



An Roinn Coimirce Sóisialaí
Department of Social Protection

Labour Market Advisory Council

Labour Market Update

July 10, 2024

Prepared by the Labour Market Analytics Unit

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Executive Summary

- The Irish Labour market Continues to perform well according to the most recent data published in the Q1 2024 Labour Force Survey (LFS).
- The total labour force is 2.82 million representing a 2.2 percent growth on Q1 2023.
- In total the number of people employed in Q1 employment stood at 2,704,200 up by 51,500 compared with the Q1 2023.
- The male employment rate has declined both quarterly and annually to 78 percent while the female employment rate remained the same as the previous quarter and increased annually, standing at 69.8 percent. The total employment rate stands at 73.8 percent.
- The seasonally adjusted monthly unemployment estimate stands at 4.2 percent for June. The unemployment rate for males is 0.3 percentage points below females, at 4 percent.
- The Live Register remains low, at 174,909 claimants, as of 28 June. This figure includes 18,528 (10.6 percent) Beneficiaries of Temporary Protection from Ukraine. Excluding BOTPs, the Live Register stands at 156,381.
- The participation rate stands at 65 percent, level with Q1 2023, but a 0.4 percentage point increase compared with in the last quarter of 2023.
- The potential additional labour force (PALF) increased by 22,400 in the last year and currently stands at 102,300.
- The percentage of part-time employees reported as underemployed increased by 2 percentage points in the past year, to 22 percent as of Q1 2024. This is higher for males, at 25 percent, than females, at 20 percent.
- The number of vacancies and the job vacancy rate remained steady at 24,700 and 1.1 percent in Q1 2024 compared to the previous quarter. This is low compared to the previous year but remains elevated by historical standards.
- The composition of the labour force is changing with older people and migrants making up higher shares today.
- Forecasts from the ESRI, Central Bank of Ireland, OECD, IBEC, Department of Finance, and European commission expect Ireland to stay within full employment into 2025 and 2026.

Total Labour Force

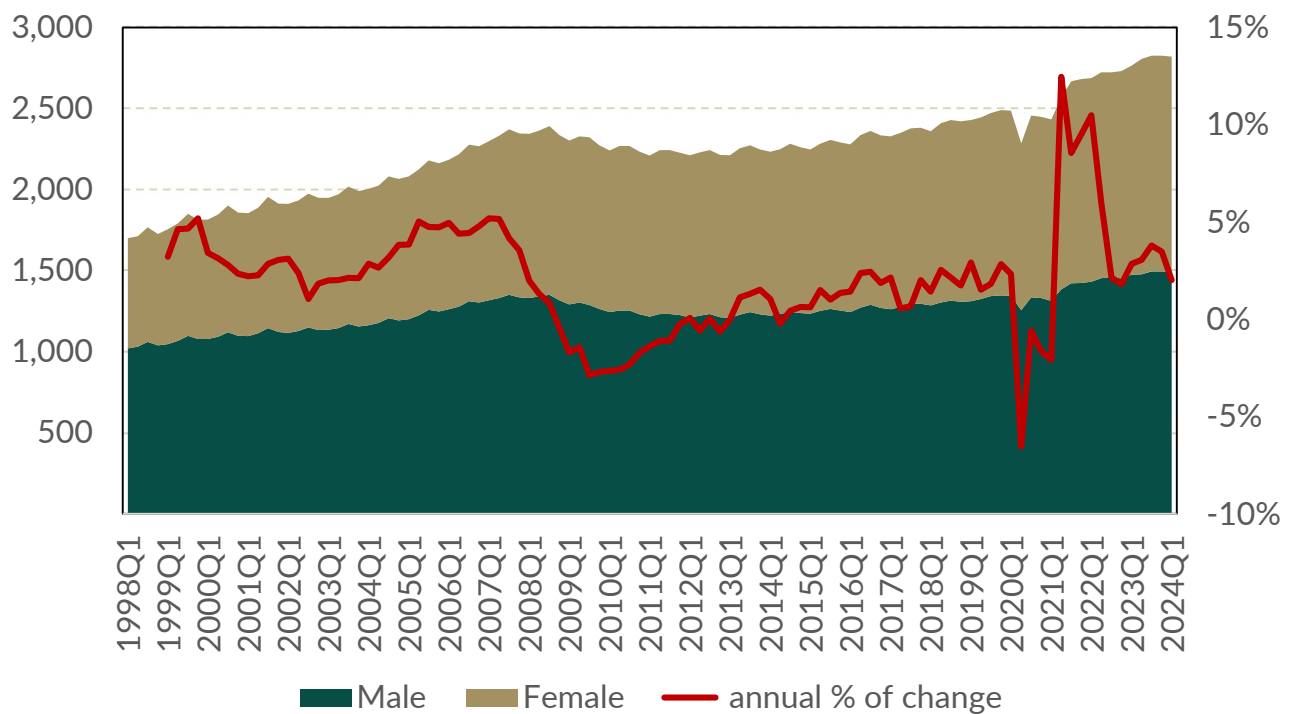
Key messages:

- In Q1 2024, the total labour force was 2.82 million on an unadjusted basis. The seasonally adjusted figure increased to 2.84 million in the past quarter (+ 54,000 or 0.4 percent).
- Following the recovery period, the annual rate of change has been slowing down and now stands at 2 percent, a similar rate to the pre-pandemic period.

The total labour force, non-seasonally adjusted, stood at 2,819,400 in Q1 2024. On a seasonally adjusted basis, the total labour force increased by 54,000 (or 0.4 percent), in the last quarter, and now stands at 2,838,900.

Total labour force numbers and the annual percentage change are illustrated in Figure 1 below. The annual growth rate of the labour force has been declining for two consecutive quarters and now stands at 2 percent. In 2023, the annual growth rate was, on average, 3.3 percent.

Figure 1: Total labour force (000s) by gender and annual change- Unadjusted (1998Q1- 2024Q1)



Labour Force Participation Rate

Key messages:

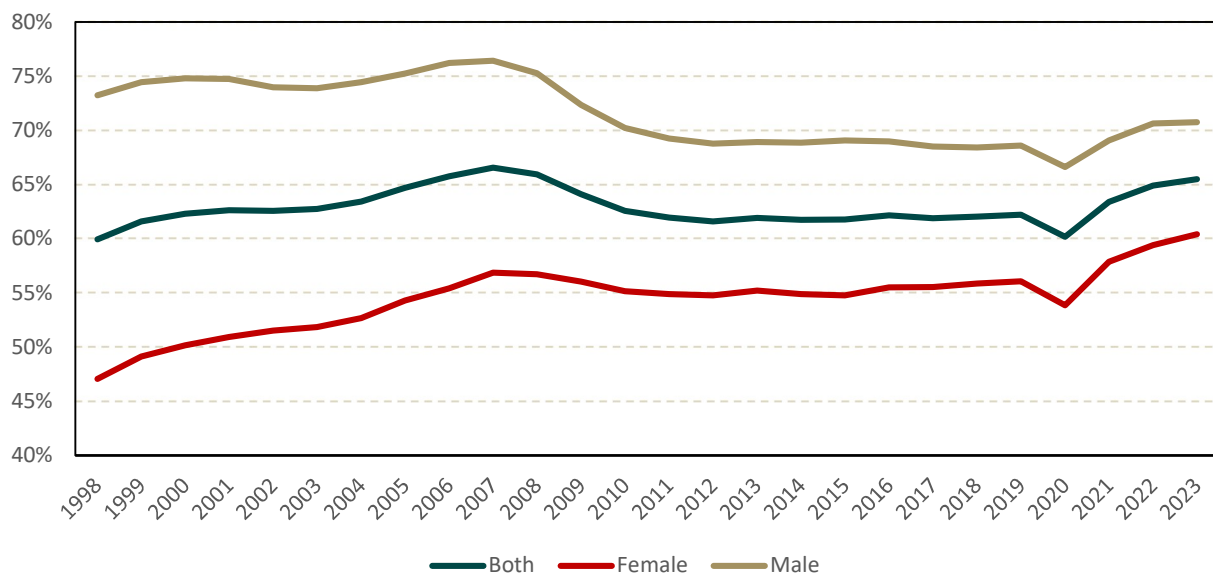
- In Q1 2024, the seasonally adjusted participation rate stood at 65.5 percent, a slight reduction from Q4 2023 (-0.1 pp).
- On an unadjusted basis, the participation rate remained unchanged from the previous year at 65 percent.
- Over the last year, male participation decreased by 0.5pp and female participation increased by 0.6pp, and now stands at 70.2 and 60.1 percent, respectively.
- The gender gap in participation has been reducing considerably and currently stands at 10.1 pp. Increases in female participation (+ 13.3 pp) have been driving this convergence, as the gender difference stood at 26 pp, in Q1 1998.
- Over the time series, participation in all age groups increased, with the exception of the youngest cohort. The highest relative growth was observed in the 60 to 64 cohort (+ 27.2 pp).

