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Persistent Economic Weakness Weighs on the Labour Market

Julia Bock-Schappelwein, Rainer Eppel

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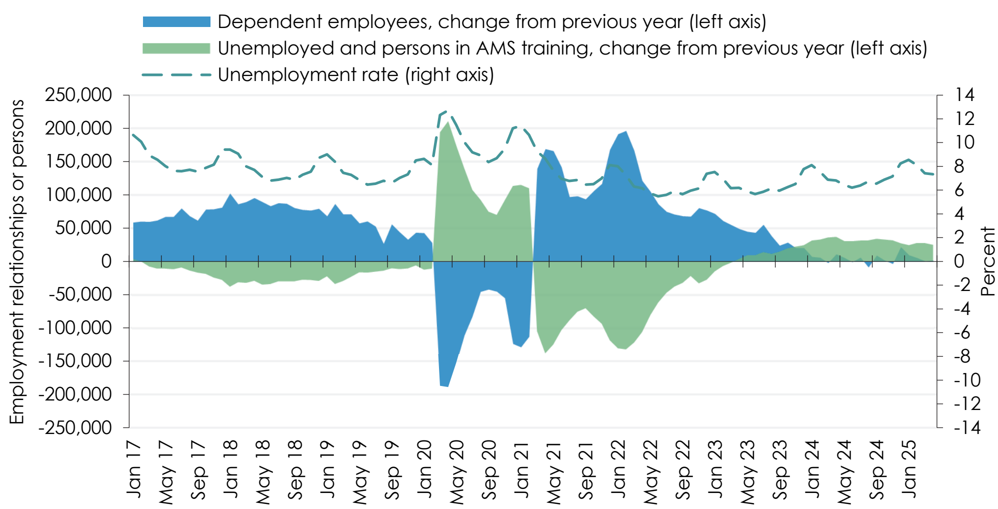
- As a result of the economic downturn, employment only grew by 0.2 percent in 2024. The last time growth was this timid was in 2003.
- At the same time, the unemployment rate increased significantly to 7.0 percent (2023: 6.4 percent), but still remained below the pre-crisis level of 2019.
- In view of the exceptionally long recession, the Austrian labour market is proving to be relatively robust, above all because the labour supply is growing more slowly than in the past due to demographic ageing.
- In spring 2025, there were declines in employment in industry, wholesale and retail trade and construction, among others. The rise in unemployment continued, as did the decline in job vacancies.
- In addition to the economic downturn, the inclusion of displaced persons in the unemployment statistics continues to contribute to the increase in unemployment.
- Even in 2025, employment growth is likely to be weak and unemployment will continue to rise. A turnaround on the labour market is not in sight due to the lack of an economic upturn.

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



The continued economic weakness dampened employment growth in 2024 and caused unemployment to rise (source: Public Employment Service Austria, Federation of Social Insurances, WIFO calculations).

"The persistent economic weakness is also weighing on the Austrian labour market. Employment rose only slightly in 2024, while unemployment increased significantly."

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June 2025

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In 2024, Austria's economic output shrank for the second year in a row (–1.2 percent). Companies suffered from weak demand at home and abroad, high energy prices and comparatively high unit labour costs. Private consumption declined despite rising real incomes. Manufacturing remained in recession. Construction and some service sectors such as retail trade also weakened. The persistent economic weakness also had an increasing impact on the Austrian labour market. In the economy as a whole, employment rose only slightly while manufacturing, construction and labour leasing faced significant employment losses. The unemployment rate increased noticeably again. The rise in unemployment continued in spring 2025. In addition to the weak economy, the inclusion of displaced persons from Ukraine in the unemployment statistics contributed to the increase in unemployment. The number of job vacancies continued to fall in 2024, but is still at a long-term high level. An improvement in the labour market situation is not expected until 2026 in the wake of a possible economic recovery.

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Scientific referee: Ulrike Huemer • **Research assistance:** Stefan Fuchs (stefan.fuchs@wifo.ac.at), Christoph Lorenz (christoph.lorenz@wifo.ac.at) • **Cut-off date:** 13 May 2025

Contact: Julia Bock-Schappelwein (julia.bock-schappelwein@wifo.ac.at), Rainer Eppel (rainer.eppel@wifo.ac.at)

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1. Downturn hits the labour market

1.1 Only slight employment growth

Employment growth in 2024 was only as weak as it was at the beginning of the 2000s.

In 2024, the Austrian economy experienced its second consecutive year of recession. It shrank by 1.2 percent, which was more than in 2023 (–1.0 percent). The downturn began in the second half of 2022. In the fourth quarter of 2024, real GDP fell for the eighth time in a row, and apart from the stagnation in the fourth quarter of 2022, for the tenth time. This made the recession the longest in postwar history by the end of 2024. In addition, Austria recorded the sharpest decline in GDP of all EU countries in 2024 (Scheiblecker, 2025; Scheiblecker & Ederer, 2025).

Companies continued to suffer from weak domestic and foreign demand, high energy prices and comparatively high unit labour costs. Private consumption declined despite rising real incomes. Manufacturing companies remained in recession and gross fixed capital formation fell by 3.4 percent. The construction industry and some services also performed weakly (Baumgartner et al., 2025; Ederer & Schiman-Vukan, 2024).

