeed Hiring Lab

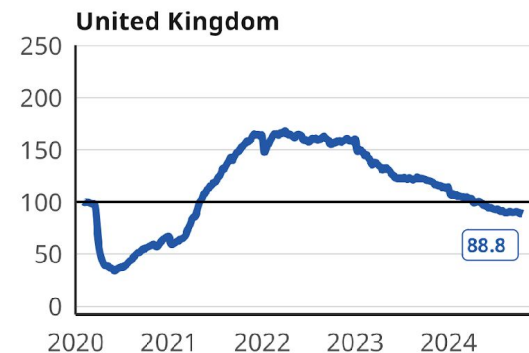
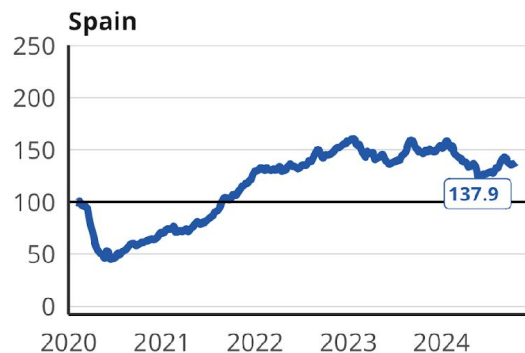
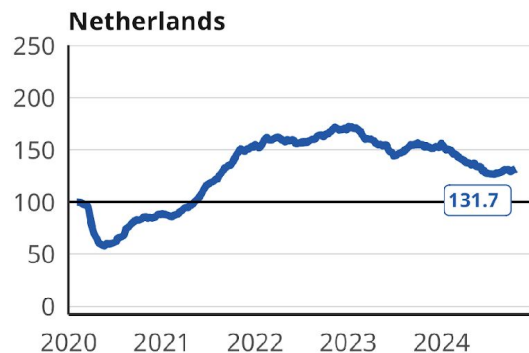
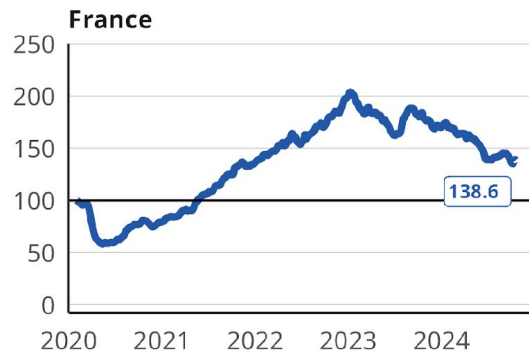


Europe: labour market overview

- Job postings remain above their pre-pandemic level in almost all European countries but have not reversed their downward trend
- The share of occupational sectors in which postings are still higher than before the pandemic has decreased significantly, especially in Ireland and the United Kingdom.
- High-remote, high-wage sectors have seen the largest decreases in postings.
- Remote work has become widespread but reached a plateau in most countries.
- AI terms appear in over 2% of job postings in most European countries, reaching above 5% in Ireland, while GenAI remains a marginal but growing segment.
- Economic sentiment and employment expectations are below their historic mean in France and Germany.
- Redundancies are down from their peaks in Italy, France and the UK.
- Wage growth remains strong but appears to be stabilising.

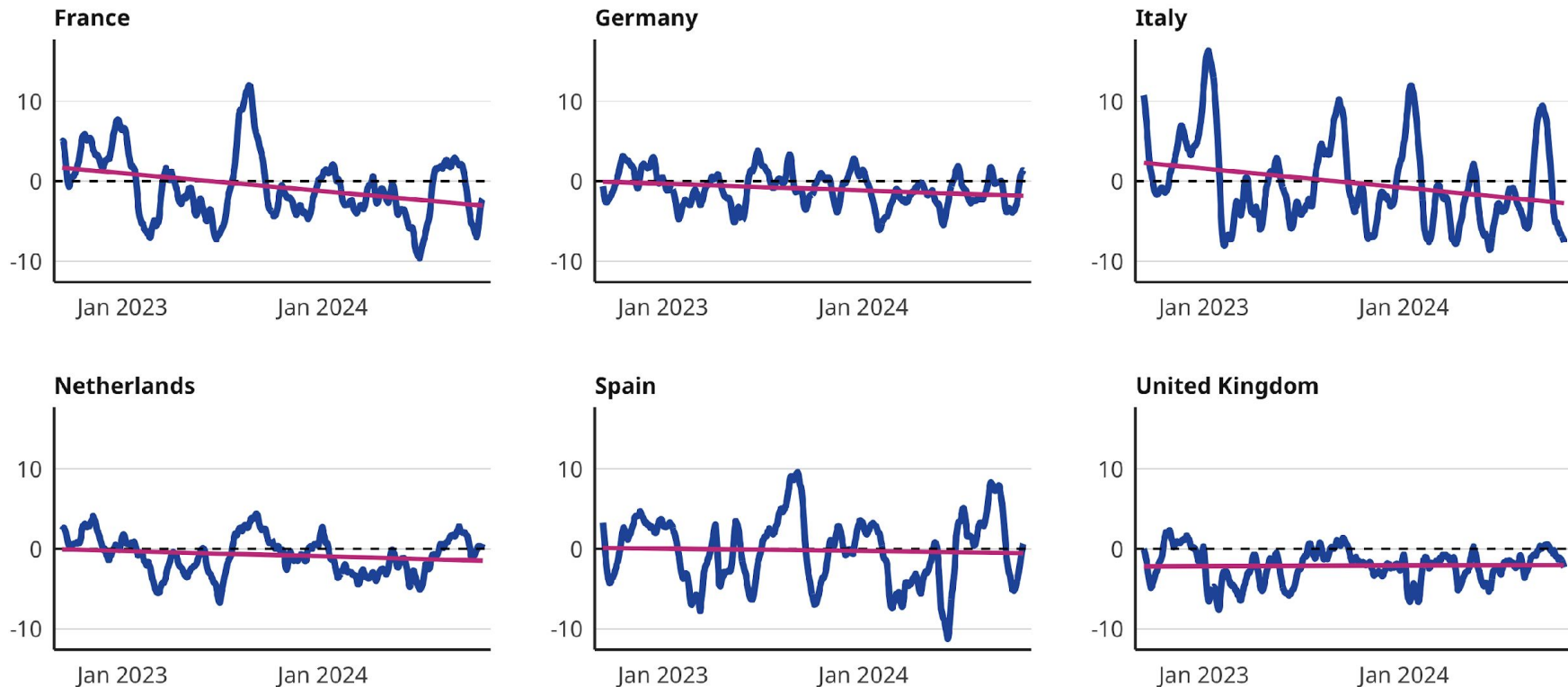
Job postings continue to decline in several large European economies

Indeed Job Postings Index (100 = 01 Feb 2020), seasonally adjusted, to 18 Oct 2024



Recent job postings trends have improved in several countries

Month-on-month growth rates in the Indeed Job Postings Index, seasonally adjusted, 13 Sep 2022 - 18 Oct 2024