On a seasonally adjusted basis, the overall participation rate stood at 65.5, decreasing by 0.1pp over the last quarter. In the same period, female participation increased by 0.1 pp, on a seasonally adjusted basis, and now stands at 60.5 percent, while male participation decreased by 0.2 percentage points and is now 70.5 percent. The participation rate, on an unadjusted basis, was estimated at 65 percent, for Q1 2024, the same rate as the previous year.

As shown in Figure 2, participation by gender stood at 70.2 and 60.1 percent, for males and females, respectively. Over the last year, male participation decreased by 0.5 percentage points, while female participation increased by 0.6 percentage points. The gender gap in the participation rate currently stands at 10.1 percentage points, having decreased by 15.7 percentage points from the beginning of the time series where it stood at around 26 percentage points. The reduction in the participation gender gap has been driven by an increase in female participation, which has increased by 13.3 percentage points, since Q1 1998. Over this period, the male participation rate has fallen by 2.4 percentage points. Notably, the female participation rate was more affected by the COVID-19 pandemic, decreasing by 6.1 percentage points, while male

participation fell by 5.3. Female participation also increased more following the post-pandemic economic expansion, by 3.7 percentage points, compared with a 1.3 percentage point increase for males, indicating that female participation has been more pro-cyclical than male participation.

Figure 2: Labour market participation rates by gender - unadjusted (1998Q1-2024Q1, annual averages)



Source: CSO LFS figures are subject to revision). Note: Participation rate refers to those aged 15 years and older.

Figure 3 below shows participation rates by age group over time on an unadjusted basis. Over the last year, participation rates fell among 55 to 59 years old (-0.4 pp), 35- to 44-year-olds (-0.2 pp) and over 65s (-0.1 pp). Participation among the 25 to 34 age group rose by 1.7 pp and now stands at 87.9 percent (though this is 0.6 pp below the Q4 2021 peak of 88.5 percent).

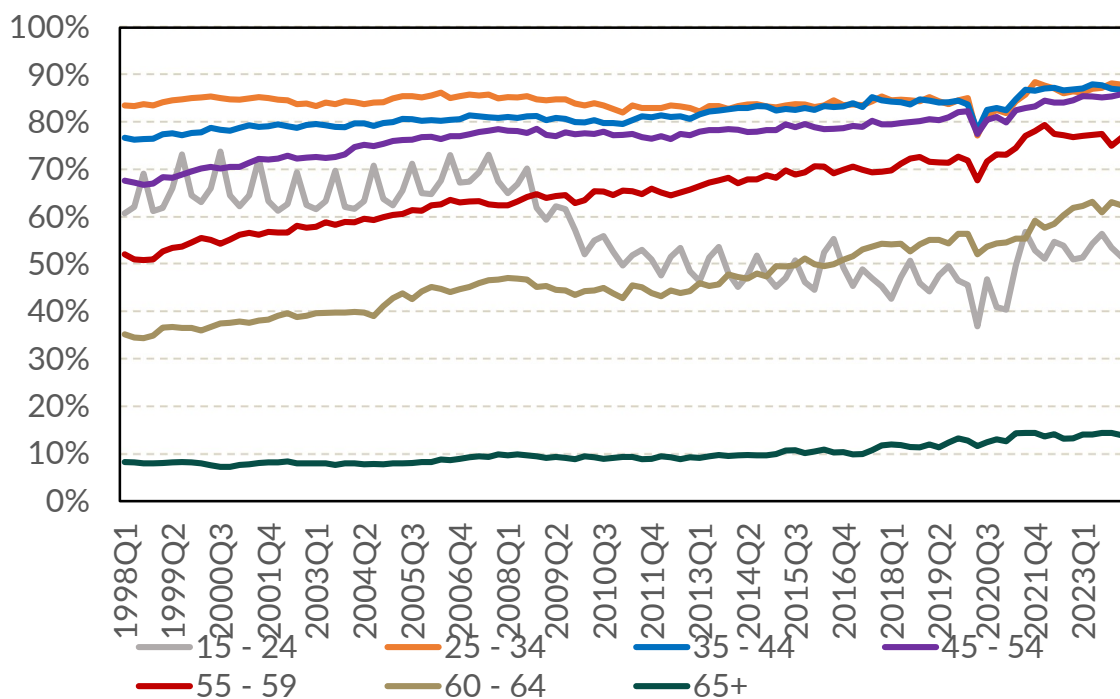
The participation rates for all age cohorts have increased since the pandemic period. Between Q4 2019 and Q1 2024, the 60 to 64-year-old cohort had the most considerable increase in their participation rate, from 56.4 percent to 62.4 percent.

It is also notable that, over the time series, nearly all age groups (with the exception of those 15 to 24) have consistent increases in participation. Increases amongst these groups are likely reflective of changing norms, in addition to economic conditions. Notably, for example, a member of the 25 to 34 cohort in 1998, which had the highest participation rate of any group, became a member of the 35 to 44 cohort up to ten

years later, when this group had a higher participation rate.

Individuals transition between age cohorts, over time, but continue to participate at similar levels, consequently, the graph illustrates the changing participation norms. The partial exceptions are the youngest and oldest cohorts. The youngest cohort has not returned to the pre-2008 levels. However, this may be explained by the increase in education among this cohort. The oldest cohort, those aged 65+ has seen modest but notable increases in participation.

Figure 3: Labour market participation rates by age – Not Seasonally Adjusted (1998Q1- 2024Q1)



Source: CSO LFS (figures are subject to revision).

Potential Additional Labour Force (PALF)

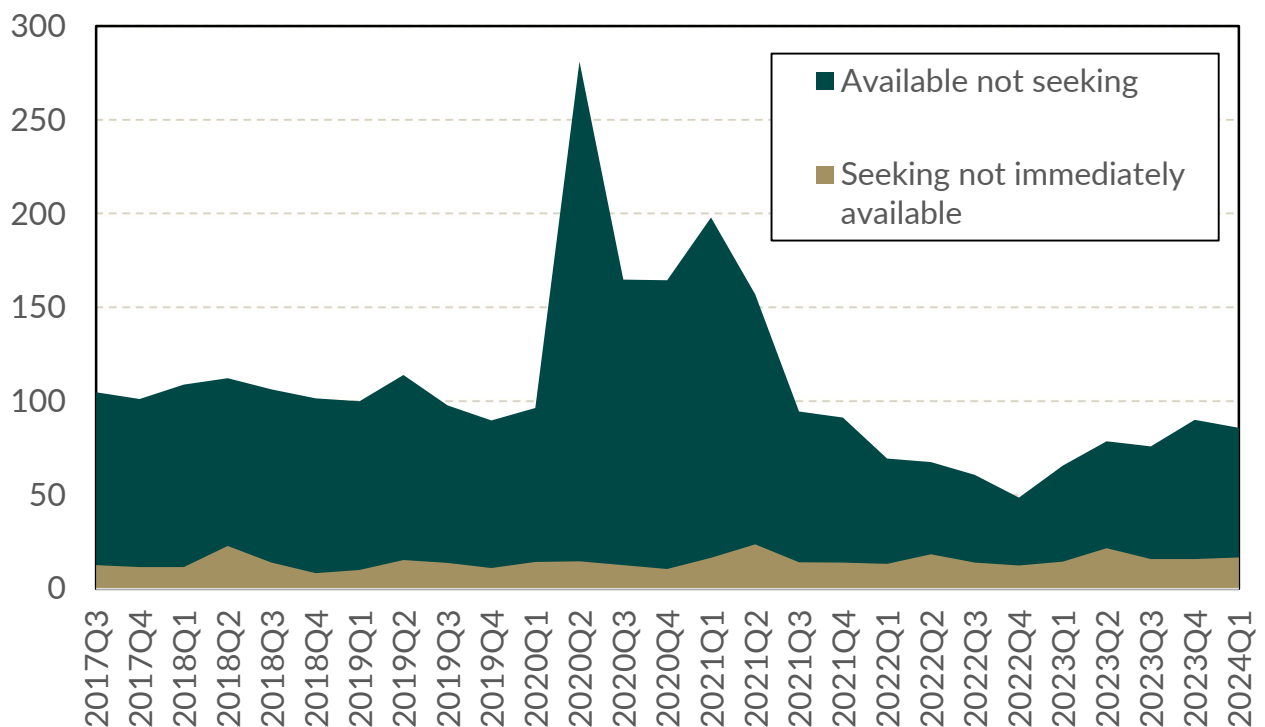
Key messages:

- The potential additional labour force (PALF) increased by 22,400 in the last year and currently stands at 102,300.
- About 84 percent of the PALF is made up of those available but not seeking employment.
- In the last year, discouraged jobseekers increased by 4,000 or 33.6 percent, and now are 15,900.

The potential additional labour force¹ (PALF) stood at 102,300 in Q1 2024. It decreased from the previous quarter by 3,400 people and increased in the past year by 22,400. Over the past two quarters, PALF has stood above pre-pandemic (Q4 2019) levels. During the period of expansive economic growth that followed the COVID-19 pandemic, the potential additional labour force dropped as low as 61,000 people in Q4 2022. Since then, it has been rising, with some variation.

As highlighted by Figure 5 below, as of Q1 2024, 85,700 (or 83.8 percent) of the potential additional labour force is composed of those available but not seeking employment. Over the past year, this number grew by 20,200. In Q1 2024, 15,900 of those available but not seeking employment (or 15.5 percent of the total PALF) were discouraged workers². In the last year, discouraged jobseekers increased by 4,000 people. In Q1 2024, there were 16,600 people (or 16.2 percent of the total PALF) seeking work but not available – similar to the previous quarter and an increase of 2,200 from the previous year.

Figure 5: Potential Additional Labour Force (000s) (Q3 2017-Q1 2024)



¹ The Potential Additional Labour Force (PALF) is the sum of the two groups 'persons seeking work but not immediately available' and 'persons available for work but not seeking'.

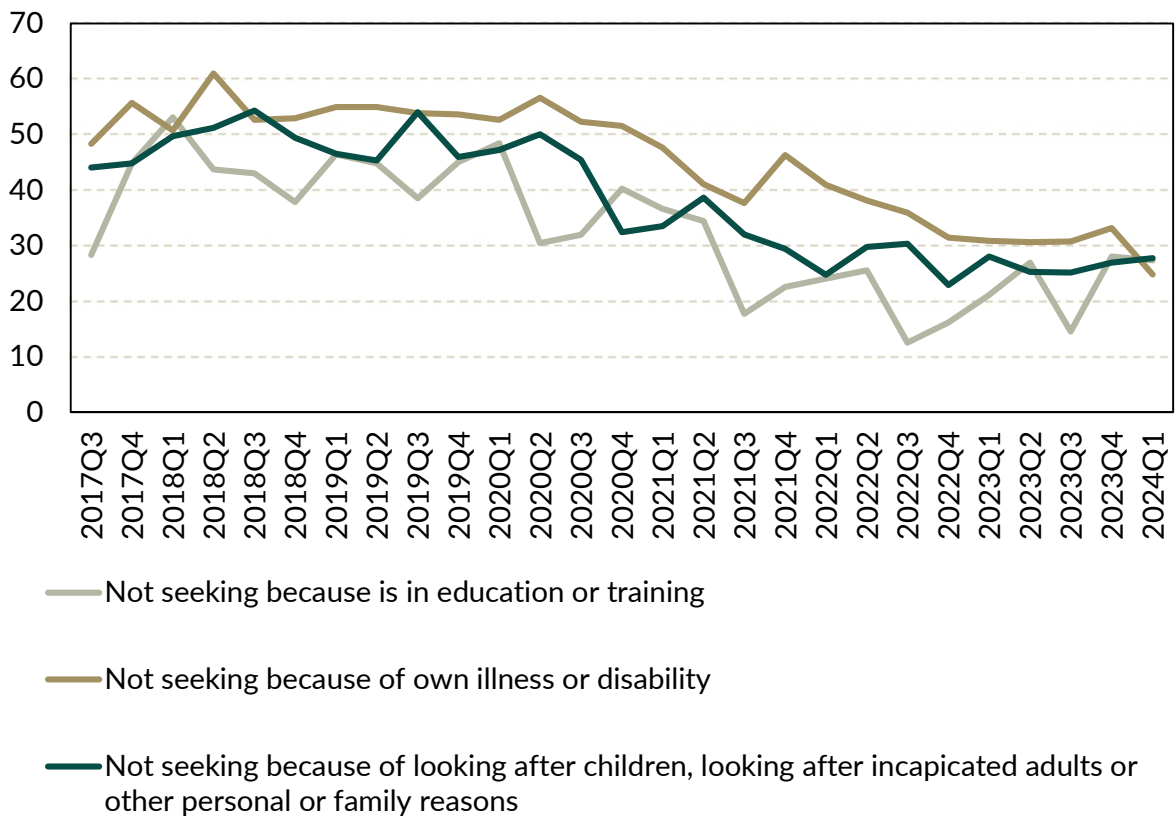
² Those that regard their chances on the labour market as so low that they do not even look for work.

[Labour market flow statistics in the EU - Statistics Explained \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&code=sdg_8_4_1)

Source: CSO LFS figures (subject to revision)

The LFS provides figures for those who would like a job in future but are neither seeking nor available. This is an extension of PALF to those who are more distant from the labour market. Figure 7 below shows the breakdown of reasons for this cohort not seeking a job over time. The number of people neither available nor seeking for any of the three recorded reasons was lower in Q1 2024 compared to Q3 2017, with the number down most significantly among those not seeking or available due to illness or disability (reduction of 23,500).

Figure 6: Those who would like a job in the future, but are neither seeking nor available (Q3 2017-Q1 2024)



Source: CSO LFS (figures are subject to revision).

2. Employment

Employment Levels

Key messages:

- Overall employment is up by 7,700 (+0.3 percent) from the previous quarter on a seasonally adjusted basis.
- The employment rate is down 0.2pp from 74 percent last quarter to 73.8 percent.
- The male employment rate has declined both quarterly and annually to 78 percent while the female employment rate remained the same as the previous quarter and increased annually, standing at 69.8 percent.
- Sectors with notable employment growth over the past year include the Professional, Scientific and Technical Activities sector (+8 percent), Education (+7 percent), and Construction (+5 percent).

As of Q1 2024, overall employment stood at 2,713,400, on a seasonally adjusted basis. This is an annual increase of 50,500 (or 1.9 percent) and a quarterly increase of 7,700 (or 0.3 percent).

Total seasonally adjusted male employment was 1,444,500 in Q1 2024, growing by 21,700 (or 1.5 percent) on an annual basis. Total seasonally adjusted female employment was 1,276,400, increasing over the year by 29,800 (or 2.4 percent)³. On a quarterly basis, seasonally adjusted male employment increased by 11,900 (or 0.8 percent) while seasonally adjusted female employment increased by 2,900 (or 0.2 percent).

Trends in the higher frequency Monthly Estimates of Payroll Employees using Administrative Data series are broadly similar to those found in the Labour Force Survey. This series calculates the estimated number of employees, including both indexed and absolute values using Revenue's PAYE Modernisation as the data source.

