

Labour force projection: share of labour force in total population declines

Vienna, 2021-11-26 – According to the labour force projection of Statistics Austria, the labour force in Austria should remain relatively constant in the coming years. According to the trend variant, the demographic supply of the labour force, i.e. the sum of the self-employed and family workers, employees and the unemployed as well as military and civilian servants, will be only 0.6% lower in 2050 than in 2020 (4.58 million) and thus amount to 4.56 million. Relative to the total population, however, the share of the labour force will decrease from 51.4% in 2020 to 47.3% in 2050.

"The labour market is becoming increasingly older and more female. Rising labour force participation of women and people on the threshold of retirement age is responsible for this, counteracting the decline in the 15 to 64-year-old population. However, the ratio of the labour force to those of retirement age is changing considerably: Whereas in 1951 there were still four people in the labour force for every person of retirement age, today there are only three, and by 2030 there will only be two. This will put funding pressure on pay-as-you-go social security systems such as pensions and health care," explains Statistics Austria Director General Tobias Thomas.

Forecast variants range from 4.35 to 4.68 million labour force by 2050

If age- and gender-specific labour force participation remained constant at the 2020 level, a decline of 5.2% to 4.34 million labour force members would be expected by 2050. If the labour force potential were exploited to a somewhat greater extent (activation variant), a slight increase of 2.4% to 4.69 million labour force members would be possible by then.

2020 Corona-related slightly lower labour force than in 2019

Based on recent trends, a slight increase in the labour force could still have been expected in 2020. However, the Corona pandemic and the associated lockdown led to a slump in the labour market. The number of people in work fell compared to the previous year, while unemployment rose significantly. Ultimately, the average 2020 total labour force was 4.58 million, down about 12 000 from 2019's 4.60 million. The projection of the labour force expects the labour force participation to have returned to the long-term foreseeable trends in 2021 due to the recovery of the labour market.

Stronger cohorts move into higher working age

Due to population development and long-term trends in labour force participation, the age group of 55 and over is exclusively responsible for the constant number of people in the labour force. These are the strong baby boom cohorts of the 1960s. Here, the number of people active in the labour market will increase by one fifth by 2050 (+20%; Table 1). By contrast, the number of people under 35 in the labour force will fall by 7% by the middle of the 21st century, while the number of people aged 35 to 54 will decline by 3% over the same period.

In the long term, almost four out of five people aged 15 to 64 will be active in the labour market

The share of women in the labour force was 46.6% in 2020 and will grow to 47.1% by 2040. This is due to the increasing labour force participation of women of prime working age and aged 55 to 64. The overall labour force participation rate for the 15 to 64-year-old population was 76.5% in 2020. The expected changes in age-specific labour force participation will cause the general labour force participation rate to rise to 78.8% by 2040.

Stronger increase in labour force in Vienna, decline expected in Carinthia

Vienna, the federal capital, can expect the strongest population growth of all federal states. As a result of immigration, the working-age population will increase significantly here, in contrast to the other federal states. Accordingly, the number of people of working age will increase by 8.8% until 2050 and by 11.6% until 2080. From 2022 onwards, Vienna will be home to more than 1 million working-age people. In all other federal states, the labour force will decline or stagnate in the future (Table 2).

Carinthia has to reckon with a shrinking population, especially in working age. The increasing labour force participation will not be able to compensate for the decline in the basic population. According to the forecast, the number of working-age people in Austria's southernmost province will fall most sharply, by 13.3% by 2050 and by 16.9% by 2080. In **Styria**, the size of the labour force will decrease by 6.3% until 2050 and by 7.7% until 2080. The federal state of **Salzburg** has to expect a decrease of 4.0% until 2050 and of 5.2% until 2080. In **Burgenland**, the decline is projected to be 2.6% by 2050, and in 2080 the labour force there will be 1.5% lower than in 2020, the base year of this forecast.

After slight short-term increases, the labour force in **Vorarlberg** will be 2.5% lower in 2050 and finally 3.6% lower in 2080 than in 2020. In **Tyrol**, the labour force will remain relatively constant for the time being, but will decrease by 1.8% by 2050 and by 2.6% by 2080. The decline in **Upper Austria** is 1.6% by 2050 and 1.8% by 2080. In **Lower Austria**, the projected labour force remains relatively constant over the entire projection period (2050: +0.5%; 2080: +2.0%).