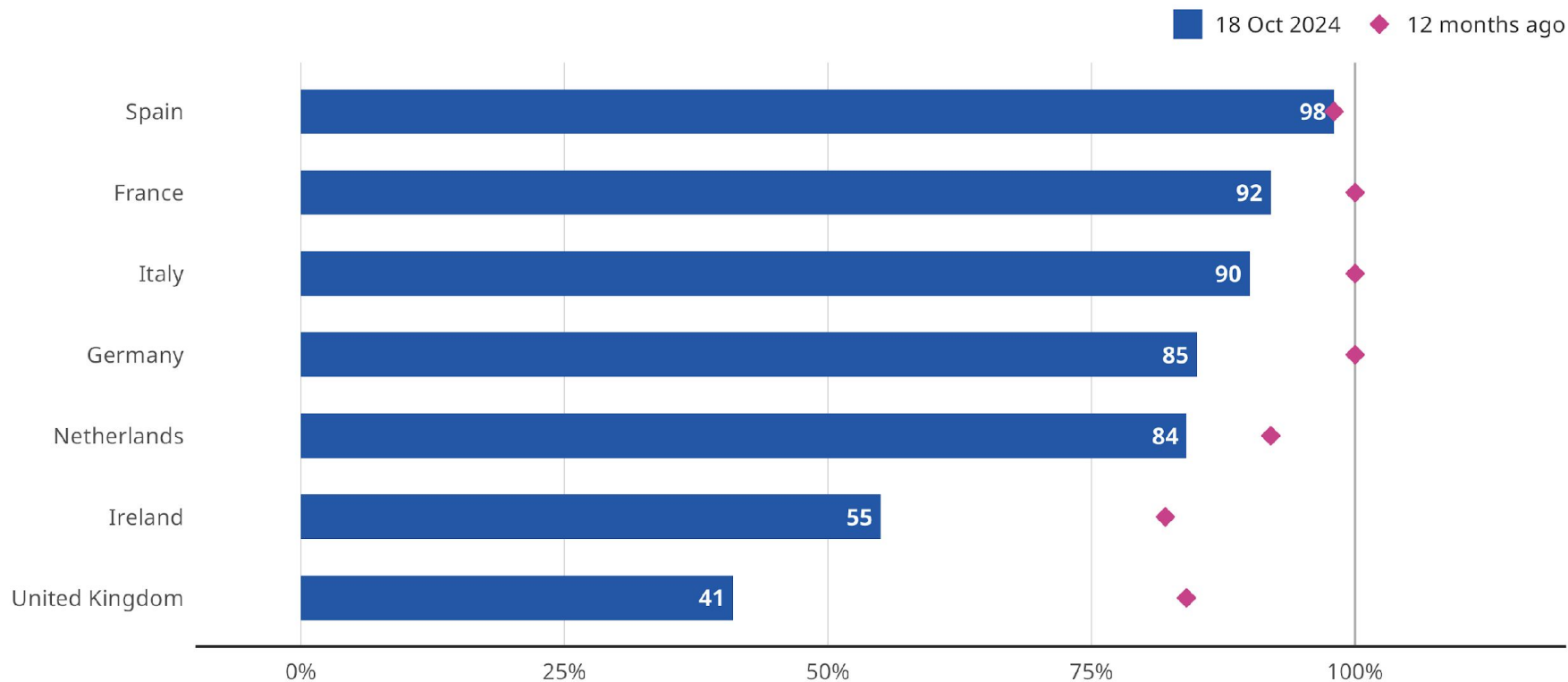


Source: Indeed



The share of sectors with elevated job postings continues to decline

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



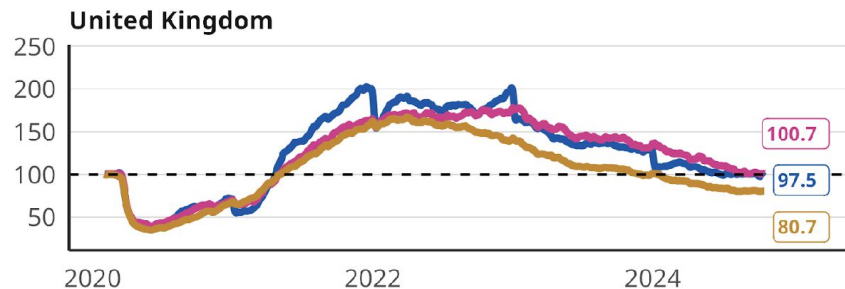
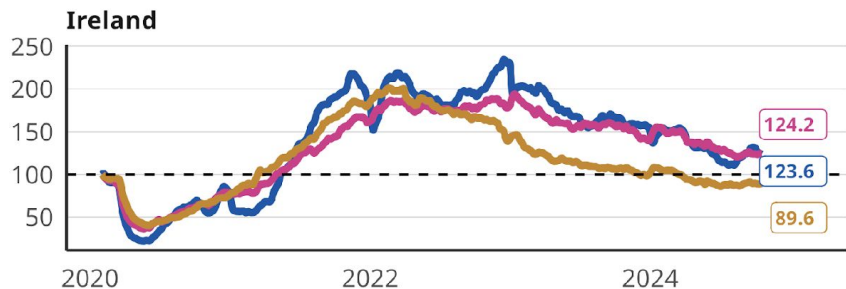
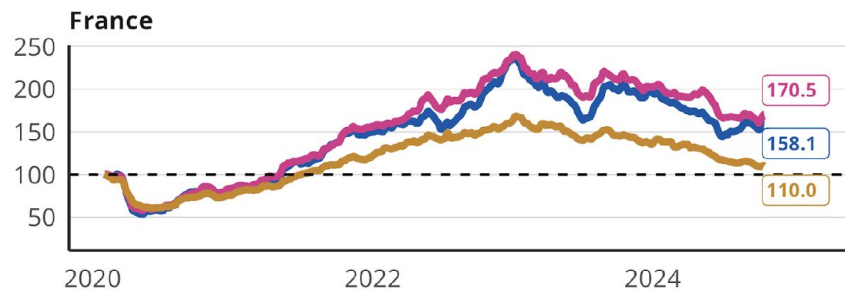
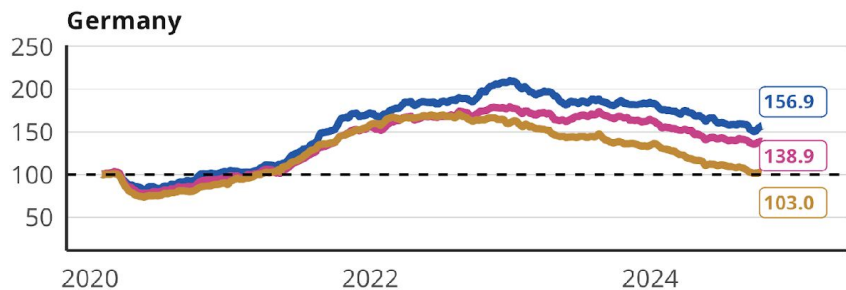
Source: Indeed



Postings are weakest in high-remote sectors

Index 100 = Feb 2020, seasonally adjusted, to 18 Oct 2024

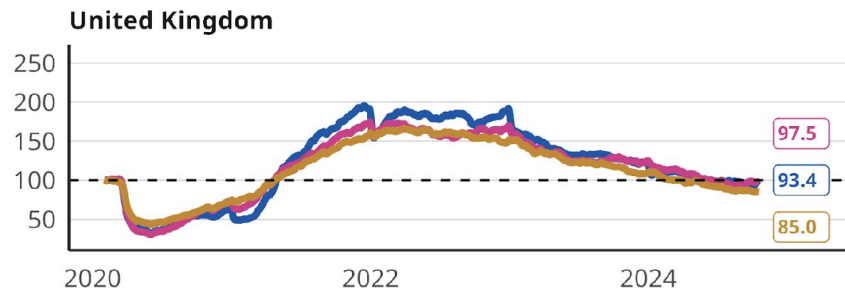
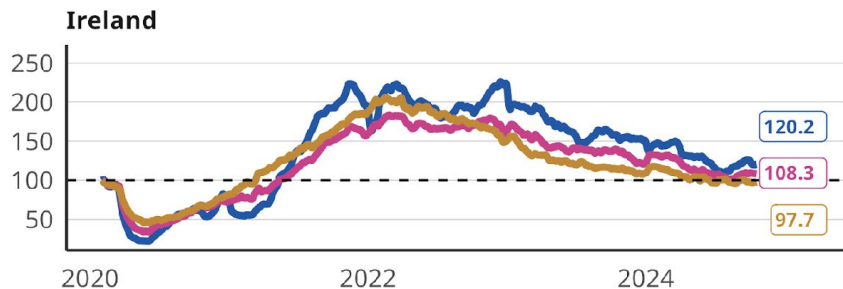
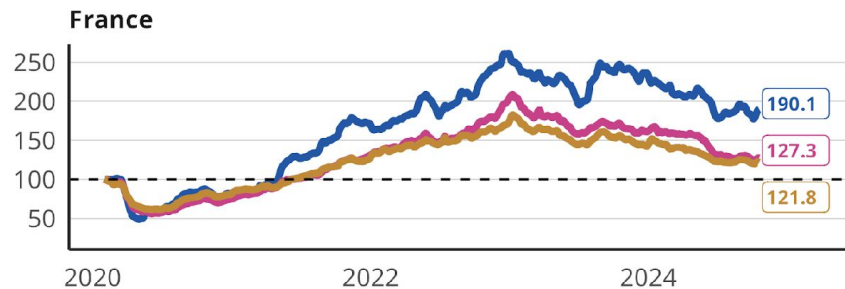
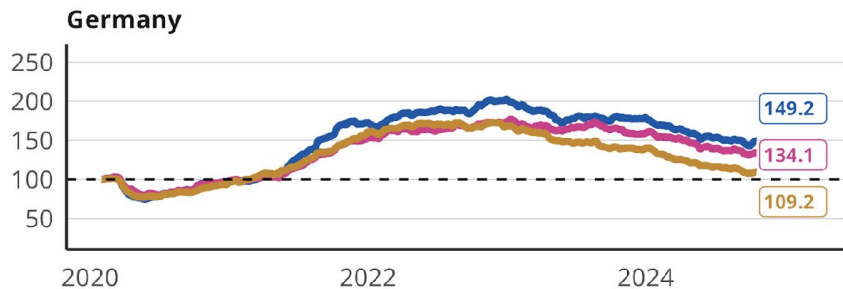
— low-remote — middle-remote — high-remote



High-wage sectors experienced the strongest decrease in postings

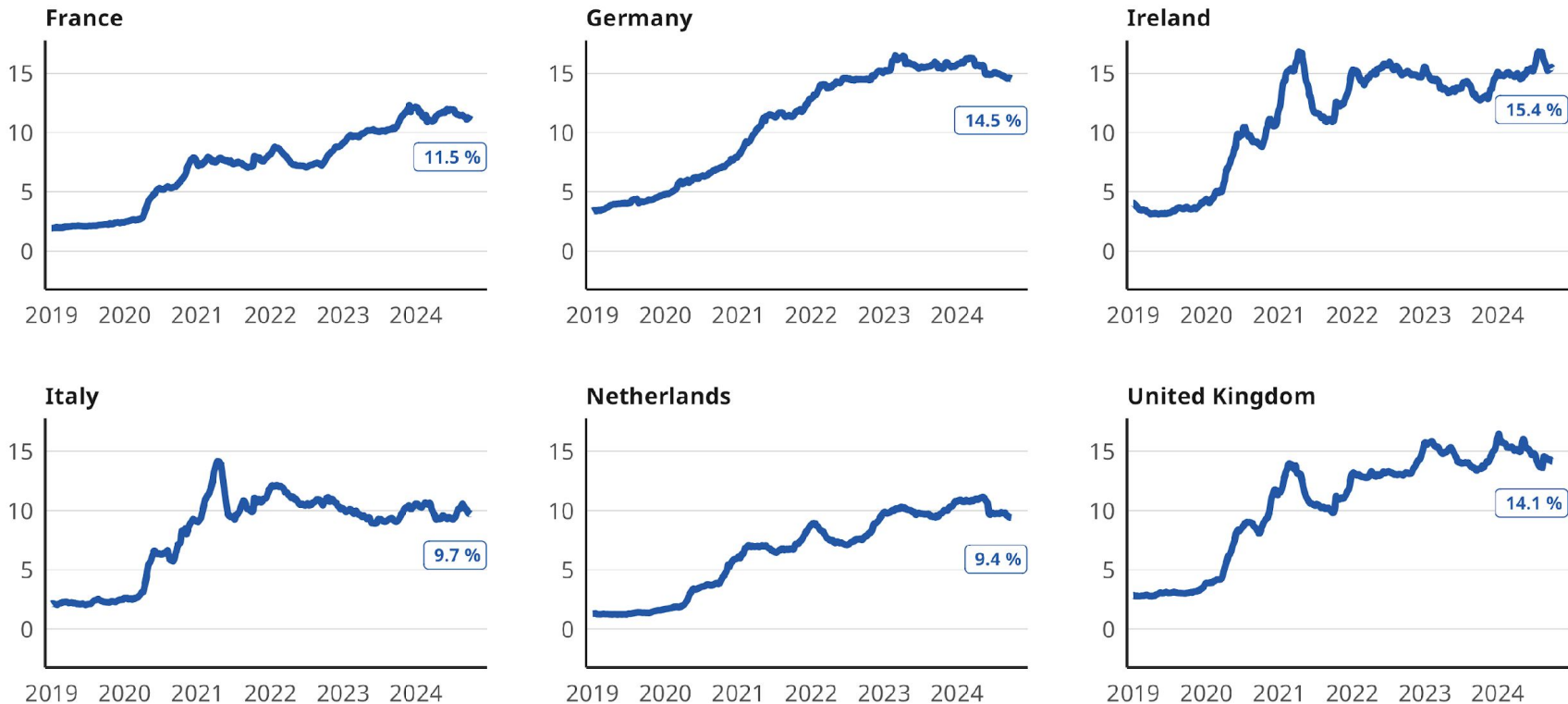
Index 100 = Feb 2020, seasonally adjusted, to 18 Oct 2024