The persistent economic weakness is also increasingly weighing on the Austrian labour market. Active dependent employment rose only slightly by 0.2 percent in 2024 (+8,356 jobs); the last time the expansion was this timid was during the economic recovery in 2003. Against the backdrop of the continuing decline in working hours per employment relationship, the volume of work remained below the level of 2019, the year before the outbreak of the COVID-19 pandemic (–197.3 million hours after –87.8 million hours in 2023).[1]

[1] According to Labour Force Survey. Time series break 2020-21. Based on employed persons and main occupation. Cross-border commuters from abroad are not included.

Table 1: **The labour market at a glance**

	2021	2022	2023	2024	Change 2023-24 Absolute	Change 2023-24 Percent
Total number of employees[1]	3,804,941	3,913,633	3,956,257	3,960,662	+ 4,405	+ 0.1
Men	2,042,274	2,097,630	2,115,043	2,105,322	– 9,721	– 0.5
Women	1,762,667	1,816,003	1,841,214	1,855,340	+ 14,126	+ 0.8
Active dependent employment[2]	3,734,366	3,844,570	3,889,418	3,897,774	+ 8,356	+ 0.2
Men	2,035,065	2,090,186	2,107,886	2,098,040	– 9,846	– 0.5
Women	1,699,301	1,754,385	1,781,532	1,799,734	+ 18,202	+ 1.0
National employees in active dependent employment	2,894,734	2,917,586	2,908,598	2,891,934	– 16,664	– 0.6
Men	1,530,234	1,539,655	1,531,497	1,513,692	– 17,805	– 1.2
Women	1,364,500	1,377,933	1,377,101	1,378,241	+ 1,140	+ 0.1
Foreign employees in active dependent employment	839,632	926,984	980,820	1,005,840	+ 25,020	+ 2.6
Men	504,831	550,531	576,389	584,348	+ 7,959	+ 1.4
Women	334,801	376,452	404,431	421,493	+ 17,062	+ 4.2
Self-employed and unpaid family workers[3]	502,100	508,100	509,600	511,600	+ 2,000	+ 0.4
Men	291,400	295,200	297,100	298,300	+ 1,200	+ 0.4
Women	210,700	212,900	212,500	213,300	+ 800	+ 0.4
Active employment, self-employed and unpaid family workers	4,236,466	4,352,670	4,399,018	4,409,374	+ 10,356	+ 0.2
Men	2,326,465	2,385,386	2,404,986	2,396,340	– 8,646	– 0.4
Women	1,910,001	1,967,285	1,994,032	2,013,034	+ 19,002	+ 1.0
Registered unemployed[4]	331,741	263,120	270,773	297,851	+ 27,078	+ 10.0
Men	180,832	146,991	153,853	170,298	+ 16,445	+ 10.7
Women	150,909	116,130	116,919	127,553	+ 10,634	+ 9.1
Persons in AMS training[4]	70,337	69,524	70,546	75,524	+ 4,978	+ 7.1
Men	32,636	33,262	33,887	36,718	+ 2,831	+ 8.4
Women	37,701	36,262	36,659	38,806	+ 2,147	+ 5.9
Total labour force[5]	4,568,207	4,615,790	4,669,791	4,707,225	+ 37,434	+ 0.8
Men	2,507,297	2,532,377	2,558,839	2,566,638	+ 7,799	+ 0.3
Women	2,060,910	2,083,415	2,110,951	2,140,587	+ 29,636	+ 1.4
Population aged 15 to 64 years[6]	5,931,030	5,979,620	6,016,521	6,014,009	– 2,512	– 0.0
Men	2,990,629	3,013,149	3,035,253	3,033,603	– 1,650	– 0.1
Women	2,940,401	2,966,471	2,981,268	2,980,406	– 862	– 0.0
Immediately available vacancies reported to the AMS	95,087	125,503	108,401	90,677	- 17,724	– 16.4
			Percent			Percentage points
Labour force participation rate[5]	77.0	77.2	77.6	78.3		+ 0.7
Men	83.8	84.0	84.3	84.6		+ 0.3
Women	70.1	70.2	70.8	71.8		+ 1.0
Employment rate[7]	71.4	72.8	73.1	73.3		+ 0.2
Men	77.8	79.2	79.2	79.0		– 0.2
Women	65.0	66.3	66.9	67.5		+ 0.7
Unemployment rate						
According to AMS and DVSV	8.0	6.3	6.4	7.0		+ 0.6
Men	8.1	6.5	6.8	7.5		+ 0.7
Women	7.9	6.0	6.0	6.4		+ 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 (AMS), WIFO calculations. – [1] According to DVSV. – [2] Unemployed persons according to DVSV, excluding persons in valid employment receiving child care benefit or being in military service. – [3] According to WIFO. 2023 and 2024: provisional. – [4] According to labour market statistics. – [5] Persons in active employment and registered unemployed. – [6] Population at mid–year according to Statistics Austria; 2024: provisional. – [7] Persons in active employment.