³ Seasonal adjustments are made on the basis of the component series (e.g., females aged 18-24), as well as on the basis of the total population. Trend adjustments to cohorts may result in the sum of all seasonally adjusted subsets not adding up to the seasonally adjusted total.

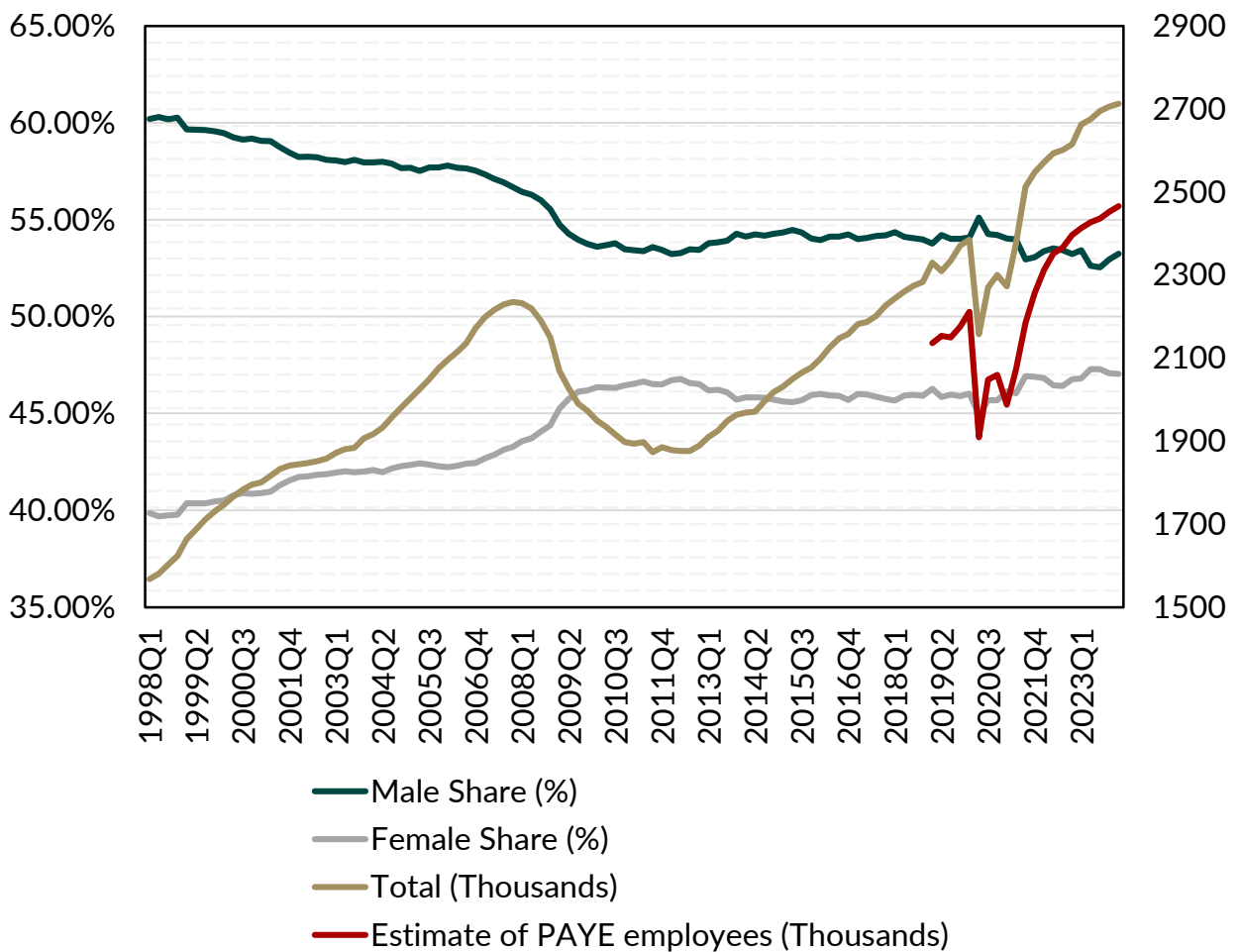
This data differs from Labour Force Survey and International Labour Organisation (ILO) employment criteria in two key ways:

- The ILO definition of employment includes persons if they have worked for at least one hour in the reference week, whereas the Employee Series from Administrative Data Sources defines employment as having worked for greater than zero pay in the reference month.
- Additionally, the Labour Force Survey also includes people who are self-employed who are not counted in the Administrative Data series, which only includes employees.

There were an estimated 2,469,800 PAYE employees in March 2024, on a seasonally adjusted basis. Over the past year, the estimated number of PAYE employees increased by 49,800 (or 2.1 percent). Between December 2023 and March 2024, the estimate grew by 13,000 (or 0.5 percent).

Figure 7 below shows the levels of total employment (as measured by the LFS) and PAYE employment (as measured using administrative data). It also shows the male and female shares of total employment.

Figure 7: Seasonally adjusted total and PAYE employment (000s) and male/female share of total employment (Q1 1998 – Q1 2024)



Source: CSO LFS (QLF03), Monthly Estimates of Payroll Employees using Administrative Data (EIA04).

Note: Monthly Estimates of Payroll Employees using Administrative Data series data began in January 2019.

Employment Rate

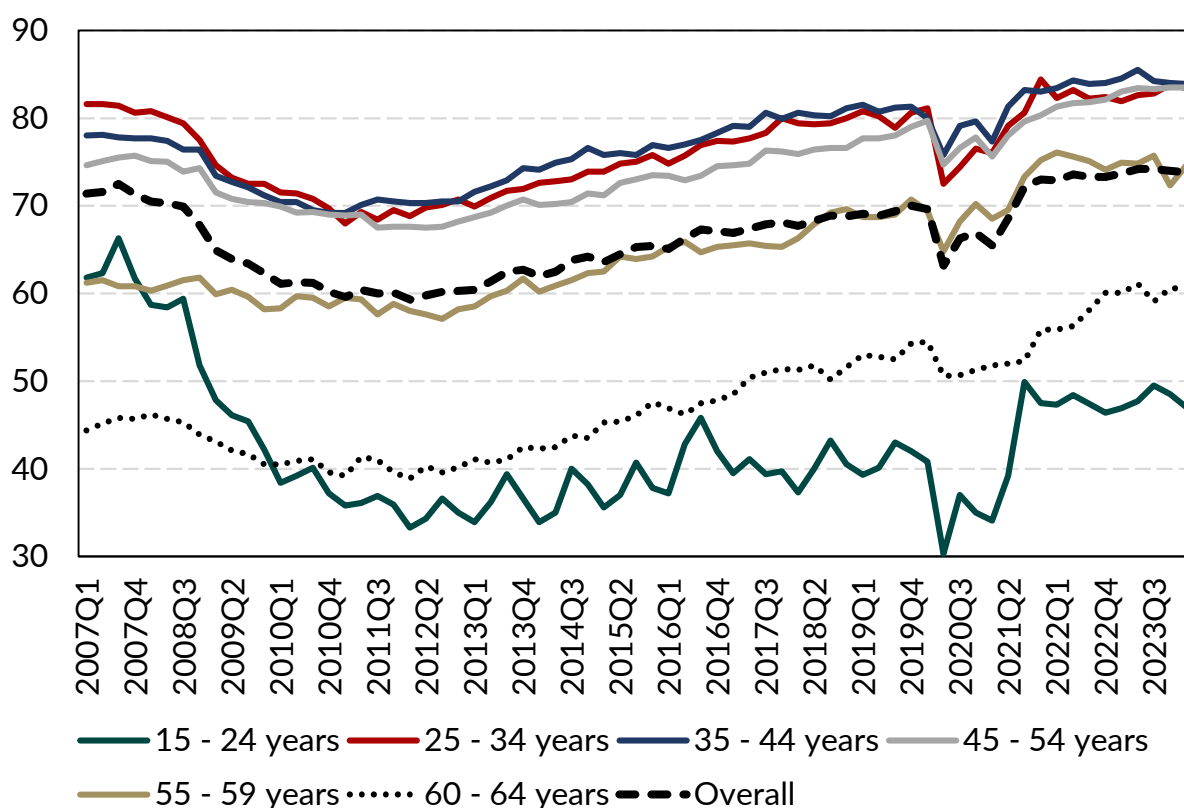
The overall employment rate stood at 73.8 percent in Q1 2024. This is up by 0.1 percentage point on an annual basis. It is 0.2 percentage points lower than the previous quarter. The trend in the employment rate is depicted in Figure 8.