low-wage middle-wage high-wage



Remote work is stabilising at a high level

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

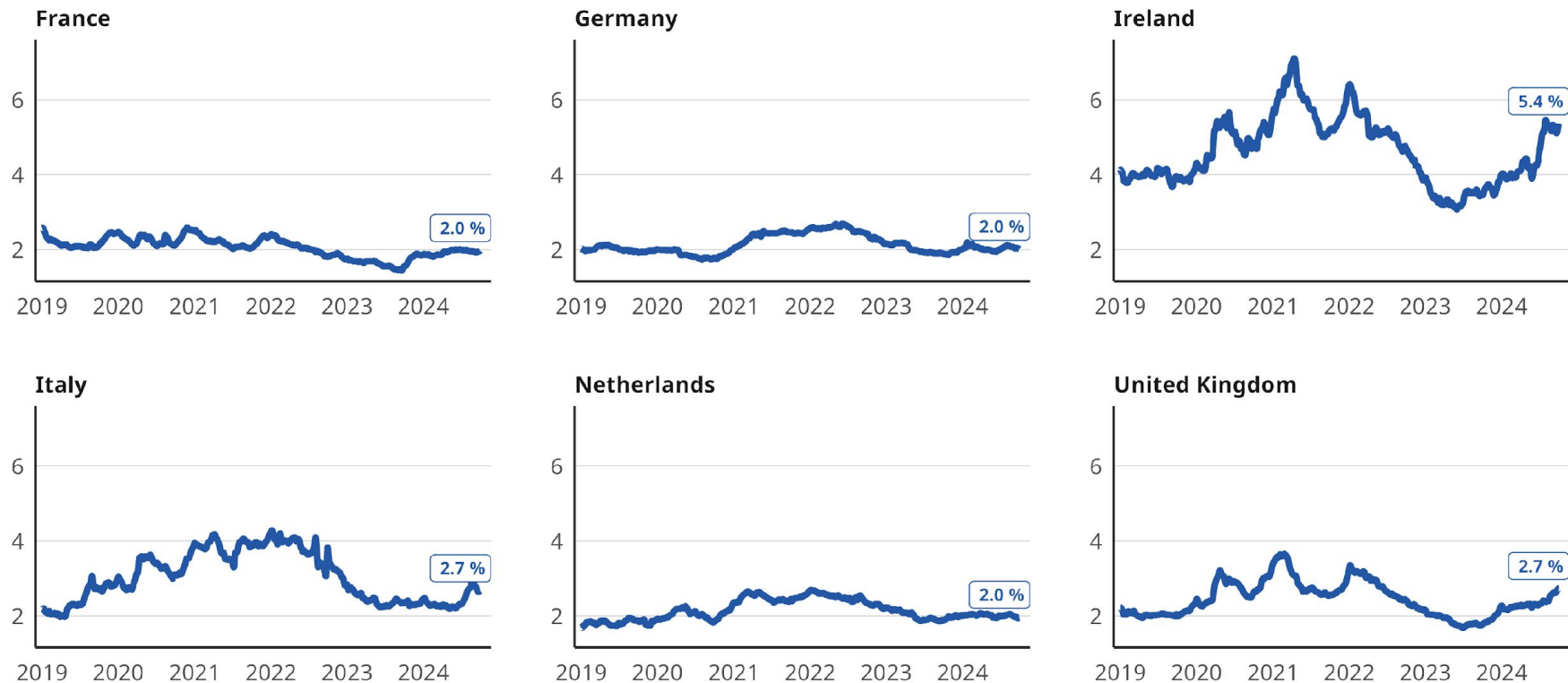


Source: Indeed. Cross-country level differences are partly due to differences in sector composition.



The share of AI jobs in the labor market is steady but subject to volatility

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

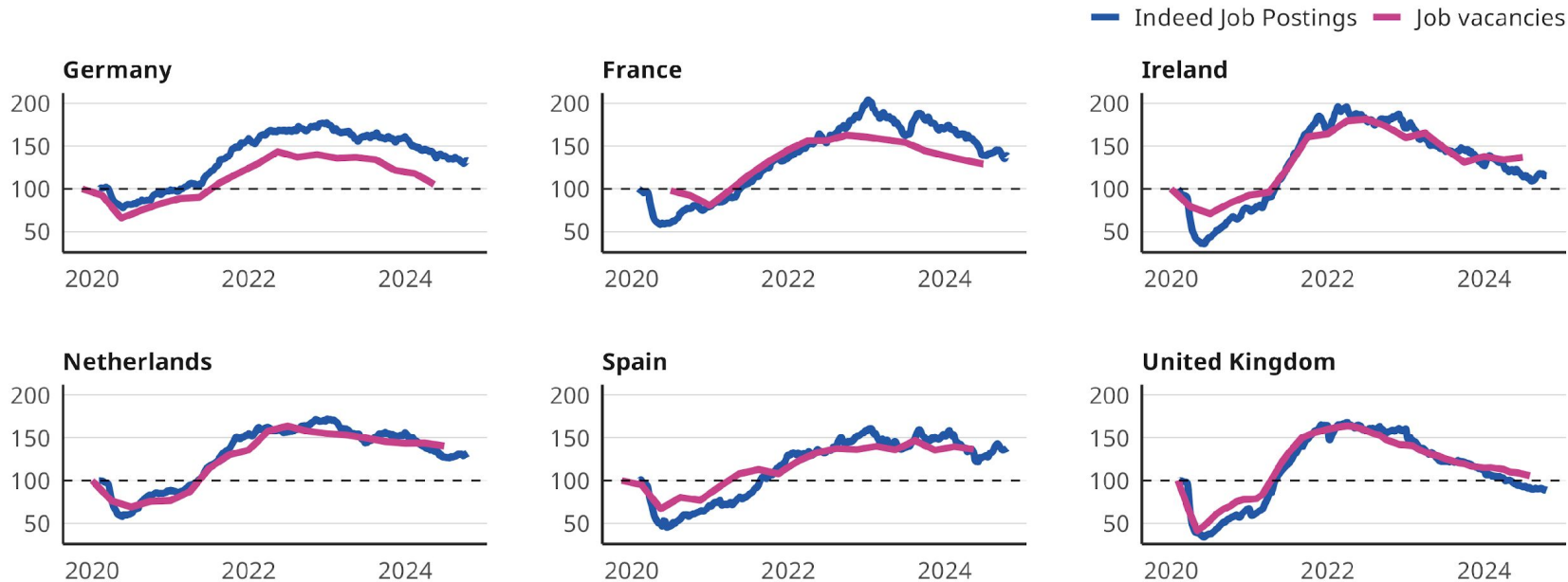


Source: Indeed. Cross-country level differences are partly due to differences in sector composition.



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

Seasonally adjusted index, to 18 Oct 2024



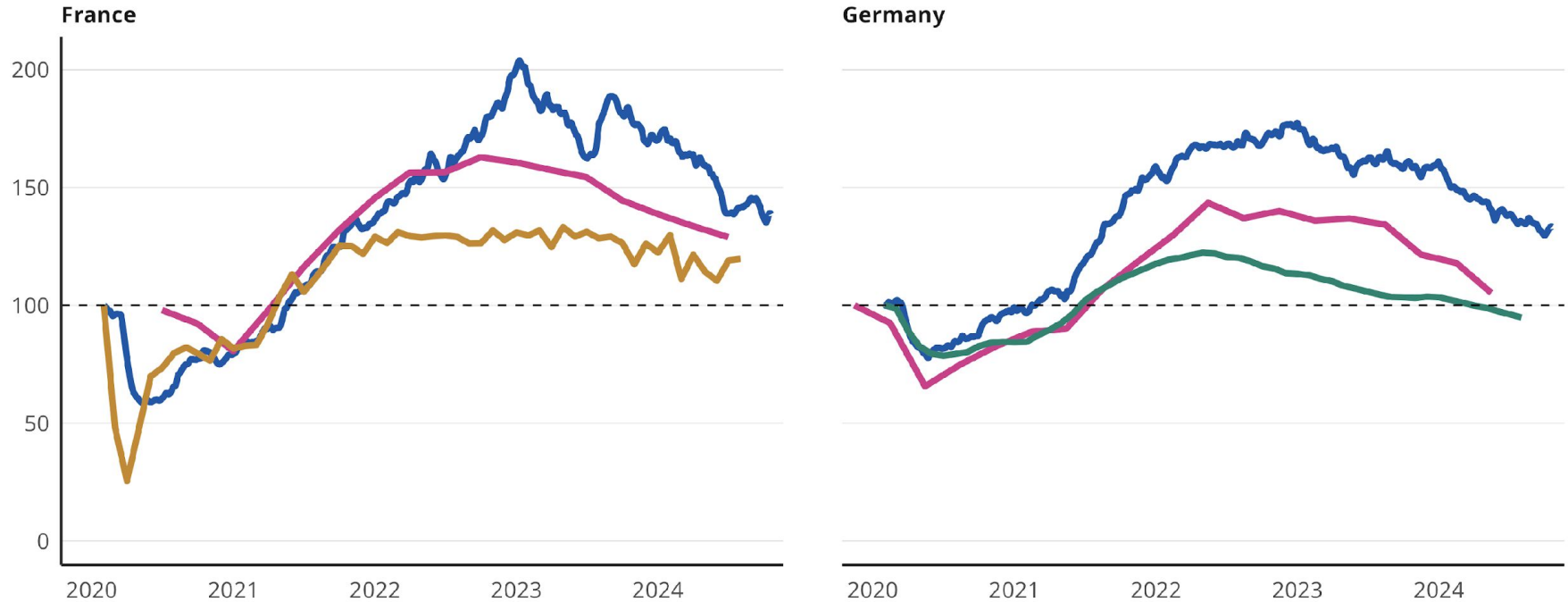
Source: Indeed, Eurostat (Germany, France, Spain, Ireland, Netherlands; quarterly data, to Q2 2024), ONS (United Kingdom; monthly data, to Aug 2024). Index 100 = Feb 2020 for Indeed and ONS data. Index = Q4 2019 for Eurostat data. Missing value in French data for Q1 2020. Eurostat data is survey-based and refers to NACE-Rev. 2 sectors B-S (French data excludes sector O (public administration) as well as public jobs in P (education) and Q (human health/social work)).