The modest increase in employment was exclusively driven by women (+1.0 percent or +18,202), while the number of men in active dependent employment fell by 0.5 percent (–9,846; Table 1). The increase in female employment is largely due to the increase in the retirement age for women and the associated rise in employment in the age group of 60 and over (Auer & Mlakic, 2025). As a result, the proportion of women in active

The decline in male employment was offset by an increase in female employment in 2024.

employment increased even more noticeably than in the previous year, when a noticeable increase was recorded for the first time since the mid-2000s, reaching 46.2 percent (+0.4 percentage points compared to 2023).

The persistent economic weakness had a particularly negative impact on manufacturing and construction.

In 2024, there were only notable increases in jobs, mainly among women, in the age group of 55 and over (+27,102 jobs; women +19,805) and among persons of prime working age between 35 and 44 (+10,875; women +7,442). The number of jobs shrank in most other age groups (under-30-year-olds –13,357, 45- to 54-year-olds –16,306). As in the previous year, the number of blue-collar workers decreased due to the challenging situation in manufacturing, construction and labour leasing (–27,351), while the number of white-collar workers and civil servants continued to increase (+35,706 in total compared to 2023). In terms of education attainment level, employment losses were concentrated among persons with no more than a compulsory school leaving certificate or medium qualifications, while those with higher qualifications recorded increases (according to the Labour Force Survey).

The continued economic downturn had a particularly negative impact on manufacturing and construction, where the number of dependent employees fell significantly (Table 2). In labour leasing, which is particularly sensitive to economic cycles, the decline in employment continued for the second year. Wholesale and retail trade also saw a decline in employment. With the exception of real estate activities, all other service sectors recorded growth, in particular public services (public administration, health, education), professional, scientific and technical services, transportation and storage as well as information and communication.

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

According to NACE 2008 sections

	2023	2024	Change 2023-24 Absolute	Change 2023-24 Percent
Agriculture, forestry and fishing	26,015	25,691	– 325	– 1.2
Mining and quarrying	5,419	5,316	– 104	– 1.9
Manufacturing	645,783	637,006	– 8,777	– 1.4
Electricity, gas, steam and air conditioning supply	28,166	29,028	+ 862	+ 3.1
Water supply; sewerage, waste management and remediation activities	18,597	18,770	+ 173	+ 0.9
Construction	288,652	280,382	– 8,270	– 2.9
Wholesale and retail trade, repair of motor vehicles and motorcycles	572,328	567,835	– 4,493	– 0.8
Transportation and storage	204,188	207,236	+ 3,047	+ 1.5
Accommodation and food service activities	224,711	226,765	+ 2,053	+ 0.9
Information and communication	121,748	124,046	+ 2,298	+ 1.9
Financial and insurance activities	110,974	112,995	+ 2,021	+ 1.8
Real estate activities	44,193	43,806	– 387	– 0.9
Professional, scientific and technical activities	209,790	214,733	+ 4,943	+ 2.4
Administrative and support service activities	233,076	219,764	– 13,312	– 5.7
Public administration and defence; compulsory social security	599,773	612,123	+ 12,351	+ 2.1
Education	116,469	119,671	+ 3,202	+ 2.7
Human health and social work activities	308,395	318,857	+ 10,462	+ 3.4
Arts, entertainment and recreation	41,199	42,588	+ 1,389	+ 3.4
Other service activities	85,257	86,535	+ 1,278	+ 1.5
Activities of households as employers, undifferentiated goods- and services-producing activities of private households for own use	2,515	2,426	– 89	– 3.5
Activities of extraterritorial organisations and bodies	914	915	+ 1	+ 0.1
Unknown	1,257	1,288	+ 31	+ 2.4
Active dependent employment	3,889,419	3,897,774	+ 8,355	+ 0.2
Persons doing military service	4,674	4,780	+ 106	+ 2.3
Persons receiving childcare allowance	62,165	58,109	– 4,056	– 6.5
Employees	3,956,257	3,960,662	+ 4,405	+ 0.1

Source: Federation of Social Insurances.

The number of foreign workers grew again in 2024, but less than half as fast as in the previous year (+2.6 after +5.8 percent in 2023). The only notable increase in employment was among women (+4.2 percent). The number of commuters with a foreign place of residence hardly increased at all (+0.4 percent). By region of origin, the number of workers from Croatia increased the most (+8.7 percent), well ahead of the EU 15 and EFTA countries (+3.8 percent), while the number of employees from Bulgaria and Romania stagnated (Table 3). The share of foreign workers in total active dependent employment reached 25.8 percent (2023: 25.2 percent), as the number of workers with Austrian citizenship shrank by 0.6 percent compared to the previous year.

The increase in the number of foreign workers halved compared to the previous year; the number of cross-border commuters hardly increased at all.