Detailed results and further information on the forecast can be found on our [website](#).

Methodological information, definitions: The labour force projection is based on an extrapolation of age- and sex-specific labour force participation rates by five-year age groups. Multiplied by the main variant of the current population projection, this yields the projected labour force numbers. The underlying labour force participation rates are based on the ILO concept (ILO: International Labour Organisation), and thus include all persons who work at least one hour a week for pay or as self-employed persons or assisting family members, or who are unemployed. Military and civilian servants are also considered to be in employment. At the Austrian level, the employment rates are derived from the annual averages of the labour force according to the Labour Force Survey/Microcensus since 2004. The Agreed Employment Statistics (AEST) are used to estimate the labour force in institutional households. The disaggregation by Länder is based on the regional level differences of the labour force participation rates according to AEST.

Table 1: Projection of Austria's labour force by age and sex (trend variant)

Year	labour force, absolute, in 1,000				In percent			Percent age of women	Labour force as a percentage of		For every 1 person 65+ there are ... working persons
	In Total	15 to 34 years	35 to 54 years	55 and more years	15 to 34 years	35 to 54 years	55 u. m. Years		15- to 64-year- olds	Total populati on	
1971	3.133,1	1.493,4	1.235,5	404,3	47,7	39,4	12,9	38,4	68,0	41,8	3
1981	3.411,5	1.698,2	1.411,0	302,4	49,8	41,4	8,9	40,4	69,6	45,2	3
1991	3.684,3	1.863,7	1.615,2	205,3	50,6	43,8	5,6	41,4	69,9	47,3	3
2001	3.986,8	1.666,2	2.052,9	267,7	41,8	51,5	6,7	44,4	73,3	49,6	3
2011	4.271,6	1.535,5	2.252,0	484,1	35,9	52,7	11,3	46,9	75,2	50,8	3
2020	4.582,5	1.573,7	2.216,9	791,9	34,3	48,4	17,3	46,6	76,5	51,4	3
2025	4.610,9	1.520,6	2.198,3	892,0	33,0	47,7	19,3	46,7	76,4	50,6	2
2030	4.597,5	1.451,6	2.246,2	899,6	31,6	48,9	19,6	46,9	76,8	49,7	2
2040	4.578,9	1.447,9	2.223,4	907,6	31,6	48,6	19,8	47,1	78,8	48,4	2
2050	4.555,2	1.465,2	2.140,6	949,4	32,2	47,0	20,8	46,9	78,2	47,3	2
2060	4.517,2	1.456,7	2.151,0	909,4	32,2	47,6	20,1	47,0	78,2	46,6	2
2070	4.538,5	1.465,6	2.166,2	906,7	32,3	47,7	20,0	47,0	78,6	46,3	2
2080	4.569,1	1.483,6	2.162,3	923,3	32,5	47,3	20,2	46,9	78,4	46,0	2

Q: STATISTIK AUSTRIA, labour force projection 2021, trend variant. 1971 to 2001 (population censuses) and 2011 (register census) differing survey concepts.

Table 2: Forecast of Austria's labour force by province (trend variant)

Federal State	2020	2025	2030	2040	2050	2060	2070	2080
Burgenland	144.644	144.282	143.676	141.774	140.831	140.124	141.220	142.515
Carinthia	276.524	269.764	261.857	249.229	239.733	232.502	230.373	229.859
Lower Austria	864.707	868.352	867.523	867.799	868.708	865.817	873.411	881.959
Upper Austria	782.301	778.940	775.049	773.895	769.450	760.410	763.631	768.508
Salzburg	294.278	293.075	289.963	286.069	282.383	278.252	278.158	279.044
Styria	635.588	628.942	620.594	607.096	595.620	584.940	584.732	586.334
Tyrol	396.229	397.541	395.153	392.394	389.018	383.813	384.404	385.979
Vorarlberg	207.529	208.319	207.188	204.850	202.276	199.447	199.473	200.161
Vienna	980.732	1.021.645	1.036.499	1.055.767	1.067.179	1.071.901	1.083.098	1.094.777
Austria	4.582.532	4.610.860	4.597.502	4.578.873	4.555.198	4.517.206	4.538.500	4.569.136

Q: STATISTIK AUSTRIA, labour force projection 2021, trend variant.

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