Alternative measures of job vacancies show similar declining trends

Indeed job postings and official vacancy data, seasonally adjusted, to 18 Oct 2024

— Indeed Job Postings — Job vacancies — New registered vacancies — Registered vacancies

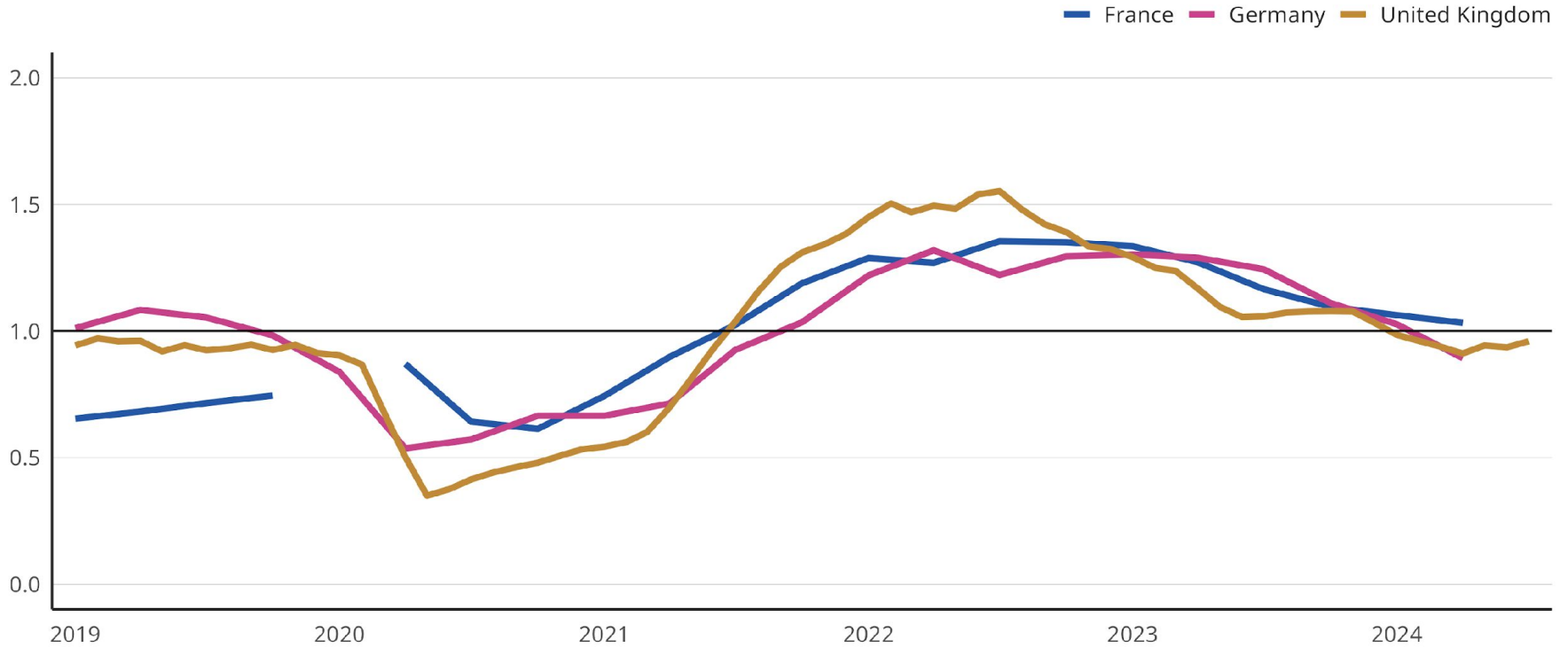


Sources: Indeed, Eurostat (Job vacancies, quarterly data, to Q2 2024, missing value in French vacancy data for Q1 2020), OECD (Registered vacancies, monthly data, to Aug 2024). Index 100 = Feb. 2020 for Indeed and OECD data. Index = Q4 2019 for Eurostat data.



Labour markets are gradually loosening in major European economies

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

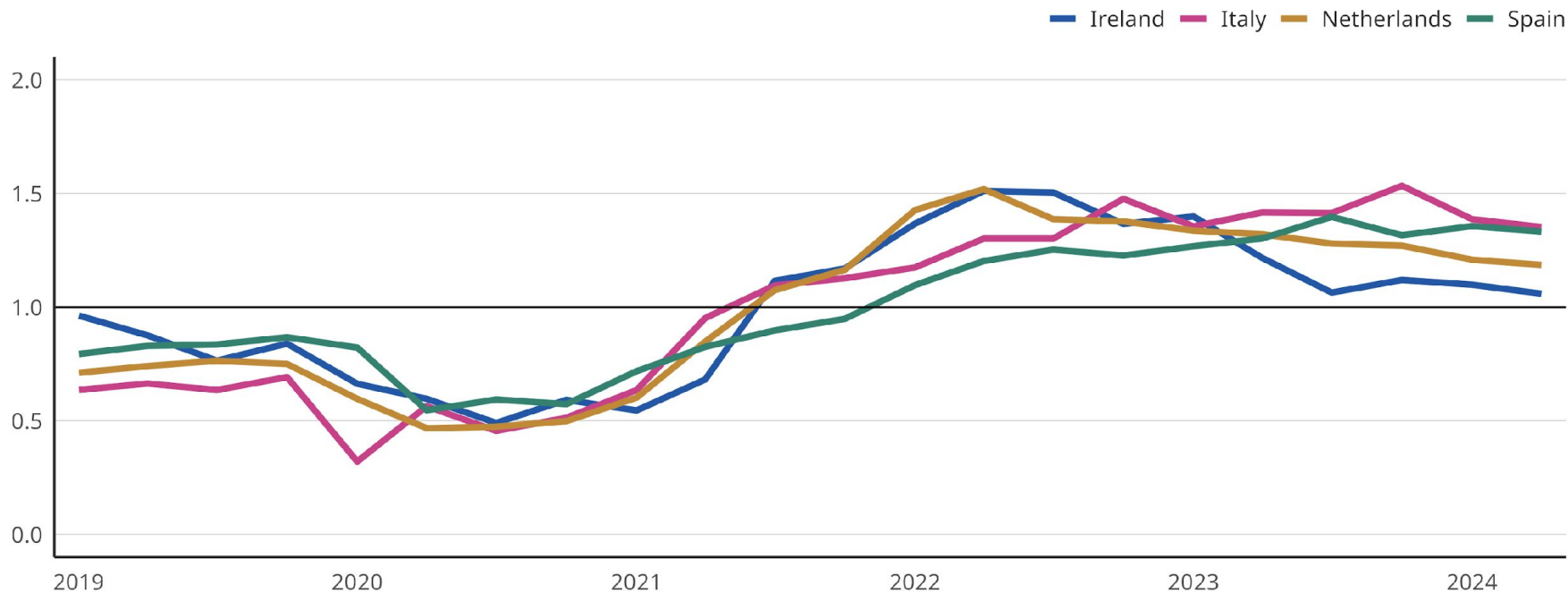


Sources: Eurostat (to Q2 2024), ONS (to Q3 2024). Tightness is normalised to its mean over the observed period. Unemployment among ages 15-74 (UK: 16-64). Vacancies from Eurostat refer to NACE-Rev.2 sectors B-S. Missing value in French vacancy data for Q1 2020.



Labour market tightness is still above its long-term average in several European economies

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



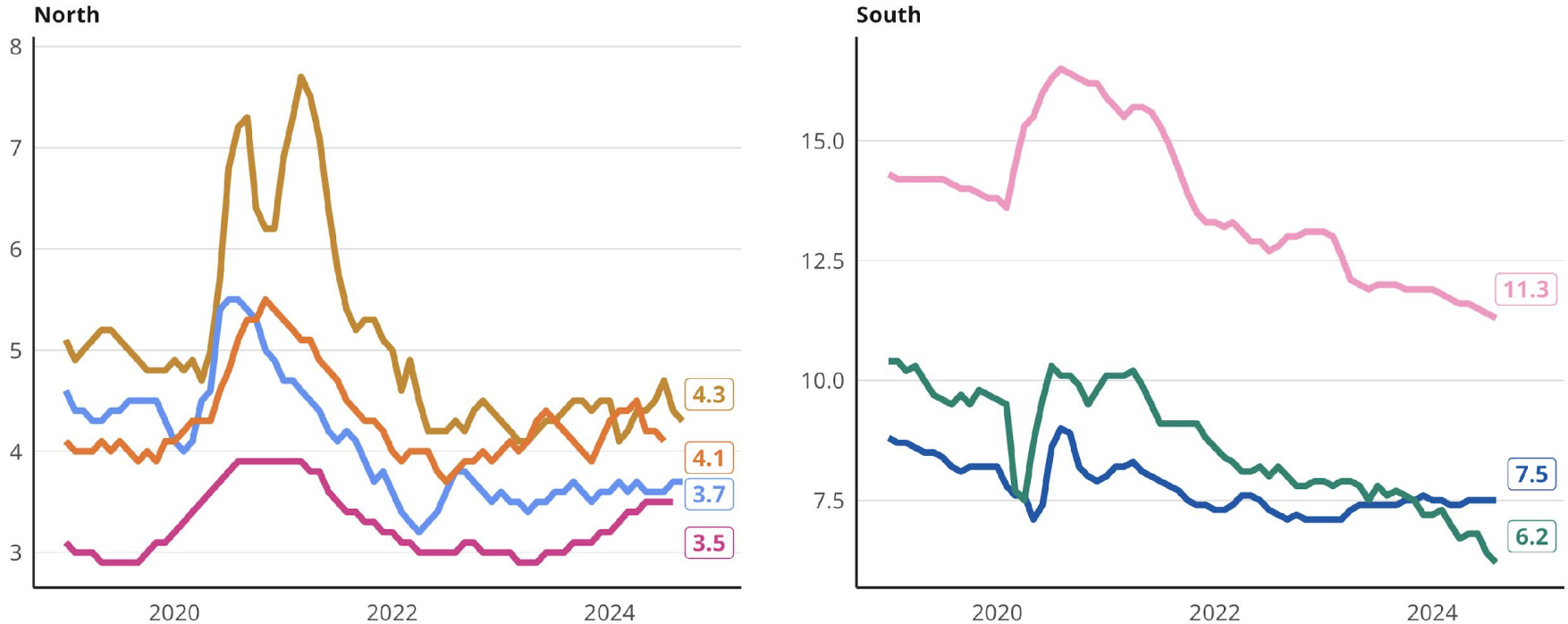
Sources: Eurostat (to Q2 2024). Tightness is normalised to its mean over the observed period. Unemployment among ages 15-74 (Spain: 16-74). Vacancies refer to NACE-Rev.2 sectors B-S. For Italy, the number of vacancies is approximated by the vacancy rate referring to sectors B-S except O.



