WIFO ■ REPORTS ON AUSTRIA
8/2026

Economic Slowdown and Uncertainty Continue to Shape the Austrian Labour Market

Julia Bock-Schappelwein, Rainer Eppel

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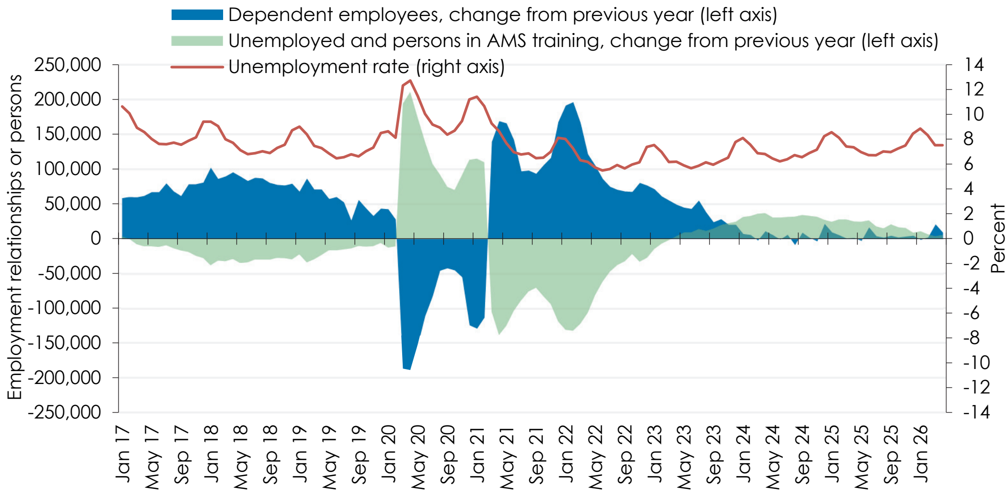
- The recession of 2023 and 2024 continued to weighon the labour market. As in the preceding year, employment grew by just 0.2 percent in 2025.
- While the economic recovery observed from the fourth quarter of 2024 onwards contributed to a modest deceleration in the rise in unemployment, the unemployment rate nonetheless increased by 0.4 percentage points to an annual average of 7.4 percent in 2025.
- Despite the working-age population contracting for the first time in nearly 50 years, the labour supply continued to expand in 2025 – albeit at a more moderate pace than in preceding years.
- In spring 2026, employment growth accelerated relative to the previous year and the rise in unemployment showed signs of levelling off, notwithstanding the uncertainty associated with the war in Iran.
- In the main scenario of the April Economic Outlook, WIFO projects employment growth of 0.5 percent in 2026 and expects the unemployment rate to stabilise at 7.4 percent. In an environment characterised by multiple concurrent crises, forecast uncertainty is currently elevated.

Dependent employment, extended unemployment and unemployment rate in Austria since 2017



As the effects of the recession continued to persist, employment growth remained exceptionally subdued in 2025. While the economic recovery contributed to a deceleration in the rise in unemployment, the unemployment rate nonetheless increased by 0.4 percentage points on an annual average to 7.4 percent.

"The economic recovery observed from late 2024 remained subdued, with the consequence that unemployment continued to rise throughout 2025 and employment growth remained marginal."

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June 2026

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In 2025, Austria recorded a modest recovery following two years of recession, with inflation-adjusted GDP expanding by 0.6 percent. Growth was uneven throughout the year, with periods of expansion alternating with phases of stagnation. Export activity and industrial output gained momentum, while the contraction in the construction sector moderated relative to the preceding year. Inflation remained elevated at 3.6percent, exerting downward pressure on real household incomes. As in 2024, the lingering effects of the recession constrained employment growth to just 0.2 percent. While the pace of increase in unemployment decelerated somewhat in the second half of 2025, the unemployment rate rose once again on an annual average. The number of job vacancies continued to decline. In spring 2026, employment growth accelerated relative to the previous year. Although the rise in unemployment has recently moderated, the uncertainty stemming from the war with Iran poses a risk to the sustainable stabilisation of the labour market.

JEL-Codes: E24, J21, J63 • **Keywords:** Labour market, unemployment, employment

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Imprint: Publisher: Gabriel Felbermayr • Editor-in-Chief: Hans Pitlik (hans.pitlik@wifo.ac.at) • Editorial team: Tamara Fellinger, Christoph Lorenz, Tatjana Weber • Media owner (publisher), producer: Austrian Institute of Economic Research • 1030 Vienna, Arsenal, Objekt 20 • Tel. (+43 1) 798 26 01-0, https://reportsonaustria.wifo.ac.at/ • Place of publishing and production: Vienna • 2026/RoA/7496

1. Persistent weakness in the labour market

1.1 Subdued employment growth persisted in 2025

While employment in the industrial sector and in wholesale and retail trade declined in 2025, it expanded in the public services sector.

Although the widely anticipated third consecutive year of recession did not materialise (Scheiblecker & Ederer, 2025), Austria's economic output expanded only modestly in 2025, recording growth of 0.6 percent in volume terms. The economic picture remained mixed throughout the year, with phases of expansion and stagnation alternating (Scheiblecker & Ederer, 2026). The export and industrial sectors regained momentum, particularly in the first half of 2025, before losing traction again towards the end of the year. The construction sector showed initial signs of stabilisation. Inflation remained elevated, eroding the real incomes of private households.

The two years of recession (2023 –0.8 percent, 2024 –0.7 percent) also exerted a lagged impact on the labour market. Following a still robust expansion in 2023 (+1.2 percent), employment growth remained marginal in 2025, as in the preceding year (+0.2 percent; +6,945 active dependent jobs). The volume of work performed by dependent employees (5,792.2 million hours) remained below the 2019 level (–179.8 million hours)[1].

On balance, as was the case in 2024, the modest growth in employment was driven exclusively by women (+0.8 percent or +14,044), whereas the number of men in paid employment fell by 0.3 percent (–7,099; Table 1). The expansion of female employment is largely attributable to the incremental rise in the statutory retirement age for women and the associated increase in employment in the age group aged 60 and over (Auer & Mlakic, 2025; Bittschi et al., 2024). Consequently, the proportion

[1] According to the Microcensus Labour Force Survey. Break in the time series for 2020-21. Refers to employees and their main occupation. Cross-border commuters from foreign countries are not included.

of female employment increased noticeably once again, reaching 46.5 percent (+0.3 percentage points compared with 2024).