Table 3: **Foreign workers in Austria**

	2019	2020	2021	2022	2023	2024	Change 2023-24	
							Absolute	Percent
Total	799,483	777,270	839,632	926,984	980,820	1,005,840	+ 25,020	+ 2.6
Men	480,143	465,938	504,831	550,531	576,389	584,348	+ 7,959	+ 1.4
Women	319,340	311,332	334,801	376,452	404,431	421,493	+ 17,062	+ 4.2
Nationality								
14 EU countries[1], EFTA countries	152,661	151,082	160,332	174,359	183,154	190,157	+ 7,003	+ 3.8
EU accession countries 2004	223,652	211,740	228,942	251,396	265,177	268,110	+ 2,933	+ 1.1
Romania, Bulgaria	76,202	75,408	82,709	92,277	96,814	96,760	- 54	– 0.1
Croatia	34,588	36,596	43,301	50,457	54,766	59,532	+ 4,766	+ 8.7
Other foreign countries	312,380	302,443	324,348	358,495	380,909	391,281	+ 10,372	+ 2.7

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

Workers from Ukraine were granted free access to the Austrian labour market when Federal Law Gazette 43/2023[2]) came into force on 21 April 2023. Although their number increased significantly again in 2024 (+22.7 percent or +3,676), the growth was much weaker than in the previous year (+57.7 percent or +5,922). Ukrainians recorded by far the largest increases in employment in tourism and wholesale and retail trade in 2024. Most Ukrainians work in these sectors in this country. They are followed by manufacturing, labour leasing, health, professional, scientific and technical services and agriculture and forestry.

Table 4: **Atypical forms of employment**

	2021	2022	2023	2024	Change 2023-24	
	Annual average number of employees				Absolute	Percent
Staff leasing[1]	78,380	86,706	88,292	78,130	– 10,161	– 11.5
Men	62,390	69,202	69,815	62,117	– 7,698	– 11.0
Women	15,991	17,504	18,476	16,013	– 2,463	– 13.3
Freelance service contracts	14,698	14,798	14,566	14,433	– 133	– 0.9
Men	7,245	7,352	7,414	7,454	+ 40	+ 0.5
Women	7,453	7,446	7,152	6,979	– 173	– 2.4
Marginal employment	324,459	336,661	339,697	333,871	– 5,826	– 1.7
Men	127,853	131,178	133,098	133,131	+ 33	+ 0.0
Women	196,606	205,483	206,599	200,740	– 5,859	– 2.8
Part-time employment (hourly limit)[2]	1,010,100	1,070,900	1,095,900	1,108,500	+ 12,600	+ 1.1
Men	175,800	197,400	214,200	216,500	+ 2,300	+ 1.1
Women	834,300	873,500	881,700	892,100	+ 10,400	+ 1.2
Part-time employment (self-assignment)[3]	1,134,300	1,214,800	1,247,000	1,263,900	+ 16,900	+ 1.4
Men	212,300	239,400	260,900	263,400	+ 2,500	+ 1.0
Women	922,000	975,500	986,100	1,000,500	+ 14,400	+ 1.5

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 marginally employed persons). – [3] Dependent employees (Labour Force Concept), part-time according to self-assignment of respondents, including marginally employed persons.

1.2 Continuing, albeit weaker, trend towards part-time work

According to the Labour Force Survey, the increase in employment in 2024 was once again concentrated on part-time employment (+1.4 percent; women +1.5 percent, men +1.0 percent, after a total of +2.7 percent in 2023), while the number of full-time employees shrank after the slight increase in

[2] https://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2023_I_43/BGBLA_2023_I_43.pdf (accessed on 30 April 2025).

The trend towards part-time work continued in 2024 but was less pronounced than in the previous year. The number of full-time employees fell.

the previous year (–0.6 percent; women –0.2 percent, men –0.9 percent; 2023 total +0.4 percent). The part-time rate for men increased by 0.2 percentage points to 13.1 percent, while the rate for women rose by 0.4 percentage points to 52.0 percent (32.1 percent in total).

The average actual working hours per dependent employee fell noticeably to 28.6 hours, after remaining at around 29.2 hours in the previous three years. The decline was particularly attributable to the public sector, where working hours fell from 31.6 hours (2021) to 29.8 hours most recently[3]. The average actual weekly working time of full-time employees fell by 0.5 hours to 33.4 hours in 2024 (men from 34.3 to 34.0 hours, women from 32.9 to 32.3 hours), while that of part-time employees fell by 0.5 to 18.4 hours (men from 18.1 to 17.8 hours, women from 19.1 to 18.5 hours).

The number of self-employed persons almost stagnated in 2024, while the number of labour leasing, freelancers and marginally employed persons shrank.

The number of self-employed almost stagnated in 2024 (+0.4 percent; men +0.4 percent, women +0.4 percent, provisional). Both fewer women and fewer men were self-employed among nationals than in 2023; among foreign nationals, however, the decline observed in the two previous years came to a halt. Marginal employment fell again for the first time since 2020 (–1.7 percent). The slight decline in freelance contracts (–0.9 percent) continued from the previous year. Labour leasing recorded a particularly sharp drop in employment (–11.5 percent; Table 4).

1.3 Unemployment rises significantly

The unemployment rate increased significantly to 7.0 percent in 2024 (2023: 6.4 percent), but still remained below the level of 2019 before the outbreak of the COVID-19 pandemic.

Due to the economic downturn, unemployment increased significantly by 10.0 percent in 2024 (+27,078). The last time there was a similar phase of rising unemployment and stagnating employment was in the economically weak years of 2012 to 2015. According to national calculations, the unemployment rate averaged 7.0 percent for the year, which was 0.6 percentage points higher than in 2023. Including persons in AMS training programmes, it was 8.6 percent (2023: 7.9 percent). According to Eurostat (Labour Force Survey), the unemployment rate was 5.2 percent (+0.1 percentage points compared to 2023). The number of persons in AMS training increased noticeably compared to the previous year (+7.1 after +1.5 percent, Table 5).