Rising Unemployment Rates in the North, Stabilizing Levels in Southern Europe

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

— France — Germany — Ireland — Italy — Netherlands — Spain — United Kingdom

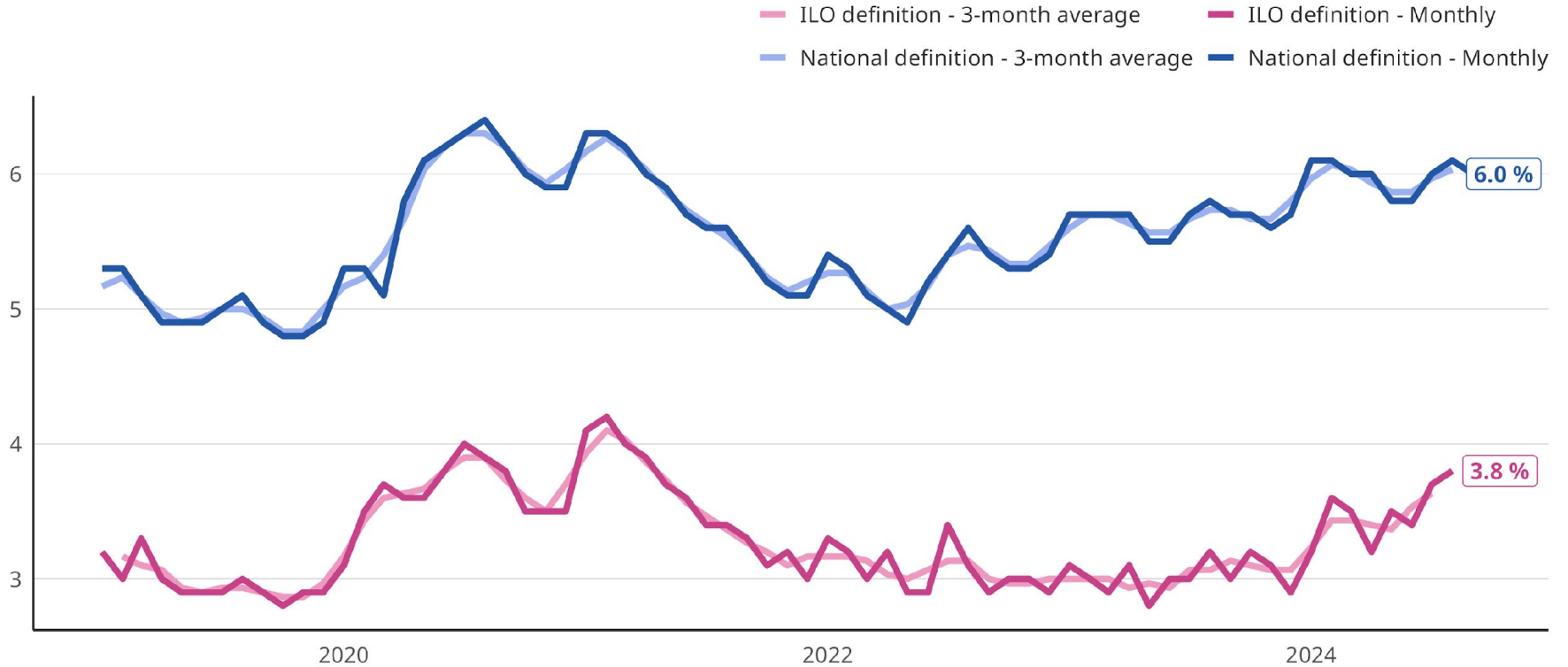


Sources: Eurostat, ONS. Seasonally adjusted unemployment rate among ages 15-74. ONS data refers to ages 16-64, latest data: Jul 2024.



Unemployment in Germany keeps climbing

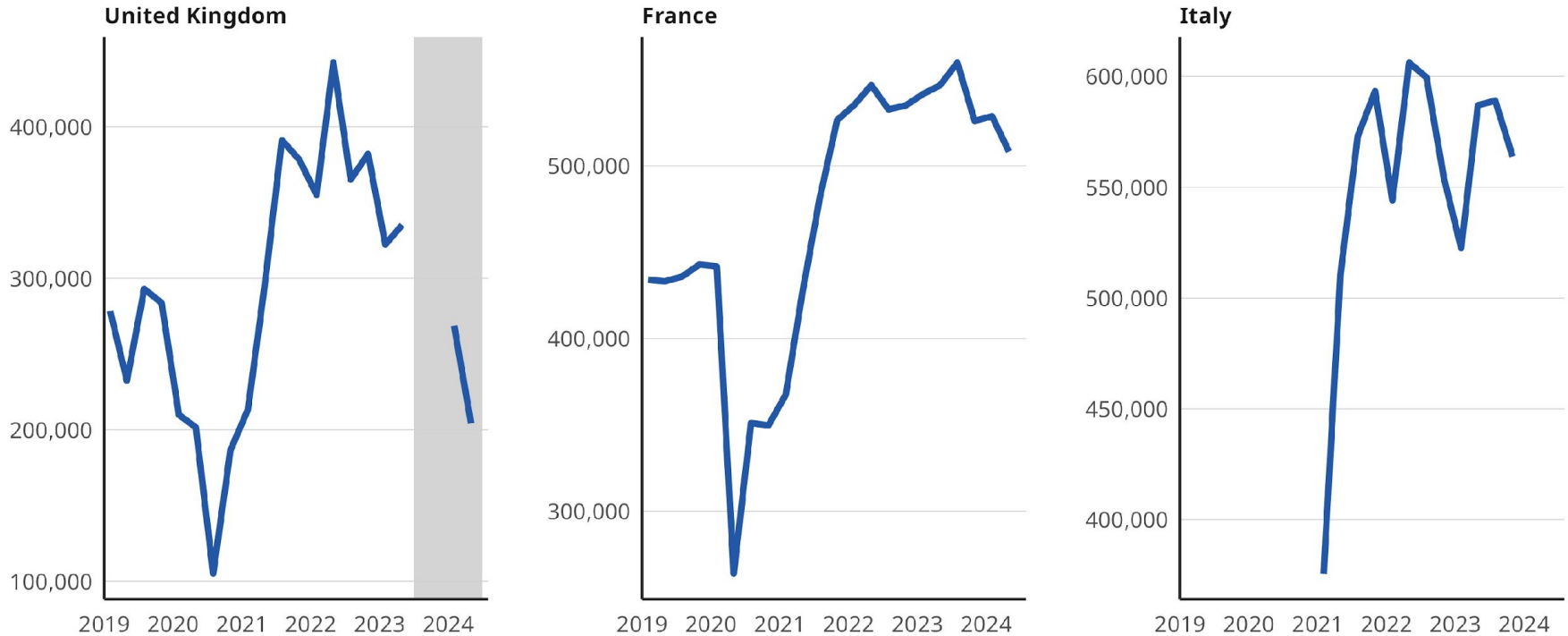
Unemployment, in % of the civilian labour force, Europe, January 2019 - September 2024



Sources: Eurostat (ages 15-74, to August 2024), Destatis (ages 15-65, to September 2024), Centered moving average.

Resignations are down from their peaks

Number of quits by country



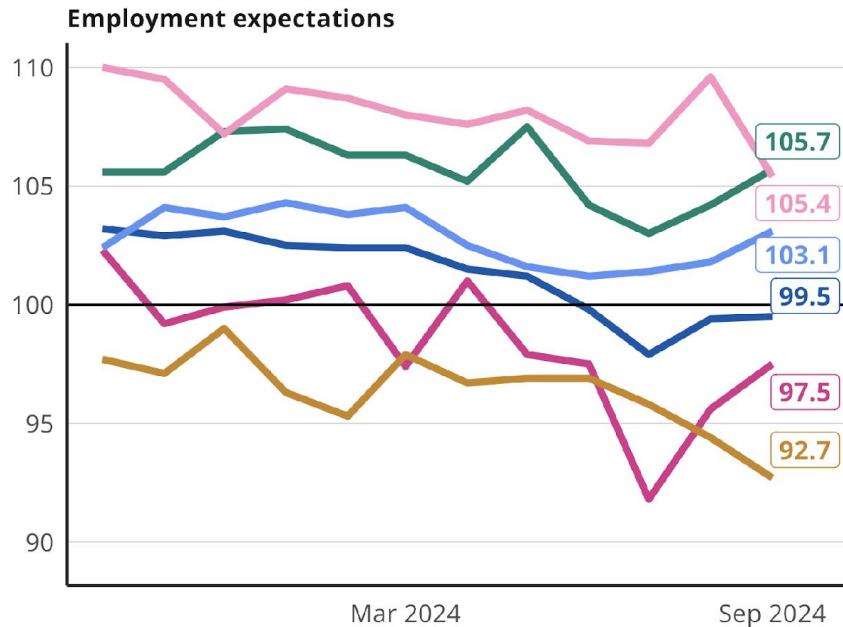
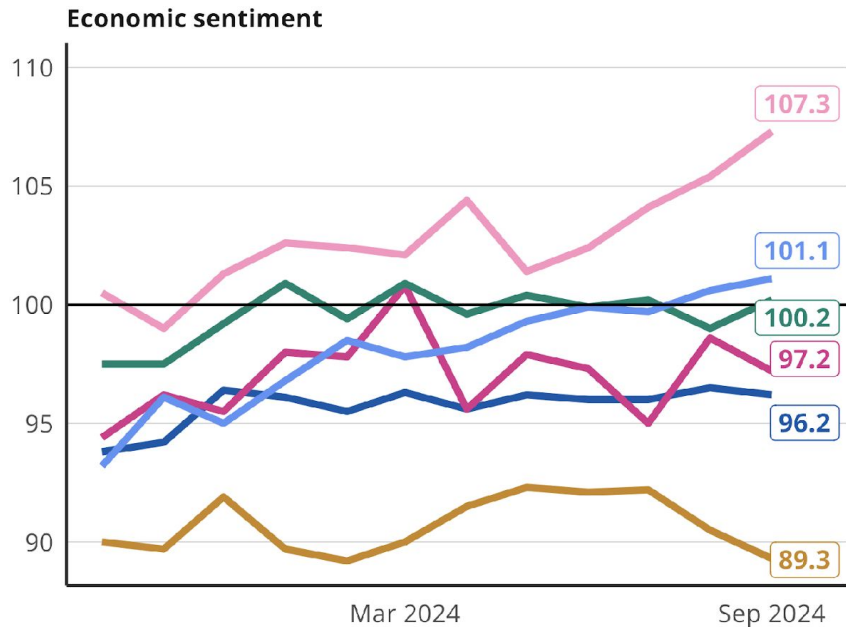
Sources: ONS (United Kingdom, LFS data quality issues in 2023-2024, to 2024-Q2), DARES (France, administrative data, including authorized early terminations of fixed-term contracts, to 2024-Q2), Ministry of Labour and Social Policies (Italy, administrative data available 2021-2023, to 2023-Q4).