Table 1: **The Labour Market at a glance**

	2022	2023	2024	2025	Change 2024-25	
					Absolute	Percent
Total number of dependent employees[1]	3,913,633	3,956,257	3,960,662	3,964,995	+ 4,333	+ 0.1
Men	2,097,630	2,115,043	2,105,322	2,098,322	– 7,000	– 0.3
Women	1,816,003	1,841,214	1,855,340	1,866,673	+ 11,333	+ 0.6
Persons in active dependent employment[2]	3,844,570	3,889,418	3,897,774	3,904,719	+ 6,945	+ 0.2
Men	2,090,186	2,107,886	2,098,040	2,090,941	– 7,099	– 0.3
Women	1,754,385	1,781,532	1,799,734	1,813,778	+ 14,044	+ 0.8
Workers in paid employment (nationals)	2,917,586	2,908,598	2,891,934	2,872,114	– 19,820	– 0.7
Men	1,539,655	1,531,497	1,513,692	1,493,854	– 19,838	– 1.3
Women	1,377,933	1,377,101	1,378,241	1,378,261	+ 20	+ 0.0
Foreign workers in paid employment	926,984	980,820	1,005,840	1,032,605	+ 26,765	+ 2.7
Men	550,531	576,389	584,348	597,087	+ 12,739	+ 2.2
Women	376,452	404,431	421,493	435,517	+ 14,024	+ 3.3
Self-employed and unpaid family workers[3]	508,100	511,200	515,800	518,900	+ 3,100	+ 0.6
Men	295,200	297,600	300,100	302,000	+ 1,900	+ 0.6
Women	212,900	213,600	215,700	216,900	+ 1,200	+ 0.6
Persons in active employment	4,352,670	4,400,618	4,413,574	4,423,619	+ 10,045	+ 0.2
Men	2,385,386	2,405,486	2,398,140	2,392,941	– 5,199	– 0.2
Women	1,967,285	1,995,132	2,015,434	2,030,678	+ 15,244	+ 0.8
Registered unemployed[4]	263,120	270,773	297,851	317,540	+ 19,689	+ 6.6
Men	146,991	153,853	170,298	178,658	+ 8,360	+ 4.9
Women	116,130	116,919	127,553	138,882	+ 11,329	+ 8.9
Persons in PES training[4]	69,524	70,546	75,524	76,496	+ 972	+ 1.3
Men	33,262	33,887	36,718	36,472	– 246	– 0.7
Women	36,262	36,659	38,806	40,024	+ 1,218	+ 3.1
Labour force[5]	4,615,790	4,671,391	4,711,425	4,741,159	+ 29,734	+ 0.6
Men	2,532,377	2,559,339	2,568,438	2,571,599	+ 3,161	+ 0.1
Women	2,083,415	2,112,051	2,142,987	2,169,560	+ 26,573	+ 1.2
Population aged 15 to 64[6]	5,979,620	6,016,521	6,022,115	6,012,394	– 9,721	– 0.2
Men	3,013,149	3,035,253	3,038,313	3,032,437	– 5,876	– 0.2
Women	2,966,471	2,981,268	2,983,802	2,979,957	– 3,845	– 0.1
Vacancies registered with the PES that are available immediately	95,087	125,503	108,401	78,844	– 29,557	– 27.3
	Percent					Percentage points
Labour force participation rate[5]	77.2	77.6	78.2	78.9		+ 0.6
Men	84.0	84.3	84.5	84.8		+ 0.3
Women	70.2	70.8	71.8	72.8		+ 1.0
Employment rate[7]	72.8	73.1	73.3	73.6		+ 0.3
Men	79.2	79.3	78.9	78.9		– 0.0
Women	66.3	66.9	67.5	68.1		+ 0.6
Unemployment rate						
According to PES and DVSV	6.3	6.4	7.0	7.4		+ 0.4
Men	6.5	6.8	7.5	7.8		+ 0.4
Women	6.0	6.0	6.4	6.9		+ 0.5
According to Eurostat	6.2	4.8	5.1	5.2		+ 0.1
Men	6.3	4.9	5.3	5.6		+ 0.3
Women	6.1	4.5	4.9	4.7		– 0.2

Source: Federation of Social Insurances (DVSV), Public Employment Service Austria (PES), WIFO calculations. – [1] According to DVSV. – [2] Employees according to DVSV, excluding persons in valid employment contracts receiving child care benefit or being in military service. – [3] According to WIFO. 2024 and 2025: provisional. – [4] According to labour market statistics. – [5] Persons in active employment and registered unemployed. – [6] Population at mid-year according to Statistics Austria; 2025: provisional. – [7] Persons in active employment.

Particularly pronounced employment gains were recorded among women aged 60.

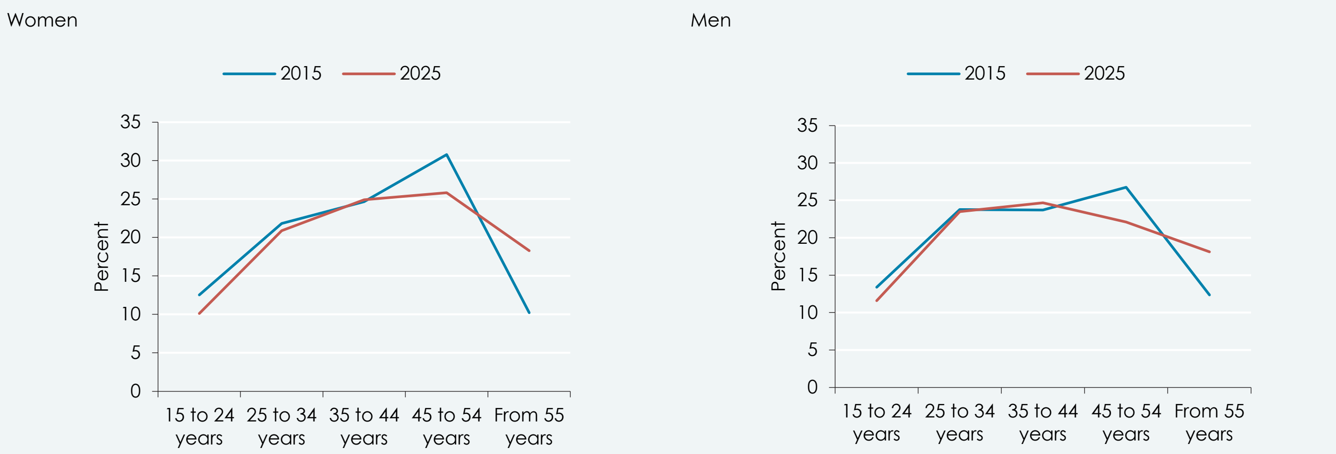
Despite the economic downturn having been overcome, job losses in the manufacturing sector and in wholesale and retail trade persisted.