Over the past year, male employment rates declined slightly, while female employment rates grew. As of Q1 2024, the male employment rate stood at 78 percent, down from 78.2 percent in Q1 2023, and the female rate increased from 69.3 percent to 69.8 percent since Q1 2023.

In the past quarter, the male employment rate decreased by 0.3 percentage points to 78 percent, while the female employment rate remained unchanged at 69.8 percent. The gender gap in the employment rate decreased by 0.3 percentage points over the quarter to 8.2 percentage points.

Annually, the change in employment rates varied by age cohort. The 15-24 year cohort saw a modest annual increase in employment rate of 0.1 percentage points, though remains considerably lower than other cohorts. The 25-34 cohort had the largest annual increase at 1.5 percentage points, rising from 81.9 percent to 83.4 percent. The largest cohort, those aged 35-44, had the largest annual decrease at 0.6 percentage points (84.5 percent Q1 2023 to 83.9 percent Q1 2024), but continues to have the highest employment rate. The employment rate for those aged 55-59 fell from 74.9 percent to 74.6 percent (-0.3 percentage points), while rising from 60.1 percent to 60.6 percent (+0.5 percentage points) for those aged 60-64 over the past year.

Figure 8: Employment rate, overall and by age group (Q1 2007 - Q1 2024)



Source: CSO LFS QLF18 (figures subject to revision)

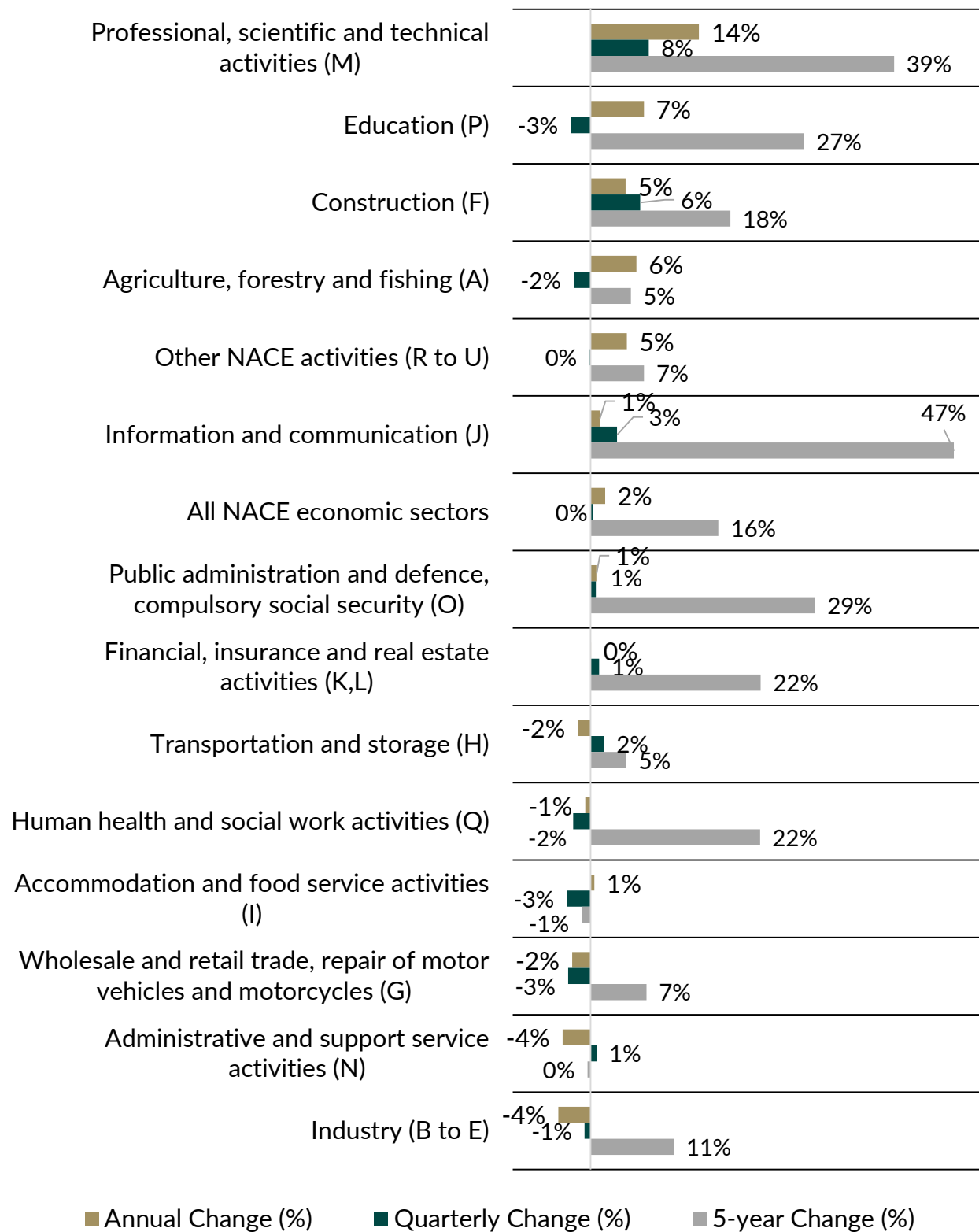
Employment by Sector

Over the past five years employment in most sectors has increased. The sectors with notable increases include ICT (47 percent or 55,800), Professional/Scientific (39 percent or 55,500) and Public Administration (29 percent or 32,000). In absolute terms, the Health sector experienced the largest increase in employment at 63,600. By contrast, employment in Accommodation & Food Service Activities and Administrative & Support services reduced by 1 percent (or 2,000) and 0.4 percent (or 400), respectively over the past five years.

The one year time horizon below shows more ambiguous growth, with some sectors, notably Administrative and Support services and Industry declining over the last year (-4 percent each). Professional, Scientific, & Technical activities and Education grew the most over the year, by 14 percent and 7 percent respectively.

Figure 9 below shows the quarterly, annual, and five-year change in employment by sector.

Figure 9: Growth in Seasonally Adjusted Employment by Sector, Quarterly and Annually, and over 5 years.



Source: CSO LFS QLF03 (figures are subject to revision).

Box A: Self-Employment

In the past twelve months the Department of Finance and the Department of Enterprise, Trade and Employment have produced two papers examining self-employment in Ireland.

[Labour Market Dynamics and The Rising Incidence of People Working Multiple Jobs in Ireland](#) (Williamson and Coates, 2023) discusses the combinations of employments for people with multiple jobs. With workers self-identifying what they considered to be their primary job, the authors found that:

- Overall, 40 percent of persons with multiple jobs were employees in both roles. This was higher for female workers, with 59 percent being employees in both roles.
- 32 percent of multiple-job holders were employees in their first job and self-employed in their second.
- 17 percent were self-employed in their primary job and employees in their second.
- 10 percent were self-employed in both their primary and secondary jobs.

Contrasting the two most prevalent combinations, the authors found that the share of workers who were employees first and self-employed second had declined in recent years relative to those who had two employee roles. The rise of the employee-employee cohort may be explained by the increasing participation of women, who are over-represented in this category. The relative decline in self-employments in their second jobs is unexpected given the rising prevalence of platform work. The authors suggest that platform work may be replacing other forms of secondary self-employment, rather than increasing the overall total.

[Flows in and out of self-employment](#) (Lawless, O'Brien and Rehill, 2024) analyses two separate categories of self-employed workers and their motivations: those who are driven by “necessity”, and those who are motivated by “opportunity”.