The gap between employment expectations and economic sentiment is closing slowly

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

■ Euro Area ■ Germany ■ Netherlands
■ France ■ Italy ■ Spain



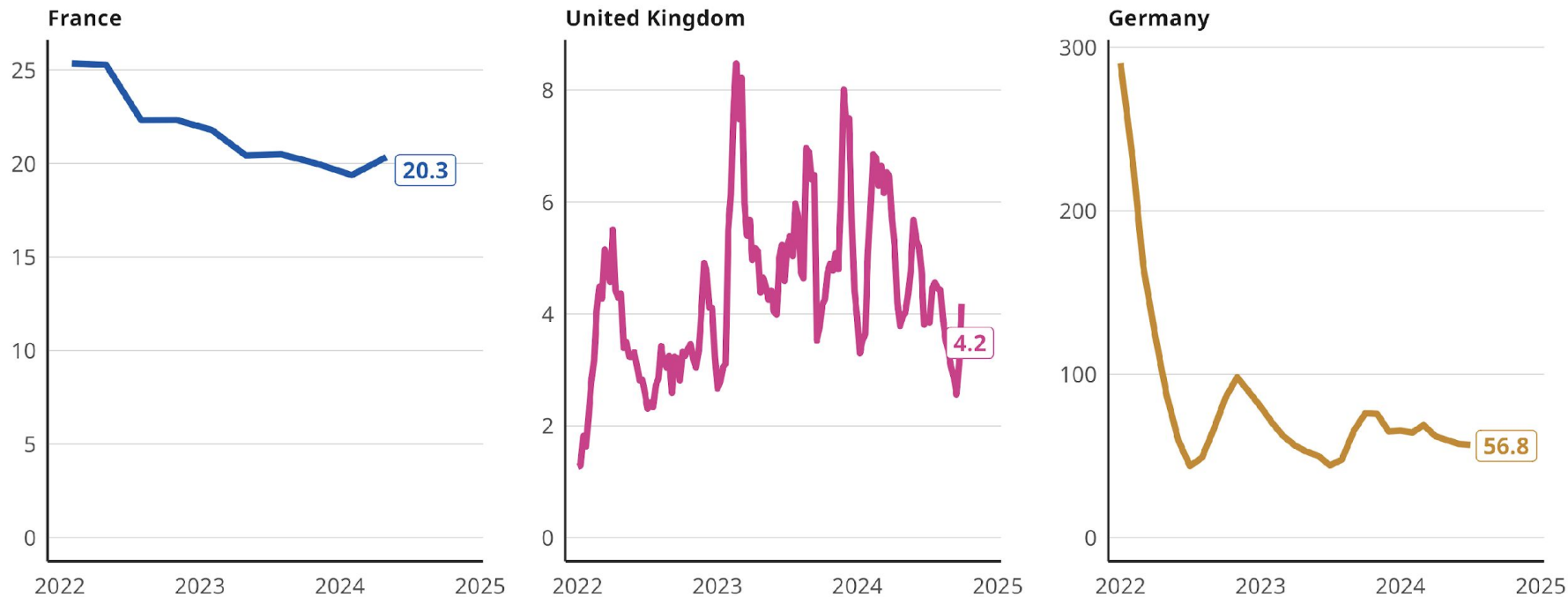
Source: Business and Consumer Survey, European Commission.
Seasonal adjustment and calculation of long-term average by the publisher.



Workforce adjustments remain at a low level

Measures of redundancy, in 1000s

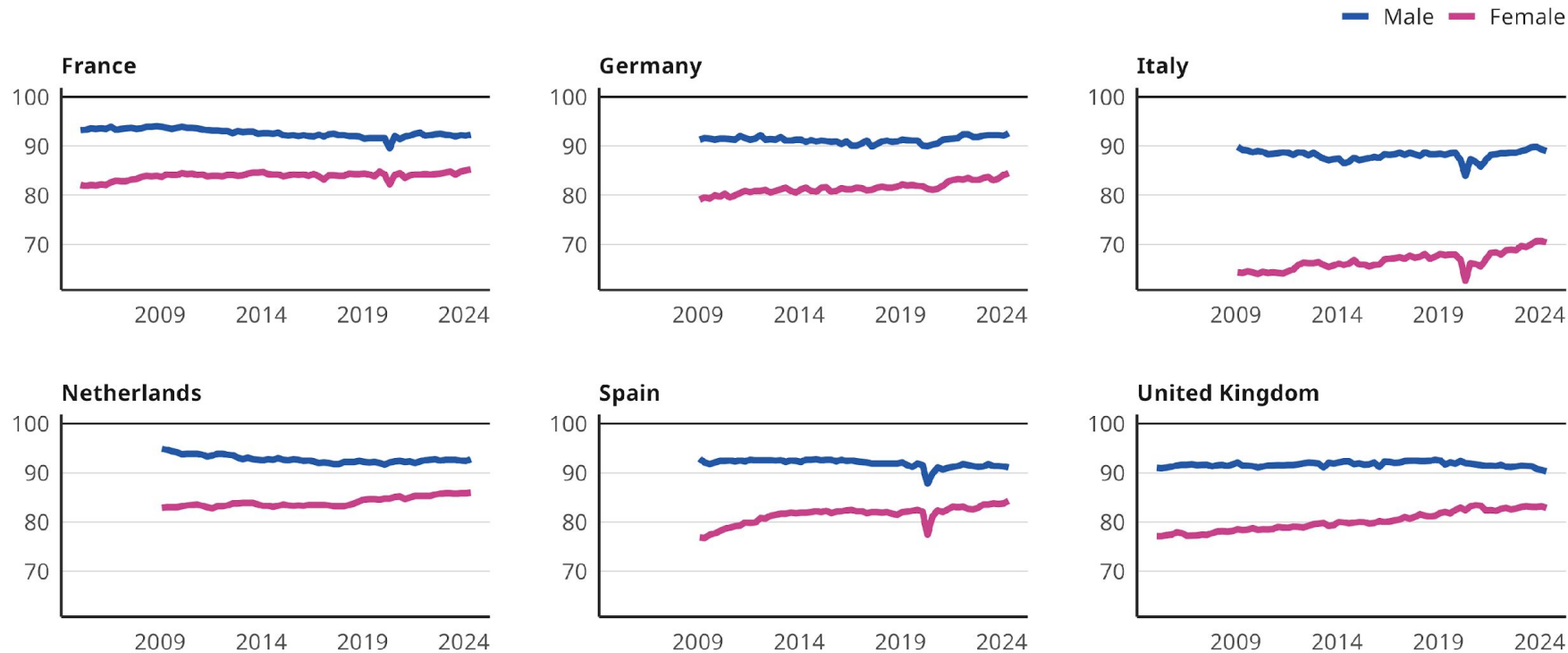
— Layoffs ('licenciements économiques') — Notified potential redundancies — Number of short-time workers (notifications)



Sources: ONS (UK, 4-week average of weekly data, to Sep 2024), DARES (France, quarterly data, s.a., to Q2 2024), Bundesagentur für Arbeit (Germany, three-month moving average, to Jul 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 Q2 2024