In 2025, significant increases in employment were seen almost exclusively among those aged 60 and over (+26,159; women +19,212), and within this group, the rise was predominantly among women aged 60 (+14,338). In most other age groups, however, employment declined, particularly among those aged 50 to 54 (women –4,828, men –5,677). The proportion of persons aged 55 and over in active dependent employment accordingly rose by 0.6 percentage points to 18.2 percent (women +0.9 percentage points to 18.3 percent, men +0.3 percentage points to 18.1 percent; Figure 1), which further accentuated the demographic shift in the age structure.

Once again, due to the challenging situation in manufacturing, the number of blue-collar workers fell (–13,207), whilst the number of white-collar workers and public servants continued to rise (+20,153 compared with 2024; white-collar workers +28,492, public servants –8,339), particularly in human health and social work activities. By educational attainment level, only dependent employees with a university degree recorded growth (according to the Microcensus Labour Force Survey).

The persistent contraction in manufacturing resulted in job losses for the second consecutive year(–2.0 percent following –1.4 percent in 2024). In the labour leasing sector, this was even the third consecutive decline. Staff numbers in wholesale and retail trade also fell again (–1.7 percent following –0.9 percent). In the construction sector, the slump of previous years was followed by a near-stabilisation (–0.5 percent following –2.7 percent). By contrast, the service sectors reported employment growth almost across the board, particularly in public services (public administration, human health and social work activities, education; Table 2).

Figure 1: **Age structure of persons in active dependent employment by gender**



Source: Federation of Social Insurances, WIFO calculations.

Change in the classification of economic sectors as of 1 January 2025

On 1 January 2025, the NACE 2008 economic classification was replaced by NACE 2025. This is based on NACE Rev. 2.1, whose predecessor, NACE Rev. 2, was revised by the European Union and adapted to current requirements.

The most significant changes are as follows:

- At the highest level of classification, there are now 22 sections (A to V) instead of the previous 21. The previous NACE 2008 section J information and communication has been split in NACE 2025 into the two sections J Publishing activities, broadcasting, media content and K Telecommunications, IT services – all subsequent sections have therefore been moved up by one letter.
- At the second level, Division G45 Wholesale and retail trade and repair of motor vehicles and motorcycles has been dissolved and largely split between Divisions G46 Wholesale trade and G47 Retail trade. The previous class G45.20 Maintenance and repair of motor vehicles is now classified under Other services as two new classes: T95.31 Repair and maintenance of motor vehicles and T95.32 Repair and maintenance of motorcycles.
- Class F41.10 Land development, previously classified under construction, has become part of real estate activities as M68.12 Land development.

The labour market data from the Federation of Social Insurances (DVSV) and the Public Employment Service (PES) are only available down to the class level (four-digit level), which is why a more detailed analysis of shifts within the subclasses is not possible.

The reclassification of labour market data for 2024 from NACE 2008 to NACE 2025 was agreed between Statistics Austria, DVSV and PES. The data is available in the cubes of the labour market database (Data Warehouse – DWH). The reclassification of the classes was largely 1 : 1 and, to a lesser extent, n : 1. The data according to NACE 2025 show minor inaccuracies for 2024, as the "1 : n" and "m : n" mappings could technically only be reclassified on a 1 : 1 basis[1].

According to Statistics Austria, more than 30 percent of enterprises were assigned a new economic activity as part of the transition[2]. The reclassification of the economic activities of enterprises, establishments and workplaces was carried out in consultation with them at the subclass level (five-digit level) via the Business Register.

[1] 53.6 percent of the 651 NACE 2025 classes (NACE 2008: 615) remained unchanged. In the other cases, the majority involved a change of class or a split whilst the division remained the same (31.5 percent) or the section remained the same (6.9 percent). In around 8 percent of cases, a classification was made both in the old class and in a class in a different section. Only 0.7 percent of the classes moved exclusively to a different section. – [2] For further information, see https://www.statistik.at/ueber-uns/erhebungen/klassifikationsmitteilung/informationen-zur-oenace, https://www.wko.at/zahlen-daten-fakten/oenace#heading_Wirtschaftsstatistische_Klassifikationen, https://www.wko.at/ooe/news/oenace-adaptierung and https://www.ams.at/regionen/salzburg/news/2025/01/info-oenace-2025.

Table 2: **Dependent employment by economic sector**

According to NACE

	2024	2025	Change 2024-25 Absolute	Percent
Agriculture, forestry and fishing	25,691	25,735	+ 44	+ 0.2
Mining and quarrying	5,316	5,079	– 237	– 4.4
Manufacturing	637,006	624,089	– 12,916	– 2.0
Electricity, gas, steam and air conditioning supply	29,028	30,672	+ 1,644	+ 5.7
Water supply; sewerage, waste management and remediation activities	18,770	18,461	– 309	– 1.6
Construction[1]	276,581	275,139	– 1,442	– 0.5
Wholesale and retail trade[2]	543,959	534,640	– 9,319	– 1.7
transportation and storage	207,236	210,341	+ 3,106	+ 1.5
Accommodation and food service activities	226,765	228,634	+ 1,869	+ 0.8
Publishing activities, broadcasting, media content[3]	25,679	25,687	+ 8	+ 0.0
Telecommunications, IT services[3]	98,367	97,580	– 786	– 0.8
Financial and insurance activities	112,995	113,202	+ 206	+ 0.2
Real estate activities[1]	47,607	47,154	– 453	– 1.0
Professional, scientific and technical activities	214,733	219,145	+ 4,412	+ 2.1
administrative and support service activities	219,764	216,765	– 2,999	– 1.4
public administration and defence; compulsory social security	612,123	620,036	+ 7,913	+1,3
Education	119,671	120,720	+ 1,050	+ 0.9
Human health and social work activities	318,857	332,993	+ 14,136	+ 4.4
Arts, entertainment and recreation	42,588	43,379	+ 791	+ 1.9
Other service activities[2]	110,411	110,605	+ 194	+ 0.2
Private households	2,426	2,485	+ 60	+ 2.5
Activities of extraterritorial organisations and bodies	915	838		
Unknown	1,288	1,340	+ 52	+ 4.1
Active dependent employment	3,889,419	3,897,774	+ 8,355	+ 0.2
Persons doing military service	4,780	4,690	– 91	– 1.9
Persons receiving childcare allowance	58,109	55,586	– 2,523	– 4.3
Employees	3,960,663	3,964,995	+ 4,333	+ 0.1