The authors found that necessity entrepreneurship was correlated with periods of recession and increased unemployment, movement from unemployment to self-employed, a lower likelihood of having employees, and a higher likelihood of exiting self-employment compared to opportunity entrepreneurs. Conversely, opportunity entrepreneurship was correlated with periods of low unemployment, movement from employment to self-employment, an increased likelihood of having employees, and a reduced probability of exiting self-employment.

In their conclusions, the authors suggest that increases in self-employment during recessionary periods are likely to be temporary, while avenues into self-employment for necessity entrepreneurs during these periods may help reduce long term scarring.

Full-Time versus Part-Time Employment

Key messages:

- The number of part-time workers as a percentage of all workers has remained between 21 and 22 percent post-pandemic, since Q3 2021.
- In the past quarter, male employment grew by 21,700 of which 16,400 of these were part-time. This indicates a continuation of the movement of males into part-time employment.
- While female employment increased overall, female part-time employment decreased, continuing the trend of females moving into full-time employment.
- The gender gap in part-time work was 179,800 as of Q1 2024. It has decreased both quarterly and annually, by 29,500, and 17,900 respectively, on a seasonally adjusted basis.
- The underemployment rate grew annually for both males and females, though slightly more for males. It now stands at 25 percent for males and 20 percent for females.

Full-time employment increased from 2.09 million in Q1 2023 to 2.14 million people in Q1 2024 (up 2.3 percent) on a seasonally adjusted basis. Quarterly, full-time employment increased from 2.13 million to 2.14 million on a seasonally adjusted basis (+0.6 percent). Part-time employment was 573,400 in Q1 2024, increasing annually by 2,600 (0.5 percent). Part-time employment decreased by 10,100 from Q4 2023 to 574,900 in Q1 2024 on a seasonally adjusted basis (down by 1.7 percent).

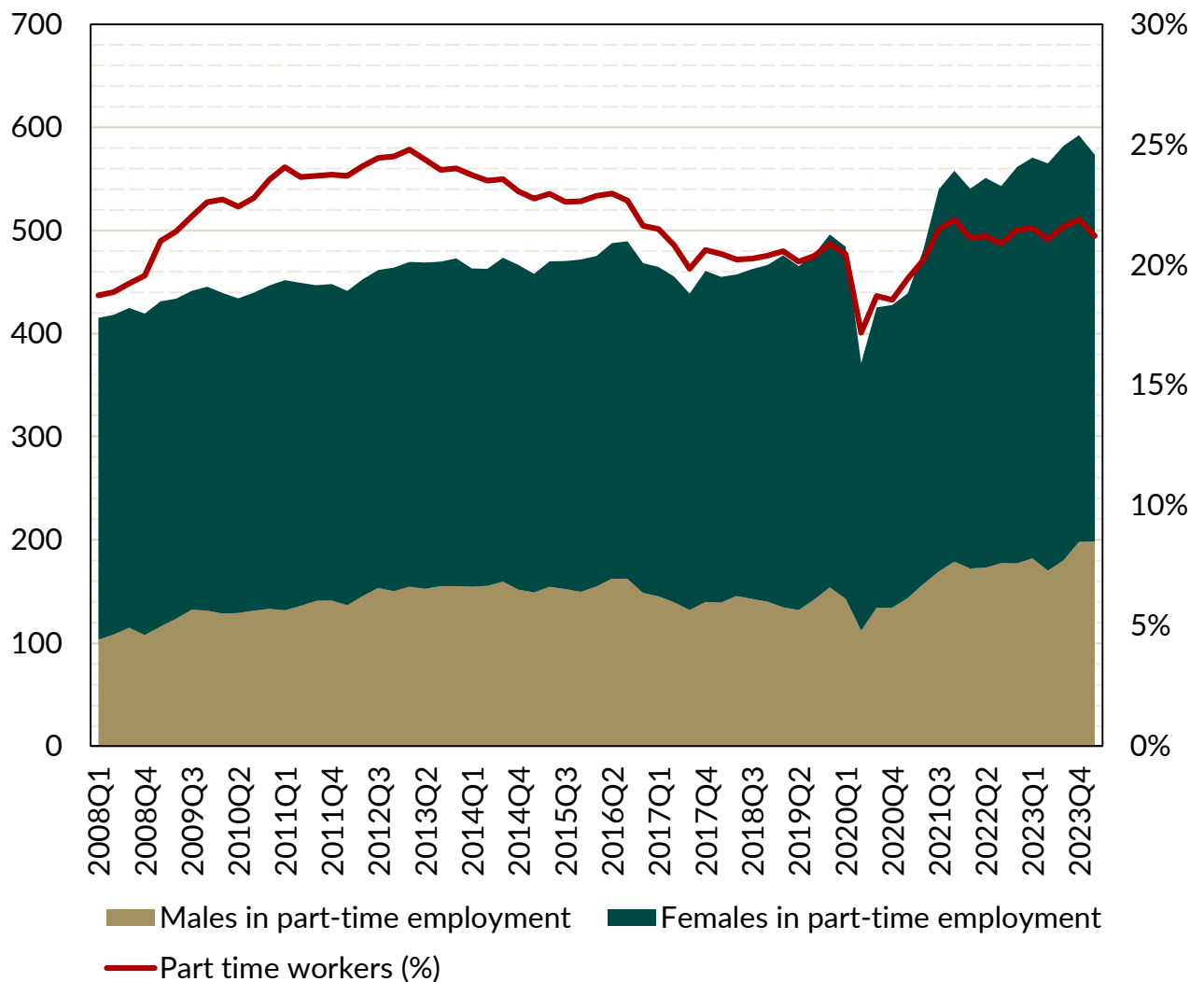
Over the year Q1 2023 to Q1 2024, female full-time employment increased to 897,200 (up by 5.1 percent or 43,700) and male full-time employment to 1.23 million (up by 0.4 percent or 5,200). Male full-time employment decreased by 2,000 (0.2 percent) compared to the previous quarter, while female full-time employment increased by 16,200 (1.8 percent), on a seasonally adjusted basis.

Male part-time employment grew annually by 16,400 (9 percent). It also increased quarterly by 5,400 (2.8 percent) on a seasonally adjusted basis. Female part-time employment fell from Q1 2023 by 13,700 (3.5 percent). It also decreased by 12,500 (3.2 percent) from Q4 2023 on a seasonally adjusted basis. The female share of part-

time employment remains the majority at 66 percent, though the gender gap has nevertheless been converging with this figure down 1 percentage point from Q4 2023 and 3 percentage points from Q1 2024.

Figure 10 below shows the levels of male and female part-time employment, as well as part-time employment as a share of total employment.

Figure 10: Part-time employment (000s) by gender and part-time employment as a share of total employment (Q1 2008 to Q1 2024)



Source: CSO LFS QLF01 (figures are subject to revision).

