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Labour force stagnates despite population growth

Proportion of the 65+ age group increases to just under 27% by 2040

Vienna, 2024-11-27 – Austria’s population will continue to grow and age until 2080. According to the latest population projection from Statistics Austria, the population will grow by 5.5% to 9.6 million by 2040. Growth will be particularly strong among the population aged 65 and above, whose proportion will rise from the current 19.7% to 26.7% by 2040. By 2080, the total population is expected to increase further to 10.2 million people, 29.3% of whom will be aged 65 or over.

“The population in Austria will reach the ten million mark by the end of the 2060s. The population growth is due entirely to immigration, without which the population would immediately shrink. But even with immigration, the population will age rapidly in the coming years: by 2040, the proportion of the 65+ age group will increase from the current 19.7% to 26.7% and the number of persons in the labour force will decrease. This will put funding pressure on pay-as-you-go systems such as pensions, long-term care and healthcare and increase pressures on the labour market. While in 1950 there were around six people of working age for every person of retirement age, today there are only three and by 2040 there will only be two,” says Statistics Austria Director General Tobias Thomas.

Migration gains exceed projected birth deficits

Future population growth is exclusively due to expected gains from migration of around 28 000 to 35 000 people per year in the long term. This would continue a long-term trend: Since the turn of the millennium, Austria’s population has risen primarily due to migration surpluses. While Austria had a population of just over 8 million in 2001, by 2023 it had increased by 13.8% to 9.1 million. Of this growth, only around 0.2% was due to excess births, with the majority being gains from migration. In the years 2020 to 2022, the COVID-19 pandemic led to an increase in the number of deaths and thus to negative birth balances. The number of deaths is likely to continue to exceed the number of births, as the large birth cohorts of the baby boom of the 1950s and 1960s are increasingly moving into older age groups. Despite a foreseeable negative birth balance, further population growth is projected according to the main variant, with migration gains exceeding the losses from the birth balance.

Population growth only in retirement age

According to the main variant of the projection, the population aged 65 and older will increase significantly in absolute and relative terms. In 2023, around 1.80 million people aged 65 and over lived in Austria. The number of people under 20 years of age was slightly lower at around 1.76 million. In 2040, the population aged 65 and over is expected to be 42.9% (or around 772 000 people) larger than in 2023; at the same time, their share of the population will increase from the current 19.7% to 26.7% (see table 1). According to the projection, the number of people of working age between 20 and 64 will peak at 5.57 million in 2023 and fall below this figure by around 265 000 people (–4.8%) by 2040. After that, the number of people of working age would stagnate at a level of 5.28 to 5.32 million until 2050, before falling to a minimum of 5.19 million by 2063. Thereafter, the number of 20 to 64-year-olds will rise again slightly to 5.30 million by 2080. In contrast, the proportion of the total population aged under 20 will fall only slightly over the entire projection horizon (2023: 19.3%; 2080: 18.7%), this even corresponds to a slight increase in absolute terms (2023: 1.76 million; 2080: 1.90 million).

Vienna's population is growing the fastest

The population growth of 11.5% projected for Austria by 2080 is distributed very differently across the provinces. Due to migration, above-average growth is expected in Vienna. The federal capital accounts for a third of international immigration to Austria. In addition to Vienna, a larger population increase is projected for Lower Austria, Upper Austria and Vorarlberg by 2040. At the same time, slight population losses (–1.4%) are expected for Carinthia (see table 3).

Labour force stagnates despite population growth

According to the trend variant of the labour force projection, the number of people in the labour force, i.e. the sum of self-employed and contributing family members, employed and unemployed persons as well as those in military and civilian service, will be around 0.8% lower in 2040 than in 2023, despite population growth of 5.5% (see table 2). In absolute terms, this is around 38 000 fewer people in the labour force (2023: 4.77 million; 2040: 4.73 million). According to the projection, the labour force will continue to fall to 4.66 million by 2062, before rising again slightly to 4.75 million by 2080. If the age- and sex-specific labour force participation rates remain constant at the 2023 level, the labour force is expected to fall by 3.4% to 4.61 million until 2040.