Q: Federation of Social Insurances. Figures for 2024 have been reclassified from NACE 2008 to NACE 2025. – [1] NACE 2008, Class F 41.10 Land development becomes NACE 2025, Class M 68.12 Land development. – [2] NACE 2008, Class G 45.20 Maintenance and repair of motor vehicles becomes NACE 2025, Class T 95.31 Repair and maintenance of motor vehicles and Class T 95.32 Repair and maintenance of motorcycles. – [3] NACE 2008, Section J information and communication is divided in NACE 2025 into Sections J and K. NACE 2008, Class J 63.91 News agencies becomes NACE 2025, Class J 60.31 News agencies.

Growth in foreign worker employment stabilised at the level of the preceding year, while the number of cross-border commuters increased at a below-average rate.

Employment of foreign workers expanded in 2025 at a similar rate to the previous year (+2.7 percent following +2.6 percent in 2024), with slightly stronger growth among women (+3.3 percent) than among men (+2.2 percent). Growth was particularly robust among female workers aged 60 and over. The number of commuters with a foreign place of residence and foreign nationality grew again, albeit somewhat modestly (+2.3 percent), following near-stagnation in the previous year. By region of origin, the number of workers from third countries increased most sharply (+4.0 percent), driven in particular by Ukrainians and Syrians, ahead of the EU 15 and the EFTA countries (+3.4 percent), whereas the number of employees from Bulgaria, Romania and Croatia barely increased (Table 3). The proportion of foreign workers in total dependent employment continued to rise to 26.4 percent (2024: 25.8 percent), as the number of workers with Austrian citizenship fell by 0.7 percent compared with the previous year.

Table 3: **Foreign workers in Austria**

	2020	2021	2022	2023	2024	2025	Change 2024-25 Absolute	Change 2024-25 Percent
Total	777,270	839,632	926,984	980,820	1,005,841	1,032,605	+ 26,764	+ 2.7
Men	465,938	504,831	550,531	576,389	584,348	597,087	+ 12,739	+ 2.2
Women	311,332	334,801	376,452	404,431	421,493	435,517	+ 14,024	+ 3.3
Nationality								
14 EU countries[1], EFTA countries	151,082	160,332	174,358	183,149	190,153	196,668	+ 6,515	+ 3.4
EU accession countries 2004	211,740	228,937	251,392	265,174	268,109	271,464	+ 3,355	+ 1.3
Romania, Bulgaria	75,408	82,709	92,277	96,813	96,760	97,367	+ 607	+ 0.6
Croatia	36,596	43,301	50,456	54,766	59,531	60,071	+ 540	+ 0.9
Other foreign countries	302,443	324,352	358,501	380,918	391,288	407,035	+ 15,747	+ 4.0

Source: Federation of Social Insurances, WIFO calculations. – [1] Including the UK.

1.2 Significant increase in full-time employment among women

Part-time employment among women declined for the first time since the onset of the COVID-19 pandemic. Conversely, women took up considerably more full-time positions.

According to the Microcensus Labour Force Survey, full-time employment (+0.8 percent) grew more strongly than part-time employment in 2025 for the first time since 2020; part-time employment actually fell by 0.6 percent. This is attributable, on the one hand, to a significant increase in full-time employment among women (+2.5 percent) alongside a decline in part-time employment (–1.9 percent), and, on the other hand, to a stagnation in full-time employment among men (–0.1 percent; part-time employment +4.0 percent). Consequently, the part-time employment rate among women declined by 1.1 percentage points to 50.9 percent, whereas the corresponding figure for men increased by 0.5 percentage points to 13.5 percent. Across both sexes combined, the rate fell by 0.3 percentage points to 31.8 percent.

In contrast, the average actual working time per dependent employee remained stable at 28.6 hours, unchanged from the 2024 level[2]. The average actual weekly working time of full-time employees fell marginally by 0.1 to 33.3 hours in 2025 (men from 34.0 to 33.9 hours, women from 32.3 to 32.2 hours), whilst that of part-time employees remained at 18.4 hours (men from 17.8 to 17.9 hours, women unchanged at 18.5 hours).

The number of self-employed persons recorded modest growth once again in 2025, while the numbers of agency workers and those in marginal employment continued to decline.

The number of self-employed persons rose only modestly again in 2025 (+0.6 percent; men +0.6 percent, women +0.6 percent, provisional figures). Among Austrian nationals, there were fewer self-employed women and men than in 2024, whilst among foreign nationals, the number of self-employed men increased at a slightly faster rate than that of women. The year-on-year decline in marginal employment accelerated, deepening from 1.7 percent in 2024 to 2.2 percent. In contrast, the number of marginal freelance service contracts increased by 2.0 percent, albeit from a considerably lower base. In addition, more freelance service contracts were concluded again (+3.0 percent after –0.9 percent in 2024)[3]. Staff leasing again recorded particularly high job losses (–15.5 percent; Table 4).

[2] According to the ILO definition, persons are considered to be in employment if they worked for at least one hour during the reference week. However, the inclusion of marginal employment reduces the average weekly working hours and is therefore of limited relevance for employment subject to full social security contributions.
[3] Since 2008, freelance service contracts have been included in the employment statistics of the Federation of Social Insurances.