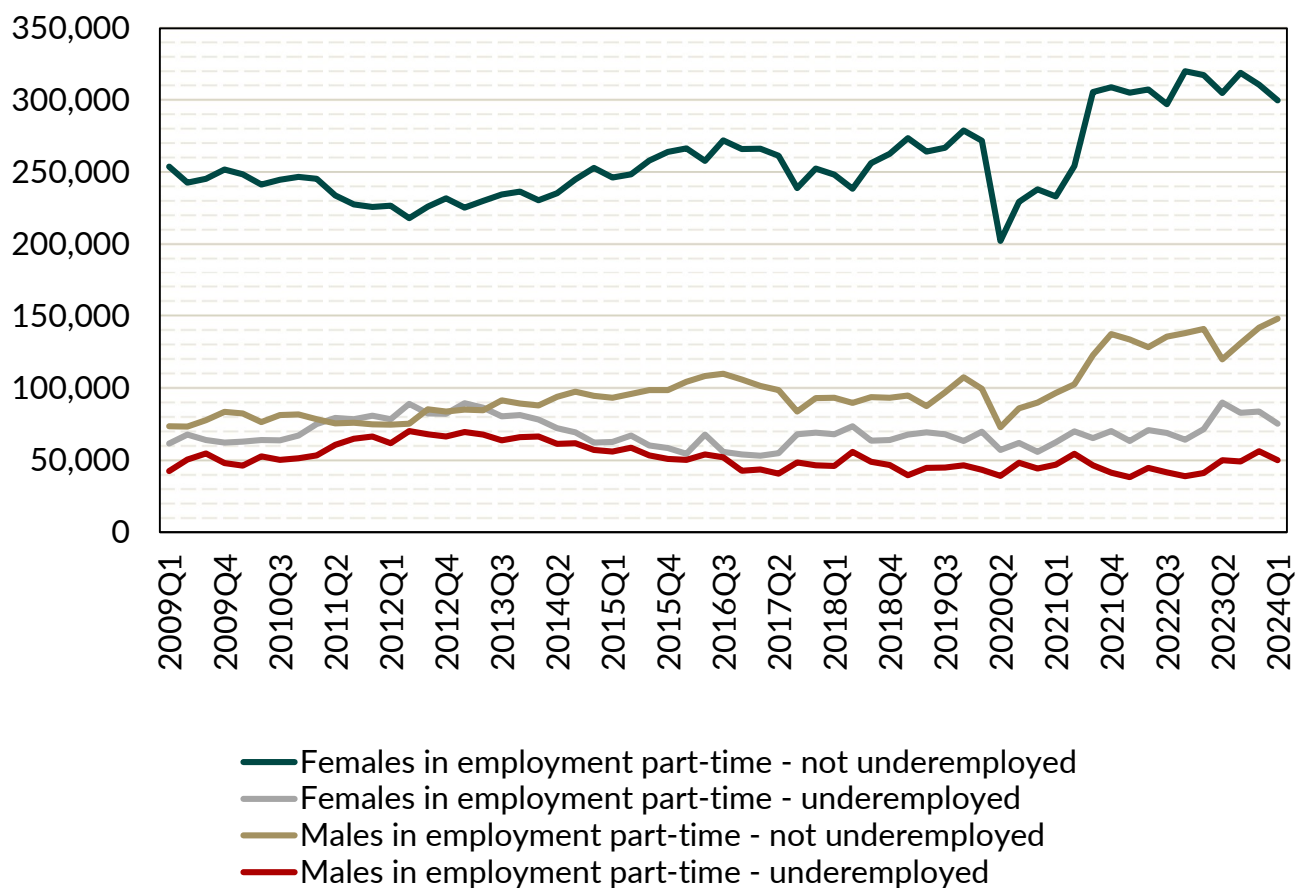
Underemployment

The percentage of part-time employees who self-report as underemployed increased by 2 percentage points in the past year, from 20 percent to 22 percent as of Q1 2024.

Male part-time employees were relatively more likely to consider themselves underemployed than their female counterparts (25 percent versus 20 percent). Male underemployment as a share of part-time employment increased from 22 percent in Q1 2023 to 25 percent in Q1 2024, while for females the increase was from 18 percent to 20 percent.

Figure 12 shows trends in underemployment from Q1 2009 to Q1 2024. It finds that underemployment levels have increased in recent years, but people are still more likely to indicate they are not underemployed.

Figure 11: Underemployment by Gender (Q1 2009 to Q1 2024)



Source: CSO LFS QLF01 (figures are subject to revision).

Reasons for Part-Time Work

Key messages:

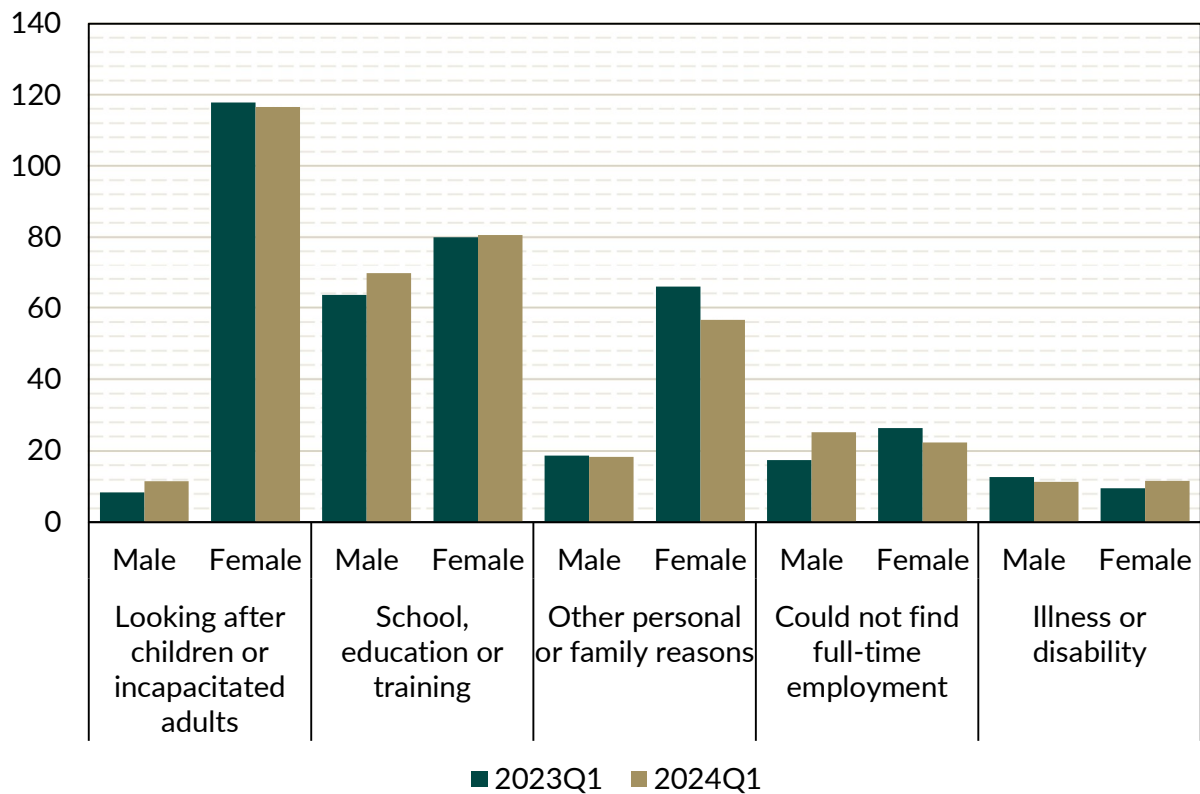
- Females were significantly more likely to work part-time for 'Looking after children or incapacitated adults' reasons than males, with the gap closing slightly in the past year.
- 'Could not find full-time employment' was the sole reason for which males were more likely to work part-time than females, reflecting the growing under-employment rate amongst males.

'School, education or training' was the most common reason for Part-Time Employment in both Q1 2023 and Q1 2024. The number of people working part-time for this reason increased from 143,800 to 150,500 (+4.7 percent) over the year. This was also the most common reason in Q4 2023, though the number decreased from 156,800 by 6,300 (-4 percent) over the quarter.

The largest differences by gender in Q1 2024 were in 'Looking after children or incapacitated adults' and 'Other personal or family reasons', with females accounting for 91 percent and 76 percent of people working part-time due to these reasons, respectively. Some 116,600 females were working part-time to look after children or incapacitated adults, compared to 11,400 males. The only reason for which males were more likely than females to work part-time in Q1 2024 was 'Could not-find full-time employment' with 25,200 men and 22,300 women working part-time for this reason. This continues the growing underemployment rate from the previous quarter, particularly among males.

Figure 13 illustrates reasons for part-time work by gender between Q1 2023 and Q1 2024. The gender gap in working part-time due to 'School, education or training' decreased significantly between Q1 2023 and Q1 2024, from 16,200 to 10,700 (-5,500 or 34 percent). The largest gender gap, in those 'Looking after children or incapacitated adults', closed slightly in the past year, from 109,500 to 105,200 (-4,300 or 3.9 percent).

Figure 12: Reasons for Part-Time Employment by Gender (Q1 2023 to Q1 2024)



Source: CSO LFS QES25 (figures are subject to revision).