The increase in unemployment (including persons in AMS training) was widespread over the course of 2024 and affected a wide range of population groups. It affected both women (+8.3 percent) and men (+10.3 percent) as well as persons of all age groups and educational attainment levels, but particularly the 60- to 64-year-olds (+18.9 percent or +3.2 percent). However, the 60- to 64-year-olds (+18.9 percent or +3,298) and persons at the margins of the education distribution (no completed compulsory education +13.0 percent; +3,401; academic education +15.6 percent; +4,497) were particularly affected. The increase was significantly stronger among foreign nationals than among Austrian nationals (+14.2 percent compared to 6.0 percent). Among displaced persons, extended unemployment rose sharply by 51.9 percent (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 again for the first time since 2020 (+7.0 percent after –3.5 percent; including persons in AMS training). The same applies to the long-term jobless[4]. Their number also increased sharply in 2024 (+10.1 percent; men +10.3 percent, women +9.8 percent) after falling by 14.0 percent in 2023.

In line with the higher unemployment figures, the extended unemployment rate rose in all age and education groups and among both Austrian and foreign nationals. The increases were particularly strong among men, young persons and young adults up to the age of 24, low-skilled persons with no more than a compulsory school-leaving qualification and foreign nationals (Table 6).

The increase in the number of apprenticeship seekers observed since autumn 2022 was particularly pronounced in 2024 (+1,251 or +18.9 percent). The number of apprentices fell again for the first time since the post-crisis year 2021 (–1,814), particularly in the first year of apprenticeship (–5.8 percent).

[3] According to the ILO definition, persons are considered to be gainfully employed if they have worked at least one hour in the reference week. This reduces the average weekly working time.

[4] Long-term jobless with AMS provisional status "unemployed" or "in training". Apart from shorter interruptions, the long-term jobless have been unemployed for over a year.

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

2024

	Unemployed		Persons in AMS training		Unemployed and persons in AMS training	
	Change compared to 2023					
	Absolute	Percent	Absolute	Percent	Absolute	Percent
Total	**+ 27,079**	**+ 10.0**	**+ 4,978**	**+ 7.1**	**+ 32,057**	**+ 9.4**
Gender						
Men	+ 16,445	+ 10.7	+ 2,831	+ 8.4	+ 19,276	+ 10.3
Women	+ 10,634	+ 9.1	+ 2,147	+ 5.9	+ 12,781	+ 8.3
Age group						
Up to 19 years	+ 650	+ 13.9	+ 700	+ 5.4	+ 1,350	+ 7.7
20 to 24 years	+ 3,064	+ 13.0	+ 1,734	+ 13.1	+ 4,798	+ 13.0
25 to 29 years	+ 3,745	+ 11.5	+ 696	+ 7.8	+ 4,442	+ 10.7
30 to 34 years	+ 3,691	+ 10.6	+ 352	+ 4.1	+ 4,042	+ 9.3
35 to 39 years	+ 3,793	+ 11.6	+ 499	+ 6.3	+ 4,292	+ 10.6
40 to 44 years	+ 3,611	+ 12.1	+ 528	+ 7.8	+ 4,139	+ 11.3
45 to 49 years	+ 2,647	+ 9.9	+ 324	+ 6.4	+ 2,971	+ 9.3
50 to 54 years	+ 1,528	+ 5.1	+ 71	+ 1.8	+ 1,599	+ 4.7
55 to 59 years	+ 1,033	+ 2.7	+ 22	+ 0.8	+ 1,055	+ 2.6
60 to 64 years	+ 3,244	+ 19.3	+ 54	+ 9.3	+ 3,298	+ 18.9
From 65 years	+ 73	+ 13.1	± 0	± 0.0	+ 71	+ 12.4
Highest level of education completed						
No completed compulsory education	+ 2,261	+ 13.1	+ 1,140	+ 12.9	+ 3,401	+ 13.0
Compulsory education	+ 10,223	+ 9.8	+ 1,712	+ 5.4	+ 11,935	+ 8.8
Apprenticeship	+ 5,881	+ 7.6	+ 926	+ 8.2	+ 6,807	+ 7.6
Secondary technical and vocational school	+ 1,052	+ 7.7	+ 267	+ 8.5	+ 1,318	+ 7.8
Academic secondary school, colleges for higher vocational education	+ 3,690	+ 11.4	+ 514	+ 5.5	+ 4,204	+ 10.1
Post-secondary, non-tertiary education	+ 8	+ 0.9	+ 4	+ 1.9	+ 12	+ 1.1
Tertiary education	+ 4,031	+ 17.3	+ 466	+ 8.4	+ 4,497	+ 15.6
Unknown	– 66	– 5.2	– 51	– 9.4	– 117	– 6.4
Nationality						
Austria	+ 10,801	+ 6.5	+ 1,286	+ 3.8	+ 12,087	+ 6.0
Foreign	+ 16,277	+ 15.7	+ 3,692	+ 10.0	+ 19,969	+ 14.2
Persons granted asylum or subsidiary protection	+ 3,395	+ 15.1	+ 2,270	+ 13.7	+ 5,665	+ 14.5
Displaced persons according to § 62 AsylG	+ 1,298	+ 59.1	+ 699	+ 42.3	+ 1,997	+ 51.9
Other persons without Austrian nationality	+ 11,584	+ 14.7	+ 723	+ 3.9	+ 12,307	+ 12.6

Source: Public Employment Service Austria.