Table 4: **Atypical forms of employment**

	2022	2023	2024	2025	Change 2024-25	
	Average annual employees				Absolute	Percent
Staff leasing[1]	86,706	88,292	78,130	65,988	– 12,142	– 15.5
Men	69,202	69,815	62,117	53,117	– 9,000	– 14.5
Women	17,504	18,476	16,013	12,871	– 3,142	– 19.6
Freelance service contracts	14,798	14,566	14,433	14,866	+ 433	+ 3.0
Men	7,352	7,414	7,454	7,965	+ 511	+ 6.9
Women	7,446	7,152	6,979	6,902	– 77	– 1.1
Marginal employment	336,661	339,697	333,871	326,374	– 7,497	– 2.2
Men	131,178	133,098	133,131	131,857	– 1,274	– 1.0
Women	205,483	206,599	200,740	194,517	– 6,223	– 3.1
Marginal freelance service contracts	25,999	25,764	25,134	25,647	+ 513	+ 2.0
Men	12,076	11,987	11,710	12,291	+ 581	+ 5.0
Women	13,923	13,777	13,424	13,356	– 68	– 0.5
Part-time employment (hourly limit)[2]	1,070,900	1,095,900	1,108,500	1,101,100	– 7,400	– 0.7
Men	197,400	214,200	216,500	227,400	+ 10,900	+ 5.0
Women	873,500	881,700	892,100	873,700	– 18,400	– 2.1
Part-time employment (self-assignment)[3]	1,214,800	1,247,000	1,263,900	1,255,800	– 8,100	– 0.6
Men	239,400	260,900	263,400	273,900	+ 10,500	+ 4.0
Women	975,500	986,100	1,000,500	981,900	– 18,600	– 1.9

Source: Federal Ministry for Labour and Economy, Federation of Social Insurances, Statistics Austria. – [1] According to employment activities statistics. – [2] Dependent employees (Labour Force Concept), weekly working time 12 to 35 hours (approximate exclusion of marginal workers). – [3] Dependent employees (Labour Force Concept), part-time as self-classified by respondents, including marginal workers.

1.3 Rise in unemployment moderates

The unemployment rate rose to 7.4 percent in 2025 (2024: 7.0 percent).

As the two-year recession drew to a close from the fourth quarter of 2024 onwards, the pace of increase in unemployment decelerated somewhat in the second half of 2025 (annual average for 2025 +6.6 percent, following +10.0 percent in 2024). The unemployment rate according to national calculations nevertheless rose by 0.4 percentage points to 7.4 percent. Including persons in PES training schemes, it stood at 9.0 percent (2024: 8.6 percent). The unemployment rate according to Eurostat (Labour Force Survey) stood at 5.7 percent (+0.5 percentage points compared with 2024). The number of persons in PES training rose at a significantly slower rate than in the previous year (+1.3 percent compared with +7.1 percent; Table 5).

The rise in unemployment (including persons in PES training) was widespread throughout 2025 and affected different population groups to varying degrees. Women (+7.5 percent) were more severely affected than men (+3.9 percent), and those with tertiary education (+15.2 percent) more so than the low-skilled with at most a compulsory school leaving certificate (+0.3 and +4.0 percent respectively). The increase was particularly pronounced among displaced persons (+47.7 percent) and, by age group, among those aged 60 to 64 (+15.8 percent). Among older women, the increase was attributable to the incremental rise in the statutory retirement age, as a result of which this group appeared in the labour market statistics to a meaningful extent for the first time[4]. In 2025, unemployment was slightly lower, yet remained persistently high among persons granted asylum or subsidiary protection (Table 5).

The number of unemployed persons with health restrictions, for whom the risk of remaining unemployed for a longer period of time is noticeably higher, increased once again (+5.7 percent following +7.0 percent; including persons in PES training). The same applies to the long-term jobless[5]. Their number also increased sharply in 2025 (+12.4 percent after +10.1 percent in 2024; men +11.9 percent, women +13.0 percent).

In line with the higher unemployment figures, the extended unemployment rate rose across all age groups and educational attainment levels and among both Austrian and foreigner nationals. The increases were particularly strong among women, young persons and young adults up to the age of 24, and low-skilled persons (Table 6).

[4] Unemployed persons who are eligible for benefits under one of the old-age insurance schemes are not entitled to unemployment benefit (Section 22(1) of the Unemployment Insurance Act).

[5] With PES registration status "unemployed" or "in training". Long-term jobless persons have been without a job for over a year, apart from short interruptions.

Table 5: **Unemployed and persons in PES training**

	Unemployed and persons in PES training			
	2024	2025	Change compared to 2024	
			Absolute	Percent
total	**373,376**	**394,036**	**+ 20,660**	**+ 5.5**
Gender				
Men	207,016	215,130	+ 8,114	+ 3.9
Women	166,359	178,906	+ 12,546	+ 7.5
Age group				
Up to 19 years	18,937	20,127	+ 1,190	+ 6.3
20 to 24 years	41,652	43,760	+ 2,109	+ 5.1
25 to 29 years	46,026	47,774	+ 1,748	+ 3.8
30 to 34 years	47,366	49,273	+ 1,906	+ 4.0
35 to 39 years	44,955	47,429	+ 2,475	+ 5.5
40 to 44 years	40,771	43,302	+ 2,531	+ 6.2
45 to 49 years	34,889	37,237	+ 2,348	+ 6.7
50 to 54 years	35,305	36,878	+ 1,573	+ 4.5
55 to 59 years	42,125	43,505	+ 1,381	+ 3.3
60 to 64 years	20,710	23,975	+ 3,266	+ 15.8
From 65 years	641	775	+ 134	+ 21.0
Highest level of education completed				
No completed compulsory education	29,505	29,605	+ 100	+ 0.3
Compulsory education	147,980	153,932	+ 5,952	+ 4.0
Apprenticeship	95,878	100,770	+ 4,892	+ 5.1
Secondary technical and vocational school	18,203	19,339	+ 1,136	+ 6.2
Academic secondary school, colleges for higher vocational education	45,738	49,288	+ 3,549	+ 7.8
Post-secondary, non-tertiary education	1,098	1,114	+ 16	+ 1.5
Tertiary education	33,272	38,339	+ 5,066	+ 15.2
Unknown	1,701	1,649	– 52	– 3.1
Nationality				
Austria	213,003	224,061	+ 11,058	+ 5.2
Foreign	160,372	169,974	+ 9,602	+ 6.0
Persons granted asylum or subsidiary protection	44,802	44,045	– 757	– 1.7
Displaced persons pursuant to Section 62 of the Asylum Act	5,847	8,633	+ 2,786	+ 47.7
Other persons without Austrian nationality	109,724	117,296	+ 7,573	+ 6.9

Source: Public Employment Service Austria (PES).

Although the labour supply continued to grow in 2025, even as the working-age population contracted for the first time in almost 50 years, the pace of growth was considerably more moderate than in preceding years.

The rise in the number of immediately available apprenticeship seekers, a trend observed continuously since autumn 2022, continued into 2025 (+1,286 or +16.3 percent). The number of apprentices, however, fell again (–3,574), particularly in the first and second years of apprenticeship training (–4.6 percent and –5.0 percent respectively).