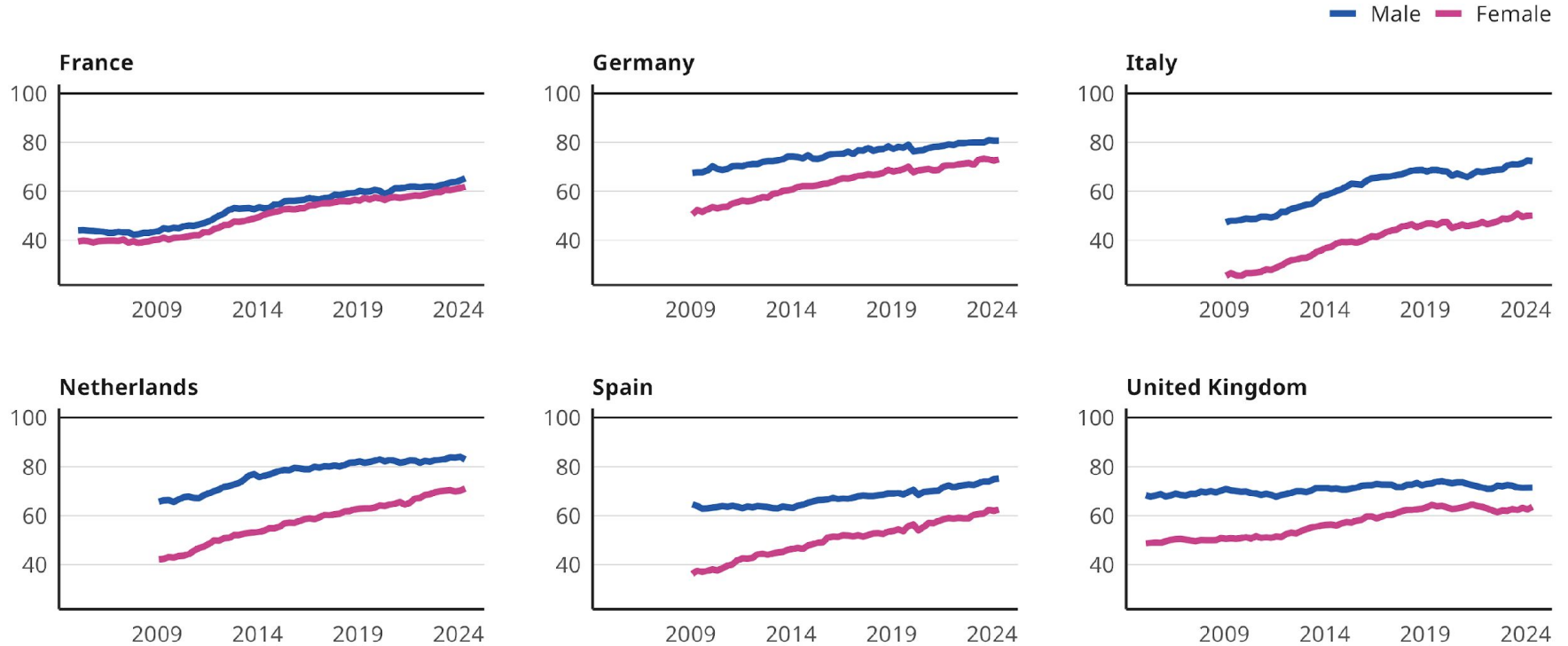


Sources: ILOSTAT (UK, to Q2 2024), Eurostat (EU countries, to Q2 2024). Seasonally adjusted.
Limited data availability due to break-corrected data from Eurostat with back estimates for 2009-Q1 to 2020-Q4 (except France).



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 Q2 2024



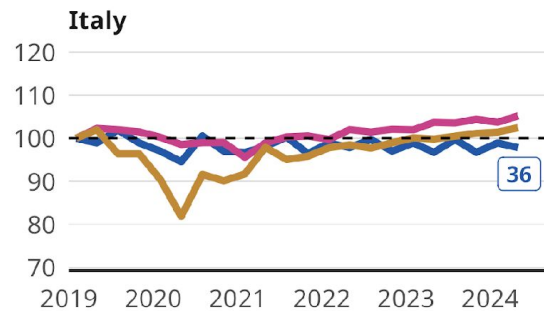
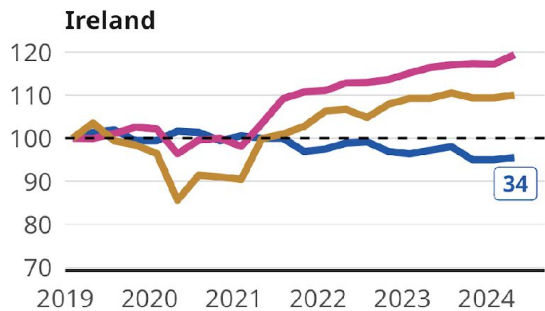
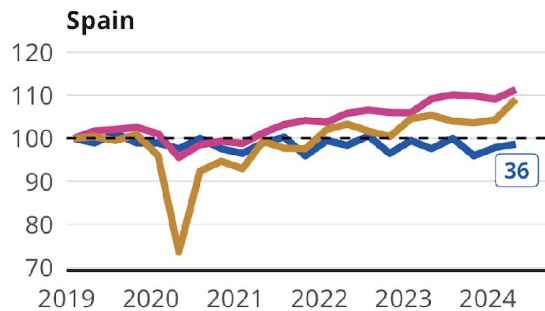
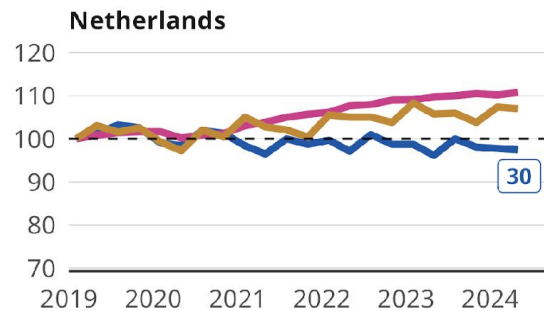
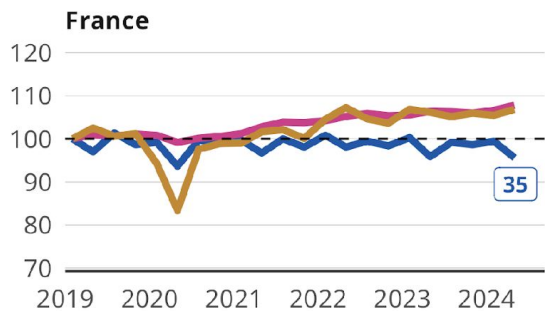
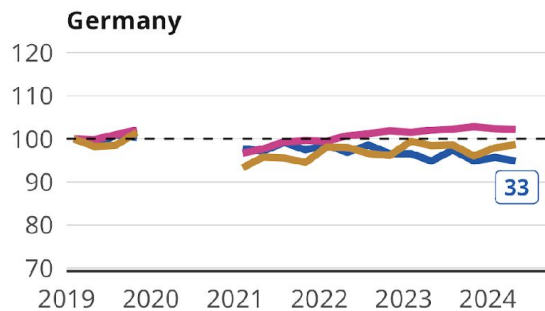
Sources: ILOSTAT (UK, to Q2 2024), Eurostat (EU countries, to Q2 2024). Seasonally adjusted.
Limited data availability due to break-corrected data from Eurostat with back estimates for 2009-Q1 to 2020-Q4 (except France).



Employment and total hours rising, average hours stagnate

Index 2018-Q1 = 100, to 2024-Q2

— Average hours worked — Employment — Total hours worked

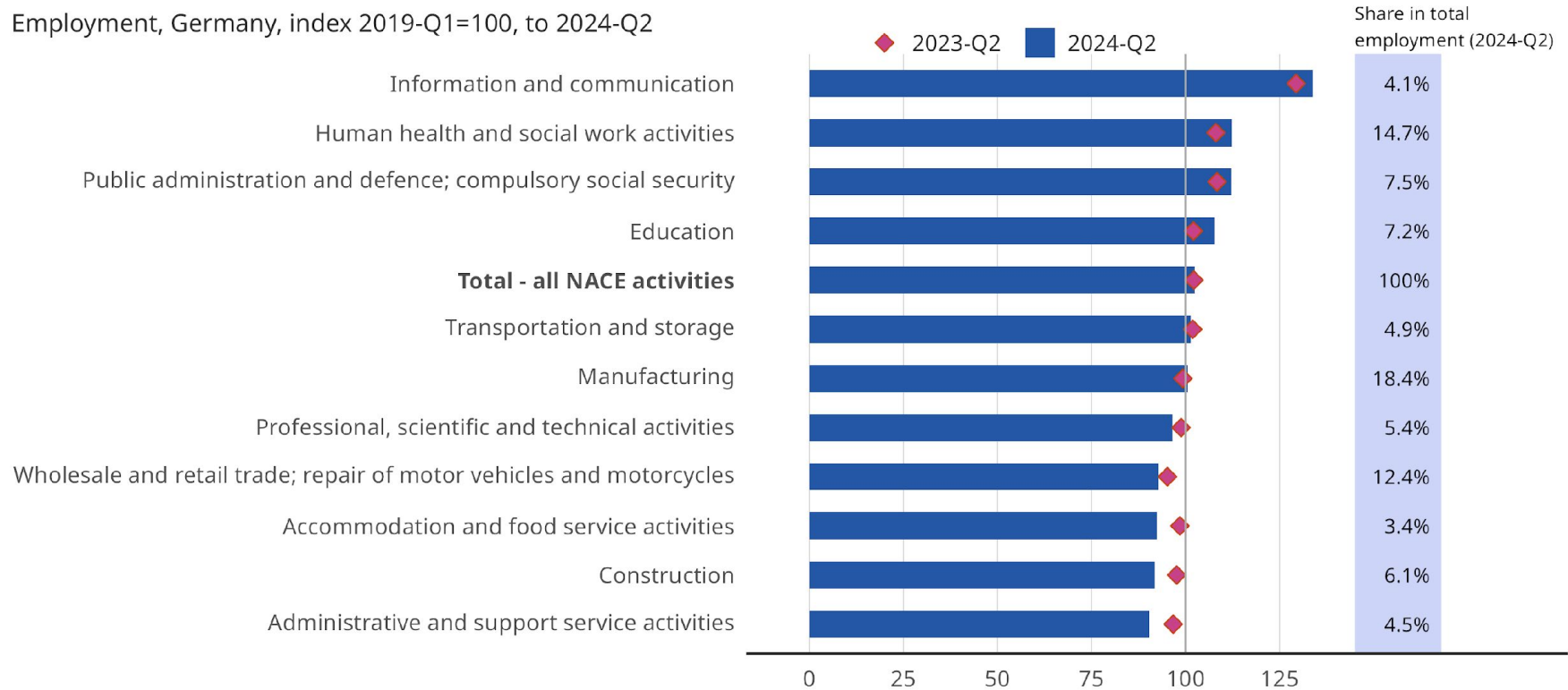


Source: Eurostat. Total hours (lfsi_ahw_q, s.a., ages 15-74) and employment (lfsq_egan2 n.s.a., ages 15-74) to 2024-Q2. Average number of actual weekly hours of work in main job (lfsq_ewhan2, n.s.a., ages 15+). German LFS data missing for 2020.