1.4 Labour supply growing less dynamically

The number of active dependent labour force (active dependent employees, self-employed and unemployed) was 0.8 percent higher in 2024 than in the previous year (2023 +1.2 percent). The labour force participation rate also continued to rise[5] (+0.7 percentage points to 78.3 percent). The labour supply increased again in all age groups, albeit less dynamically than in the previous year. On balance, the increase was exclusively attributable to foreign labour (Table 7). The employment rate of persons in active employment rose by 0.2 percentage points to 73.3 percent (Table 1).

Although the labour supply continued to grow in 2024, this growth was less dynamic than in the previous year.

[5] The final population figures for 2024 were not yet available at the time the report was prepared; the number of self-employed persons for 2024 is also provisional.

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

	2023	2024	Change 2023-24
	Percent		Percentage points
Total	7.9	8.6	+ 0.7
Gender			
Men	8.2	9.0	+ 0.8
Women	7.7	8.2	+ 0.5
Age groups			
Up to 19 years	11.2	12.1	+ 0.9
20 to 24 years	10.7	12.0	+ 1.4
25 to 54 years	7.4	8.1	+ 0.7
From 55 years	8.2	8.5	+ 0.2
Highest level of education completed[1]			
Compulsory education	25.0	26.9	+ 1.9
Apprenticeship	6.2	6.8	+ 0.5
Secondary technical and vocational school	3.7	4.1	+ 0.4
Academic secondary school, colleges for higher vocational education	5.0	5.4	+ 0.4
Tertiary education	3.2	3.6	+ 0.3
Nationality			
Austria	6.4	6.8	+ 0.4
Foreign	12.4	13.6	+ 1.2

Source: Public Employment Service Austria, Federation of Social Insurances, Statistics Austria, WIFO calculations. Extended unemployment rate . . . unemployed and persons in AMS 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 working week of at least 12 hours.

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

	2022	2023	2024	Change 2023-24	
	Employment relationships or persons			Absolute	Percent
Labour supply[1]					
Total					
15 to 49 years	2,878,202	2,917,917	2,935,085	+ 17,168	+ 0.6
50 to 64 years	1,211,319	1,222,058	1,238,244	+ 16,187	+ 1.3
15 to 64 years	4,089,521	4,139,975	4,173,329	+ 33,354	+ 0.8
Austrian nationality					
15 to 49 years	2,072,533	2,064,309	2,055,763	– 8,546	– 0.4
50 to 64 years	1,001,696	996,392	997,496	+ 1,104	+ 0.1
15 to 64 years	3,074,230	3,060,701	3,053,258	– 7,442	– 0.2
Foreign nationality					
15 to 49 years	805,668	853,608	879,322	+ 25,714	+ 3.0
50 to 64 years	209,622	225,666	240,749	+ 15,083	+ 6.7
15 to 64 years	1,015,291	1,079,274	1,120,071	+ 40,797	+ 3.8
	Persons			Absolute	Percent
Population[2]					
Total					
15 to 49 years	3,942,484	3,993,342	4,009,582	+ 16,240	+ 0.4
50 to 64 years	1,999,166	2,015,683	2,016,199	+ 516	+ 0.0
15 to 64 years	5,941,650	6,009,025	6,025,781	+ 16,756	+ 0.3
Austrian nationality					
15 to 49 years	2,983,114	2,951,488	2,927,798	– 23,690	– 0.8
50 to 64 years	1,745,412	1,737,719	1,722,782	– 14,937	– 0.9
15 to 64 years	4,728,526	4,689,207	4,650,580	– 38,627	– 0.8
Foreign nationality					
15 to 49 years	959,370	1,041,854	1,081,784	+ 39,930	+ 3.8
50 to 64 years	253,754	277,964	293,417	+ 15,453	+ 5.6
15 to 64 years	1,213,124	1,319,818	1,375,201	+ 55,383	+ 4.2

Source: Public Employment Service Austria, 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.

As a result of the ongoing economic weakness, fewer vacancies were once again reported in 2024 than in the previous year. According to Statistics Austria[6], the annual average was 173,800 vacancies (–15.8 percent compared to 2023), with significantly fewer vacancies in manufacturing (–18.1 percent) as well as in wholesale and retail trade and services (–18.4 percent). Fewer jobs were also advertised in the public sector and social services (–3.1 percent). By job profile, the decline affected all educational attainment levels and both full-time and part-time positions.

The average number of job vacancies registered with the AMS fell below the 100,000 mark again in 2024 (90,677; –17,724 or –16.4 percent) after peaking in the two previous years. With the exception of healthcare professions, there was less demand for staff in all occupational categories, particularly in industry and commerce as well as wholesale and retail trade. In addition to wholesale and retail trade, office and metal or electrical occupations saw the sharpest declines at the level of occupational categories. This was followed by technical occupations, unskilled labour, tourism and construction.

In 2024, once again fewer vacancies were reported to the AMS than in the previous year.