1.4 Growth in labour supply decelerates once again

The number of active dependent labour force (active dependent employees, self-employed and unemployed) was 0.6 percent higher in 2025 than in the previous year (2024 +0.9 percent), even though the working-age population aged between 15 and 64 shrank for the first time in 50 years. The labour force participation rate also continued to rise[6] (+0.6 percentage points to 78.9 percent). The labour supply increased once again across all age groups, albeit at a slightly slower pace than in the previous year. On balance, the increase was almost entirely attributable to foreign labour; among persons with Austrian citizenship, the labour supply stabilised in the 50 to 64 age group (Table 7). The employment rate of persons in active employment rose by 0.3 percentage points to 73.6 percent (Table 1).

[6] The final population figures for 2025 were not yet available at the time of writing; similarly, the number of self-employed persons for 2025 is provisional.

Table 6: **Extended unemployment rate by personal characteristics**

	2024	2025	Change 2024-25
	Percent		Percentage points
Total	**8.6**	**9.0**	**+ 0.4**
Gender			
Men	9.0	9.3	+ 0.3
Women	8.2	8.7	+ 0.5
Age groups			
Up to 19 years	12.1	13.1	+ 1.0
20 to 24 years	12.0	12.7	+ 0.7
25 to 54 years	8.1	8.5	+ 0.4
From 55 years	8.5	8.8	+ 0.3
Highest level of education completed[1]			
Compulsory education	26.9	27.7	+ 0.8
Apprenticeship	6.8	7.1	+ 0.3
Secondary technical and vocational school	4.1	4.4	+ 0.3
Academic secondary school, colleges for higher vocational education	5.4	5.9	+ 0.4
Highest level of education completed	3.6	4.0	+ 0.4
Nationality			
Austria	6.8	7.1	+ 0.3
Foreign	13.6	14.0	+ 0.4

Source: Public Employment Service Austria (PES), Federation of Social Insurances, Statistics Austria, WIFO calculations. Extended unemployment rate . . . Unemployed and persons in PES training as a percentage of the extended labour supply. – [1] Qualification structure of dependent employees according to the Microcensus Labour Force Survey, based on persons with a normal weekly working time of at least 12 hours.

Table 7: **Labour supply and the working-age population trends by citizenship and broad age groups**

	2023	2024	2025	Change 2024-25	
	Employment relationships or persons			Absolute	Percent
Labour supply[1]					
Total					
15 to 49 years	2,917,917	2,935,085	2,942,122	+ 7,037	+ 0.2
50 to 64 years	1,222,058	1,238,244	1,255,390	+ 17,146	+ 1.4
15 to 64 years	4,139,975	4,173,329	4,197,512	+ 24,183	+ 0.6
Austrian nationality					
15 to 49 years	2,064,309	2,055,763	2,044,243	– 11,519	– 0.6
50 to 64 years	996,392	997,496	998,130	+ 635	+ 0.1
15 to 64 years	3,060,701	3,053,258	3,042,374	– 10,885	– 0.4
Foreign nationality					
15 to 49 years	853,608	879,322	897,894	+ 18,572	+ 2.1
50 to 64 years	225,666	240,749	257,260	+ 16,511	+ 6.9
15 to 64 years	1,079,274	1,120,071	1,155,154	+ 35,083	+ 3.1
		Persons		Absolute	Percent
Population[2]					
Total					
15 to 49 years	3,993,342	4,009,582	4,011,311	+ 1,729	+ 0.0
50 to 64 years	2,015,683	2,016,199	2,010,361	– 5,838	– 0.3
15 to 64 years	6,009,025	6,025,781	6,021,672	– 4,109	– 0.1
Austrian nationality					
15 to 49 years	2,951,488	2,927,798	2,904,493	– 23,305	– 0.8
50 to 64 years	1,737,719	1,722,782	1,702,152	– 20,630	– 1.2
15 to 64 years	4,689,207	4,650,580	4,606,645	– 43,935	– 0.9
Foreign nationality					
15 to 49 years	1,041,854	1,081,784	1,106,818	+ 25,034	+ 2.3
50 to 64 years	277,964	293,417	308,209	+ 14,792	+ 5.0
15 to 64 years	1,319,818	1,375,201	1,415,027	+ 39,826	+ 2.9

Source: Public Employment Service Austria (PES), Federation of Social Insurances, Statistics Austria, WIFO calculations. – [1] Sum of persons in active dependent employment and unemployed. – [2] At the beginning of the year.

The downward trend in job vacancies persisted throughout 2025.

Owing to the prolonged economic downturn and pronounced geopolitical uncertainty, however, the number of job vacancies reported in 2025 fell short of the preceding year's level. According to Statistics Austria[7], the annual average stood at around 139,900 vacancies (–19.5 percent compared with 2024), with significantly fewer vacancies in both the manufacturing sector (–14.1 percent) and in the wholesale and retail trade and services sectors (–17.8 percent). Far fewer vacancies were advertised in the public and social sectors as well (–31.3 percent). By job profile, the decline affected all education attainment levels and both full-time and part-time positions.

The annual average number of vacancies reported to the PES fell to 78,844 in 2025 (–13.0 percent). Fewer staff were sought across all occupational categories, particularly in technical occupations. At the level of broad occupational groups, the sharpest declines were seen in metal and electrical occupations, tourism occupations, among technicians, in office occupations and in retail occupations.

2. The Austrian labour market in spring 2026

2.1 War with Iran threatens recovery in the business cycle and on the labour market

Although the war in Iran had not yet manifested in labour market statistics at the outset of 2026, it poses a risk to the ongoing recovery through its potential impact on energy prices and economic sentiment.

The economic environment in Austria in 2026 will be substantially shaped by the uncertain trajectory of the war in Iran and the associated upward pressure on crude oil and natural gas prices (Scheiblecker & Ederer, 2026). According to the WIFO Flash Estimate from late April (Bilek-Steindl & Scheiblecker, 2026), Austrian economic output expanded slightly in the first quarter of 2026 (+0.2 percent quarter-on-quarter and +0.6 percent year-on-year, seasonally and calendar-adjusted). The war in Iran, however, exerted only a partial effect during this quarter. Modest positive impetus originated from the industrial sector, whilst construction and other business services acted as a drag on growth, and consumer-related services likewise recorded a subdued performance.The WIFO-Konjunkturtest (business cycle survey) of April 2026 had already revealed a marked deterioration in business expectations and assessments of the economic situation, particularly in manufacturing, but also in service sectors[8].