Employment increases in Information & Communication and sectors providing essential societal services

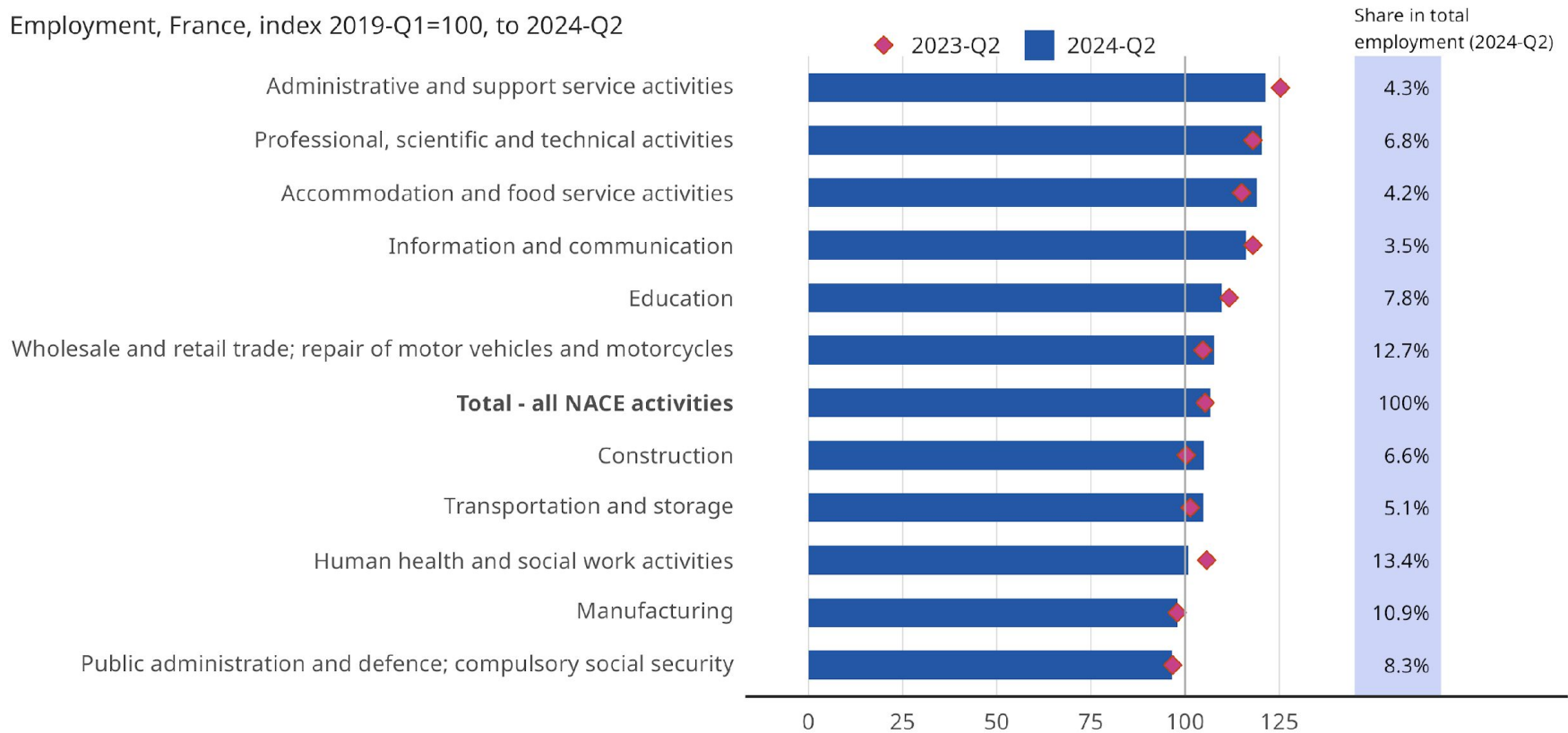
Employment, Germany, index 2019-Q1=100, to 2024-Q2



Source: Eurostat. Unadjusted series, ages 15-74.

French knowledge economy sees rising employment figures

Employment, France, index 2019-Q1=100, to 2024-Q2



Source: Eurostat. Unadjusted series, ages 15-74.

Posted wage growth slowed in most countries in September

Y-o-y growth in posted wages, to Sep 2024

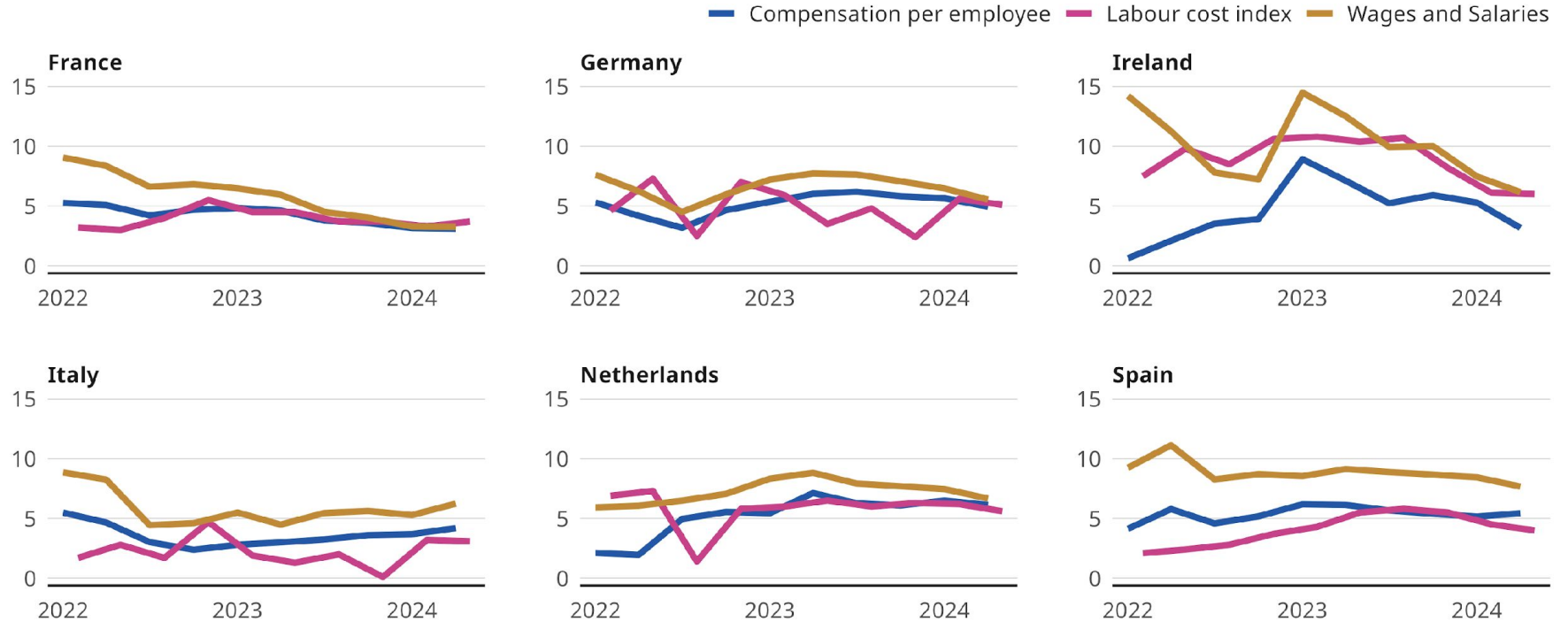


Source: Indeed Wage Tracker



Wage growth patterns vary considerably across the EU

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

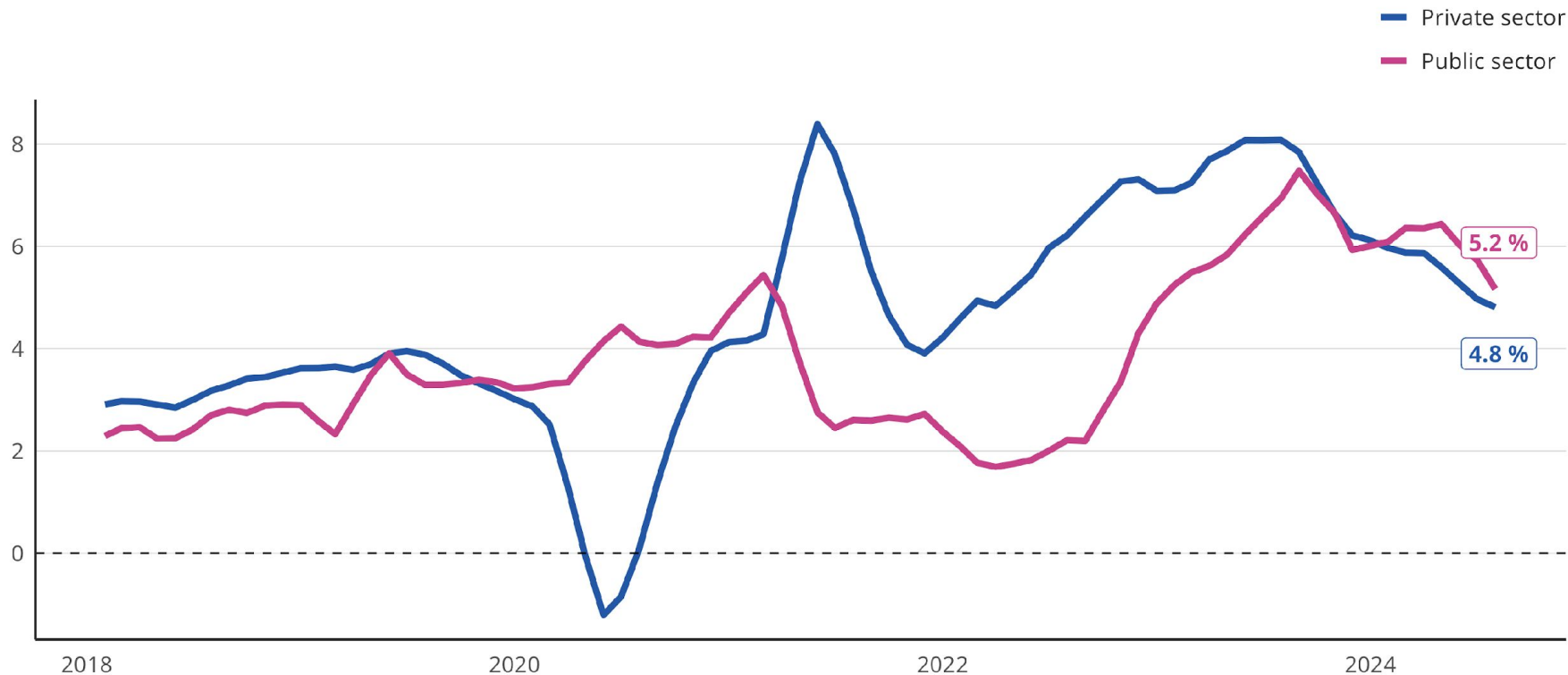


Sources: Eurostat (LCI refers to hourly compensation, including taxes and subsidies; NACE-Rev. 2 B-S, seasonally and calendar adjusted), ECB (CPE, W&S; Total economy, German and French data are seasonally adjusted, the remaining countries are both seasonally and calendar adjusted.)



United Kingdom: growth in average weekly earnings remains strong

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



Source: ONS.

→ hiringlab.org

→ data.indeed.com