Projection variants illustrate paths in uncertain times

In order to reflect the uncertainty of future developments, the population projection is prepared in eleven variants/scenarios. In addition to the medium assumption, upper and lower assumptions are developed for fertility, mortality and immigration to capture a range of possible developments, which are then combined into different variants/scenarios. The main variant combines the medium assumptions for each component. The ageing scenario shows the path that the population could take with a stronger increase in life expectancy (life expectancy at birth in 2080: men: +3.0 years compared to the medium assumption; women: +2.5 years) and a simultaneous decline in fertility (–0.5 children per woman compared to the medium assumption) and immigration (–30 000 people per year compared to the medium assumption). The growth scenario shows how the population could develop if the upper assumptions on fertility (+0.5 children per woman compared to the mean assumption), life expectancy (life expectancy at birth in 2080: men: +3.0 years compared to the medium assumption; women: +2.5 years) and immigration (+30 000 people per year compared to the medium assumption) were to materialise.

A comparison of the results shows that the ageing process of the Austrian population could not be halted even by a sharp increase in births and immigration: according to the main variant, the proportion of the population aged 65 and over rises to 29.3% by 2080, up from 19.7 % in 2023. The assumptions of the growth scenario result in a slightly lower, but also strong overall increase to 27.1%. According to the ageing scenario, the proportion would even rise to 36.3%. The dynamics of population change also differ between the scenarios: While the growth scenario predicts a strong increase in the population to 12.65 million in 2080, the population shrinks to 8.58 million by 2080 according to the ageing scenario.

Table 1: Projection of the Austrian population by age (annual averages)

Year	Total population, absolute terms				In percent		
	Total	Under 20 years	20 to 65 years	65 and more years	Under 20 years	20 to 65 years	65 and more years
2023	9 130 697	1 761 950	5 568 772	1 799 975	19,3	61,0	19,7
2025	9 187 379	1 754 187	5 549 166	1 884 026	19,1	60,4	20,5
2030	9 348 281	1 763 846	5 415 860	2 168 575	18,9	57,9	23,2
2040	9 632 532	1 756 755	5 303 721	2 572 056	18,2	55,1	26,7
2050	9 825 200	1 801 406	5 276 425	2 747 369	18,3	53,7	28,0
2060	9 903 848	1 839 382	5 195 289	2 869 177	18,6	52,5	29,0
2070	10 015 839	1 869 538	5 226 676	2 919 625	18,7	52,2	29,2
2080	10 179 834	1 899 992	5 297 598	2 9822 44	18,7	52,0	29,3

S: STATISTICS AUSTRIA, Population projection 2024, main variant (rounded results).

Table 2: Labour force projection for Austria by sex, age and projection variant

	2023	Trend variant			Constant variant		
		2040	2060	2080	2040	2060	2080
Men							
15 to 34 years	884 143	778 989	786 428	815 269	817 713	827 555	857 922
35 to 54 years	1 146 125	1 177 945	1 112 966	1 130 852	1 170 011	1 105 877	1 123 623
55 and more years	512 530	523 092	539 150	541 197	473 988	479 773	479 230
Total	2 542 798	2 480 026	2 438 544	2 487 318	2 461 712	2 413 205	2 460 775
Women							
15 to 34 years	766 725	703 002	711 238	735 960	728 399	737 093	762 831
35 to 54 years	1 081 633	1 101 719	1 056 772	1 071 099	1 073 009	1 028 164	1 041 942
55 and more years	381 659	449 816	451 764	453 741	349 511	335 992	337 714
Total	2 230 017	2 254 537	2 219 774	2 260 800	2 150 919	2 101 249	2 142 487
Men and women							
15 to 34 years	1 650 868	1 481 991	1 497 666	1 551 229	1 546 112	1 564 648	1 620 753
35 to 54 years	2 227 758	2 279 664	2 169 738	2 201 951	2 243 020	2 134 041	2 165 565
55 and more years	894 189	972 908	990 914	994 938	823 499	815 765	816 944
Total	4 772 815	4 734 563	4 658 318	4 748 118	4 612 631	4 514 454	4 603 262

S: STATISTICS AUSTRIA, Labour force projection 2024 (rounded results).