Beyond the war in Iran and the associated geopolitical uncertainty, the ongoing war in Ukraine and the unpredictable trade policy of the United States continue to weigh on the domestic business cycle. Against the backdrop of these multiple concurrent crises, WIFO's most recent economic outlook presents projections for key indicators across three scenarios (Scheiblecker & Ederer, 2026). In the baseline scenario, the growth of real GDP in 2026 stands at 0.9 percent, the inflation rate at 2.7 percent and the unemployment rate at 7.4 percent. Employment is expected to rise by 0.5 percent, registered unemployment is not expected to rise further, and the number of persons in PES training is expected to fall slightly.

At the outset of 2026, employment expanded only tentatively, partly on account of weather-related conditions (January +4,899 or +0.1 percent year-on-year). In the subsequent months, however, growth accelerated considerably, reaching +28,594 or +0.7 percent in March. This positive momentum carried through into April (+17,317 or +0.4 percent). In the recent period, the public services sector and the accommodation and food service activities sector recorded particularly notable employment gains. By contrast, employment declined particularly in manufacturing and construction, whilst the decline in wholesale and retail trade was halted in March. Overall, growth continues to be driven predominantly by workers aged 60 and 61, the majority of whom are women – a direct consequence of the incremental rise in the statutory retirement age.

While the pace of increase in unemployment decelerated in the spring months, the upward trend nonetheless persisted. At the end of April 2026, 398,342 persons were registered as unemployed or in PES training, 5,711 or 1.5 percent more than in the previous year (Figure 2). On balance, the recent increase was attributable exclusively to women (+9,011 or +4.9 percent, men –3,300 or –1.6 percent) and to persons with Austrian citizenship (+8,159 or +3.7 percent, foreign nationals –2,448 or –1.4 percent). It was particularly concentrated among women aged 61 (+2,270), followed by women of middle age (45 to 49 years, +1,102) and younger age (25 to 29 years, +1,097). Furthermore, unemployment rose among highly qualified individuals (women +2,591 or +12.0 percent, men +1,945 or +11.9 percent) and persons with disabilities (+2,688 or +3.2 percent).

Significant increases were recorded in the two sectors important for female employment: wholesale and retail trade (+4.8 percent) and human health and social work activities (+8.2 percent), whereas unemploy-

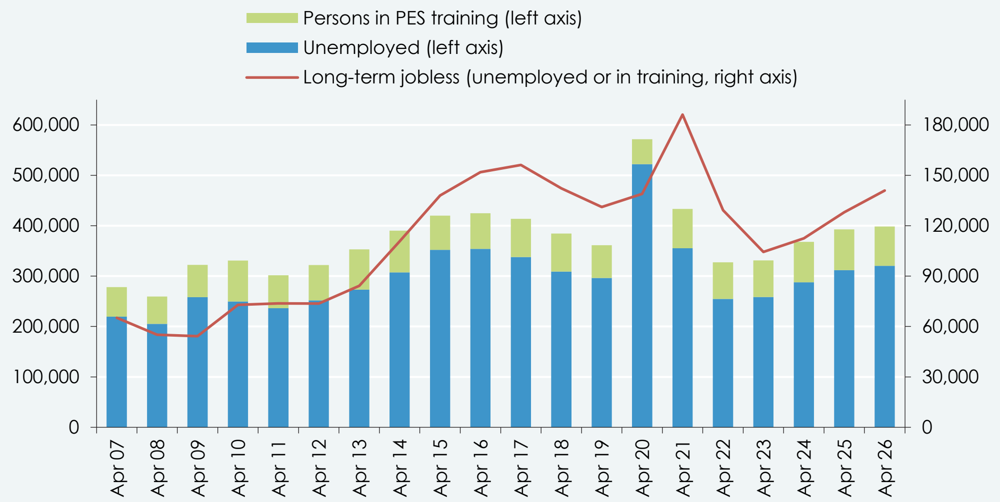
[7] https://www.statistik.at/statistiken/arbeitsmarkt/arbeitskraeftenachfrage/offene-stellen (accessed on 21 April 2026).

[8] https://www.wifo.ac.at/publication/pid/68090523 (accessed on 30 April 2026).

ment in the male-dominated manufacturing sector stabilised (+0.9 percent) and actually fell in construction (–2.8 percent). In a comparison of the federal states, unemployment rose most significantly in Lower Austria (+4.8 percent) and Vorarlberg (+4.6 percent), whilst it stagnated in Vienna (–0.2 percent) and fell in Carinthia (–2.5 percent).

The continued decline in the number of job vacancies reflects both the prevailing economic conditions and the elevated level of uncertainty. In April 2026, 77,157 vacancies were registered with the PES as immediately available, which is 4,840 (or 5.9 percent) fewer than in April of the previous year.

Figure 2: **Extended unemployment and long-term joblessness**



Source: Public Employment Service Austria (PES), WIFO calculations.

2.2 Long-term joblessness remains high

Two years of recession, a fragile economic recovery, and the uncertainty surrounding the war in Iran – which poses a risk to the recovery in the current year – have contributed to a further increase of long-term jobless[9] to rise further. Long-term joblessness is now more than twice as prevalent as it was before the financial market and economic crisis of 2008-09 (April 2008: 55,091, April 2026: 140,975; Figure 2), meaning that entrenched unemployment continues to pose a major and growing challenge.

At the end of April 2026, just over one third of all unemployed persons – including those enrolled in Public Employment Service (PES) training programmes – were classified as long-term jobless (35.4 percent), almost 3 percentage points more than in the previous year (32.6 percent). Three groups of persons are at particularly high risk of remaining unemployed for a longer period: firstly, persons with no more than a compulsory school leaving certificate – in this group, 39.2 percent of the unemployed were classified as long-term jobless in April 2026; secondly, older persons aged 50 and over (43.4 percent); and thirdly, persons with health problems (50.9 percent).

The number of long-term unemployed persons continues to increase at a faster pace than total unemployment.

3. Outlook

While change is an inherent feature in the labour market, the current situation is nonetheless distinctive in several key respects. The labour market is currently undergoing rapid transformation – driven by digitalisation and the rapid progress of artificial intelligence. With the outbreak of the war in Ukraine in February 2022 and the war in Iran in 2026, the dependence of European economies on fossil fuels and geopolitically sensitive supply chains has once again become starkly apparent.