2. The Austrian labour market in spring 2025

2.1 Persistent economic weakness dampens employment growth and causes unemployment to rise further

WIFO expects a third year of recession in 2025. The economic downturn even accelerated in the second half of 2024, which will also have an impact on the current year (Scheiblecker & Ederer, 2025). According to the WIFO Flash Estimate from the end of April, the Austrian economy grew by 0.2 percent in the first quarter of 2025 compared to the previous quarter. Compared to the same quarter of the previous year, however, there was another decline of ¾ percent (seasonally and working day-adjusted). While some service sectors have recovered to some extent, manufacturing and construction continue to weaken. Companies' expectations do not point to an imminent turnaround (Glocker, 2025).

If the business cycle in the EU picks up speed again, the domestic industry could benefit from this improved environment in the second half of 2025, overcome the stubborn recession and return to a moderate growth path. However, the international political and economic environment remains fraught with uncertainty. In addition, there are uncertainties regarding the scope and impact of fiscal austerity measures. Furthermore, according to current estimates, the economic recovery expected for the second half of the year will not be sufficient to prevent a third year of recession. In its latest forecast, the WIFO expects economic output to fall by a further 0.3 percent (2025) and not return to growth until 2026 (Scheiblecker & Ederer, 2025).

The persistent economic weakness also impacted the labour market in the first few months of the current year after 2024. Although employment continued to increase slightly in January and February, growth slowed again in March to 0.1 percent or +2,680 compared to the previous year (after +0.2 percent or +7,694 in February). Momentum remained weak in April (+3,464 or +0.1 percent). There was significant employment growth in public services until recently. By contrast, employment fell in manufacturing and the wholesale and retail trade in particular. The decline in employment among the under-60-year-olds was offset by a significant increase in the age group of 60 and over.

Employment growth slowed significantly in spring 2025, while the rise in unemployment continued.

The rise in unemployment continued in spring 2025. At the end of April 2025, 392,631 persons were registered as unemployed or in AMS training, 24,784 or 6.7 percent more than in the previous year, exceeding the pre-crisis level of 2019 even more than in April 2024 (April 2019: 361,202; Figure 1). In addition to the weak economy, the increasing number of displaced Ukrainians in the unemployment statistics continues to contribute to the increase.

In April 2025, slightly more than half of the increase in unemployment (including persons in AMS training) was accounted for by foreigners and a good 16 percent by persons with asylum and subsidiary protection or displaced person status. Across Austria, this group accounted for around one seventh of unemployed persons in April (54,388 out of 392,631), including mainly Syrians (25,399), persons from Afghanistan (8,550) and Ukraine (8,782). The proportion of displaced persons among the unemployed almost doubled to 2.2 percent (April 2024: 1.4 percent) with 8,798. At 45,590, a further 11.6 percent of all unemployed were persons entitled to asylum or subsidiary protection (April 2024: 12.3 percent). 118,932 or 30.3 percent were foreign nationals without asylum, protection or displaced person status, including 14,800 from the EU 15, the EEA or Switzerland, 48,224 from the EU accession

[6] https://www.statistik.at/en/statistics/labour-market/labour-demand/job-vacancies (accessed on 30 April 2025).

countries from 2004, 14,758 from Turkey and 41,150 from other third countries. At 219,311 (April 2025), nationals accounted for 55 percent of all unemployed (including persons in AMS training).

Against the background of their very uneven distribution within Austria, by far the most recognised refugees were registered in Vienna, as in the previous year. In April 2025, almost one in four jobseekers here had asylum and subsidiary protection or displaced person status (38,353 persons, 24.0 percent), including 20,092 persons from Syria. One third were other foreign nationals (53,031) and 42.8 percent were nationals (68,509). The proportion of displaced persons (4,866) almost tripled to 3.0 percent (April 2024: 1.1 percent).

The number of long-term jobless is again rising faster than total unemployment.

Industry continues to be heavily affected by the rise in unemployment. In April 2025, unemployment (including persons in AMS training) in the manufacturing sector was 15.1 percent higher than in the previous year. Accordingly, the "industrial province" of Upper Austria recorded the largest increase. Wholesale and retail trade also saw a strong increase (+9.3 percent). In construction (+0.1 percent) and labour leasing (+1.2 percent), on the other hand, unemployment hardly rose at all.