Table 3: Projection of the Austrian population by federal province (annual averages)

	2023	2025	2030	2040	2050	2060	2070	2080
Burgenland	301 495	302 799	307 074	313 921	316 892	316 788	319 319	324 671
Carinthia	569 108	568 082	566 519	560 982	551 161	536 317	527 690	525 784
Lower Austria	1 721 067	1 729 977	1 760 520	1 817 213	1 862 202	1 886 182	1 920 993	1 971 221
Upper Austria	1 526 805	1 536 236	1 565 564	1 616 094	1 647 285	1 658 285	1 679 436	1 710 026
Salzburg	569 911	572 515	581 608	598 082	608 342	611 513	616 802	625 614
Styria	1 267 269	1 270 093	1 281 458	1 296 456	1 296 214	1 281 769	1 274 526	1 278 586
Tyrol	773 496	778 078	790 914	810 767	820 757	819 146	819 914	825 001
Vorarlberg	408 399	412 496	422 424	439 771	452 553	458 597	464 522	472 329
Vienna	1 993 147	2 017 103	2 072 200	2 179 246	2 269 794	2 335 251	2 392 637	2 446 602
Austria, total	9 130 697	9 187 379	9 348 281	9 632 532	9 825 200	9 903 848	10 015 839	10 179 834

S: STATISTICS AUSTRIA, Population projection 2024, main variant (rounded results).

Table 4: Projection of the Austrian population by age and selected scenarios (annual averages)

Year/ Scenario	Total population, absolute terms				In percent		
	Total	Under 20 years	20 to 65 years	65 and more years	Under 20 years	20 to 65 years	65 and more years
2040							
Main variant	9 632 532	1 756 755	5 303 721	2 572 056	18,2	55,1	26,7
Ageing scenario	9 351 730	1 560 221	5 142 997	2 648 512	16,7	55,0	28,3
Growth scenario	10 118 490	1 963 431	5 485 502	2 669 557	19,4	54,2	26,4
2080							
Main variant	10 179 834	1 899 992	5 297 598	2 982 244	18,7	52,0	29,3
Ageing scenario	8 582 498	1 127 471	4 337 043	3 117 984	13,1	50,5	36,3
Growth scenario	12 645 612	2 877 739	6 342 679	3 425 194	22,8	50,2	27,1

S: STATISTICS AUSTRIA, Population projection 2024, main variant, ageing scenario, growth scenario (rounded results).

For detailed results and further information on the [population](#) and [labour force projections](#) as well as an [interactive population pyramid](#) please refer to our [website](#).

Information on methodology, definitions:

The **population projection** estimates the population of Austria and the federal provinces broken down by age and sex up to the year 2080. The starting point is the population stock as of 1 January 2024, broken down by age, sex, federal province of residence and country of birth. In addition, assumptions are made about the future development of demographic indicators on fertility, mortality and migration. With the 2022 reporting year, the methodology was changed from the previously used cohort-component method to a microsimulation model. In the microsimulation, the demographic processes of each person (births, deaths, migration) are simulated individually. A description of the assumptions and methods can be found in Statistics in Focus (to be published in the first quarter of 2025). The population projection 2024 is a recalculation of the population projection 2022. The assumptions regarding long-term demographic development have not been changed. Selective adjustments to the assumptions, which take recent developments into account, are documented on our [website](#).

The **labour force projection** is based on an extrapolation of age- and sex-specific employment rates by five-year age groups. Multiplied by the main variant of the current population projection, this results in the projected labour force figures. The underlying labour force participation rates are based on the ILO concept. Accordingly, the classification of people as employed, unemployed and economically inactive is based on the guidelines of the International Labour Organisation (ILO). A person is considered to be employed if they have worked at least one hour in the reference week, and unemployed if they were not employed in this sense, have currently taken active steps to look for work and could start working at short notice. For the purposes of the labour force projection, persons undertaking military or civilian service are also included. The historical labour force participation rates for Austria are derived from the annual averages of the labour force according to the Labour Force Survey/Microcensus since 2004. The Register-based Labour Market Statistics are used to estimate the labour force in non-private households. The disaggregation by federal province is based on the relative regional differences in labour force participation rates according to the Register-based Labour Market Statistics.

The labour force projection is produced in two variants: a constant variant and a trend variant. The constant variant keeps the age- and sex-specific labour force participation rates constant at the 2022 level. The trend variant takes into account the observed trends in labour force participation since 2004, while also integrating further changes, such as the increase in the labour force participation of women aged 60 to 64 as a result of the increase in the statutory retirement age, into the assumptions. The 2024 labour force projection is a recalculation of the 2023 labour force projection. The long-term assumptions on the development of labour force participation were not changed.

Statistics Austria is the central organisation for official data and statistics on society, the economy, the state and the environment. As a national statistical institute, it is committed to the statutory principles of independence, impartiality and objectivity. Statistics Austria is headed by Tobias Thomas, Director General Statistics, and Franz Haslauer, Director General Finance.

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