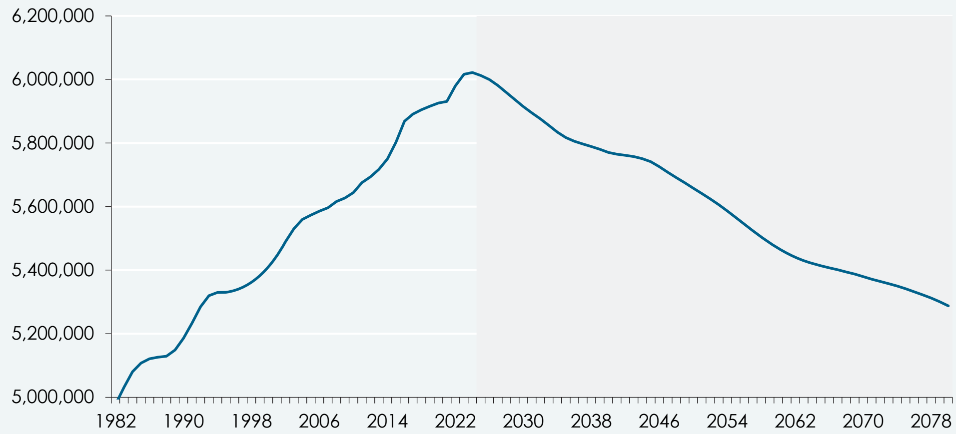
Beyond geopolitical uncertainty and its cyclical repercussions, structural pressures arising from demographic change are becoming increasingly apparent. In 2025, Austria's working-age population (aged 15 to 64) declined for the first time in approximately five decades. According to the most recent population forecast by Statistics Austria, this

The labour supply is projected to expand at a considerably more moderate pace in the coming decades than in preceding ones.

[9] PES registration status "unemployed" or "in training".

contraction is projected to persist beyond 2040 (Figure 3). By 2035 and 2040 respectively, the population is expected to return to the levels recorded in 2015-16, and by 2080 to those of the early 1990s – a sustained long-term decline without precedent in recent decades. Austria is not alone in this regard, as numerous other European economies face comparable demographic challenges (OECD & European Commission, 2024).

Figure 3: **Trends and projections for the working-age population**



Source: Statistics Austria. Population aged 15 to 64 at mid-year. From 2025: Forecast based on the main scenario of 12 November 2025.

The labour supply is undergoing fundamental change not only in terms of size but also in its composition: the workforce is ageing on average, and medium-level skills are becoming increasingly scarce.

As the baby boom generation progressively reaches retirement age, it is being succeeded by smaller cohorts. The resulting demographic contraction in labour force potential is, however, more than offset by rising labour force participation – partly a consequence of pension reforms and increasing qualification levels across the population. Nonetheless, labour supply growth is projected to slow considerably in the coming years relative to past decades (Eppel & Mahringer, 2024). According to WIFO simulations – which carry considerable uncertainty, particularly with respect to future migration flows – the labour force is set to peak towards the end of the 2020s, thereafter largely stagnating through to 2040 (Horvath et al., 2022; Horvath, Huber, et al., 2024).

The moderation in labour supply growth is expected to bring about lasting structural shifts in labour market tightness. Firms across numerous segments of the labour market are therefore likely to encounter increasing recruitment difficulties going forward. Such challenges are already evident in several sectors and may intensify further should demand for labour remain robust.

At the same time, a deceleration in labour supply growth may exert downward pressure on unemployment and broaden employment opportunities for jobseekers. A tighter labour supply could, in particular, contribute to reducing long-term unemployment once the business cycle regains momentum. Realising this potential, however, requires effective active labour market policy measures, a readiness among the workforce to engage in retraining, and greater openness on the part of firms towards groups that have historically faced disadvantage in the labour market.

The shift in the composition of the working-age population is, however, likely to be of even greater significance than the deceleration in its growth. Most notably, substantial changes in the skills structure of the labour supply are to be anticipated. As the baby boom generation exits the workforce and younger cohorts attain progressively higher qualification levels, Horvath, Mahringer et al. (2024) project considerable shifts in the educational structure by 2040: while the number of labour force participants holding at least a Matura qualification is projected to increase by approximately 384,000 between 2023 and 2040, the number holding intermediate qualifications – an apprenticeship certificate or a qualification from a School for intermediate Vocational Education (BMS) – is expected to decline by around 260,000, reflecting the markedly lower prevalence of such qualifications among younger cohorts.

Against this backdrop, model calculations by Bock-Schappelwein et al. (2025) indicate that a failure to implement adaptation and upskilling processes could exert a measurable adverse effect on growth and value added. In a scenario assuming a shortfall of 51,000 skilled workers, real GDP growth would be approximately 0.1 percentage points lower than in the baseline scenario, implying a cumulative GDP shortfall of around 0.5 percent after six years. Conversely, the simulations suggest that additional upskilling measures have the potential to generate positive growth impulses, albeit of moderate magnitude in the short term.

To mitigate emerging bottlenecks, measures aimed at upskilling and reskilling persons who have completed their initial training are therefore assuming growing importance - both within the context of in-company continuing vocational training and in the domain of labour market policy.

The share of older individuals in the labour supply is set to increase considerably in the coming years. This is attributable not only to demographic ageing, but also to rising labour force participation among older persons – driven in particular by the incremental increase in the statutory retirement age for women. As a consequence, the number of employed persons with health problems is likewise projected to rise. Older workers and those with health problems face an elevated risk of long-term unemployment upon job loss. Against this backdrop, the design of age- and health-appropriate working environments is assuming growing importance as a means of enabling sustained labour market participation (Eppel & Mahringer, 2024).

The mobilisation of hitherto underutilised labour reserves is becoming increasingly important.

In view of the foreseeable shortage of labour, it remains essential to tap into previously untapped reserves. These include, in particular, the unemployed, part-time workers who wish to work longer hours, and persons outside the labour market who are not currently actively seeking work but would like to be in employment (the "hidden reserve"). As studies show, there is considerable additional labour potential in Austria, particularly among women, persons with health impairments and migrants. To make better use of this potential, further removal of structural barriers to employment is required, for example in the area of childcare, enhanced health rehabilitation, and improved recognition of qualifications acquired abroad (Angel, Bittschi, et al., 2023; Angel, Ederer, et al., 2023).

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