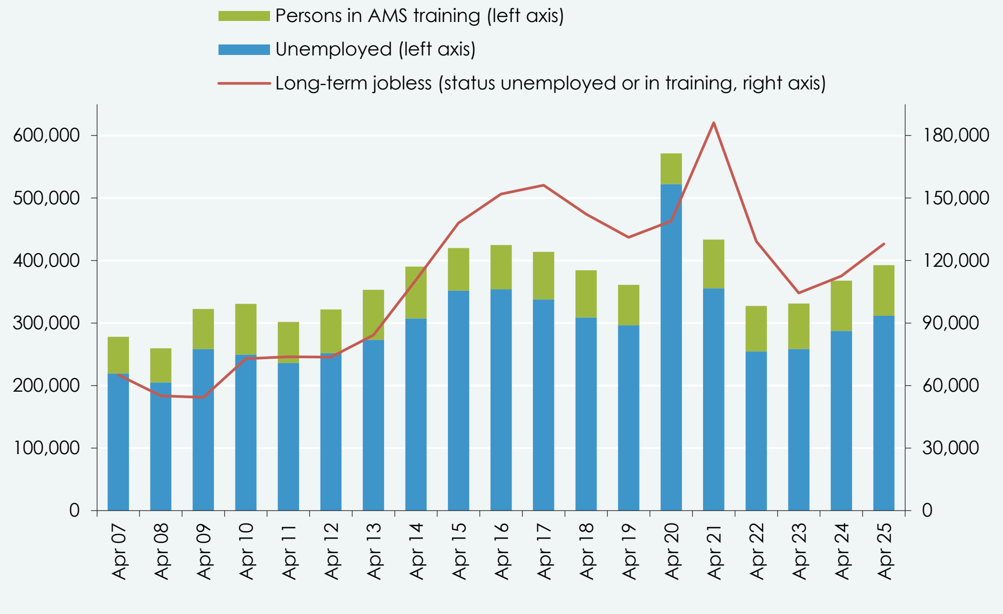
The continuing decline in job vacancies is a reflection of the economic downturn and the associated uncertainties for companies. At 81,997, 11,901 or 12.7 percent fewer (immediately available) vacancies were registered with the AMS in April 2025 than in April of the previous year. After peaking in 2022, the number of vacancies almost reached the pre-crisis level of April 2019 (80,288).

2.2 Long-term joblessness remains high

As the risk of permanent exclusion from the labour market increases with the continuing economic weakness, the number of long-term jobless[7] has been rising faster than unemployment in total since June 2024. Long-term joblessness is now more than twice as widespread as before the 2008-09 financial market and economic crisis (April 2008: 55,091, April 2025: 127,997; Figure 1), meaning that entrenched unemployment continues to pose a major and growing challenge for policymakers.

Just under a third of all unemployed persons (including persons in AMS training) were long-term jobless at the end of April 2025 (32.6 percent), 2 percentage points more than in the previous year (30.6 percent). Three groups of persons have a particularly high risk of remaining unemployed for longer: firstly, persons with at most a compulsory school leaving certificate – in this group, 35.9 percent of the unemployed were considered long-term jobless in April 2025; secondly, older persons aged 50 and over (39.9 percent); and thirdly, persons with health problems (47.7 percent).

Figure 1: **Extended unemployment and long-term joblessness**



Source: Public Employment Service Austria, WIFO calculations.

[7] AMS provisional status "unemployed" or "in training".

3. Outlook

In view of the exceptionally long recession, the Austrian labour market is developing relatively robustly. However, the weak business cycle has left its mark and is likely to have a negative impact for some time to come.

In its current forecast, WIFO expects moderate employment growth of 0.3 percent for 2025. If the business cycle brightens up next year as forecast, employment growth could accelerate to 0.8 percent in 2026. Registered unemployment is expected to rise by 15,000 persons or 5.0 percent in 2025 (including persons in AMS training by 16,000). The abolition of educational leave from 1 April 2025 is likely to make a small contribution to this increase. A trend reversal with a moderate decline in unemployment is not expected until 2026 at the earliest.

After 7.0 percent in 2024, the unemployment rate is likely to rise further to 7.3 percent (2025), increasing for the third year in a row. In 2026, the expected economic recovery should allow it to fall again to 7.1 percent (Scheiblecker & Ederer, 2025).

High and entrenched unemployment and many vacancies will continue to coexist. On the one hand, labour supply growth is slowing down as the baby boomers gradually reach retirement age and are followed by weaker cohorts. Although the increase in labour force participation will more than compensate for this decline, labour supply growth is likely to be weaker than in recent years or decades (see Horvath et al., 2022, 2024). This will continue to dampen unemployment. On the other hand, factors such as the increasing proportion of older persons, persons with health problems and migrants in the labour force, the increase in the retirement age for women and economic and technological change will make it more difficult to reduce unemployment.

Against this backdrop, it remains crucial to activate unused labour reserves. These include, in particular, unemployed persons, part-time workers who want to increase their working hours and persons who are not actively looking for work due to discouragement or other reasons such as health impairments or experience of flight, but still want to work. In order to utilise this considerable potential, barriers to employment must be removed (Angel et al., 2023).

A tightening of the labour supply could make it easier to reduce unemployment and long-term joblessness as soon as the business cycle picks up again. However, this requires effective active labour market policy measures, the willingness of workers to reorient themselves professionally and the willingness of companies to hire groups of persons that have been less considered to date. Due to demographic change and the latest pension reforms, older persons and those with health problems will be increasingly represented in the labour supply in the future. It is therefore particularly important to organise jobs in such a way that these groups can remain productively employed into old age.

Another major challenge, especially in Vienna, remains the integration of refugees and displaced persons, who are increasingly entering the Austrian labour market.

Despite the tight budget situation, it is essential to continue investing in active labour market policy. On the one hand, it is a central and effective instrument for combating unemployment and improving opportunities for participation in the labour market. On the other hand, it makes a significant contribution to reducing skills shortages and ensures a sufficient and qualified labour supply despite demographic fluctuations.

A turnaround on the labour market is not in sight any time soon. Unemployment is not expected to fall again until 2026, when the business cycle picks up again.

As the labour supply will grow more slowly in the future, it is crucial to activate previously unused reserves.

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