Vacancies

Key messages:

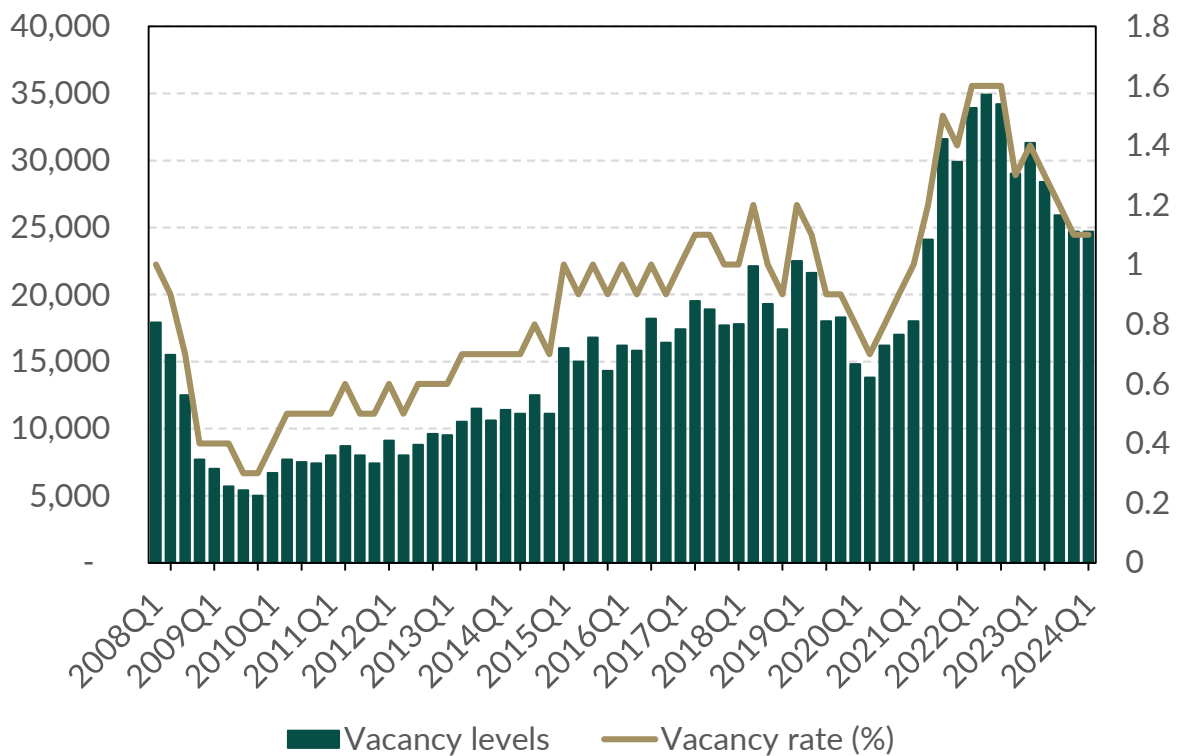
- Both the number of vacancies and the job vacancy rate remained steady at 24,700 and 1.1 percent in Q1 2024 compared to the previous quarter. While this is lower compared to the previous year, these levels are high by historical standards.
- Vacancies persist in the health, education, public administration, industry, and construction sectors. They have fallen, by contrast, in the ICT, retail trade, and financial sectors.

Overall demand for labour appears to be holding up. The number of vacancies stayed at the same level in Q1 2024 as in the previous quarter. The level of vacancies, at 24,700, compares favourably to the pre-pandemic peak of 22,500 in Q1 2019. There

were fewer public (-1,600) and more private sector (+1,600) vacancies recorded over the last quarter.

The job vacancy rate held steady at 1.1 percent, between Q4 2023 and Q1 2024. It has fallen back from the high vacancy rates recorded (as with vacancy levels) in 2021/2022 and is now at rates seen in the pre-pandemic period. That the vacancy rate is at pre-pandemic levels and nominal vacancy levels are still above those levels is a function of the large expansion in overall employment levels. The overall trend in vacancy rates and levels are shown in Figure 13 below.

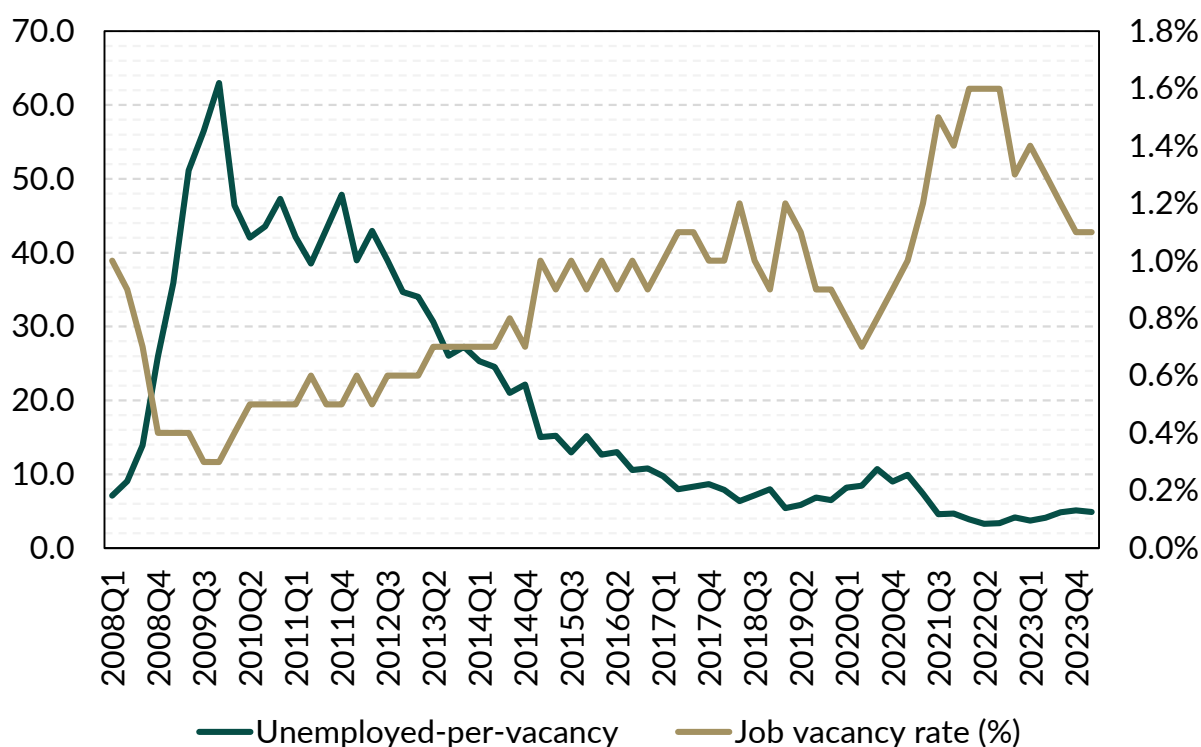
Figure 13: Vacancy levels and rates (%), by quarter.



Source: CSO’s Earnings Hours and Employment Costs Survey (EHECS) – PxStat table EHQ16

While the job vacancy rate has returned to pre-pandemic rates in the last two quarters, the number of unemployed people per vacancy (shown in Figure 14 below) remains lower than pre-pandemic due to higher vacancy levels and lower unemployment levels.

Figure 14: Number of unemployed per vacancy and job vacancy rate, 2008 to 2024.



Source: CSO LFS and EHECS (figures are subject to revision).

Indeed.com, a job posting website, provides indices of postings on overall, sectoral, and county-level bases for Ireland.⁴ Their sectoral classifications do not align with NACE sectors but provide more specific breakdowns as to where vacancies are occurring. Their figures line up with the EHECS results, indicating that health and social care related sectors continue to experience relatively high levels of vacancies. While the EHEC survey shows that vacancies in the financial, insurance, & real estate activities have returned to pre-pandemic levels, the Indeed data suggests that vacancies in the banking & finance and real estate sectors are at the same level as February 2020 and those in the insurance sector are much larger (+66%).⁵

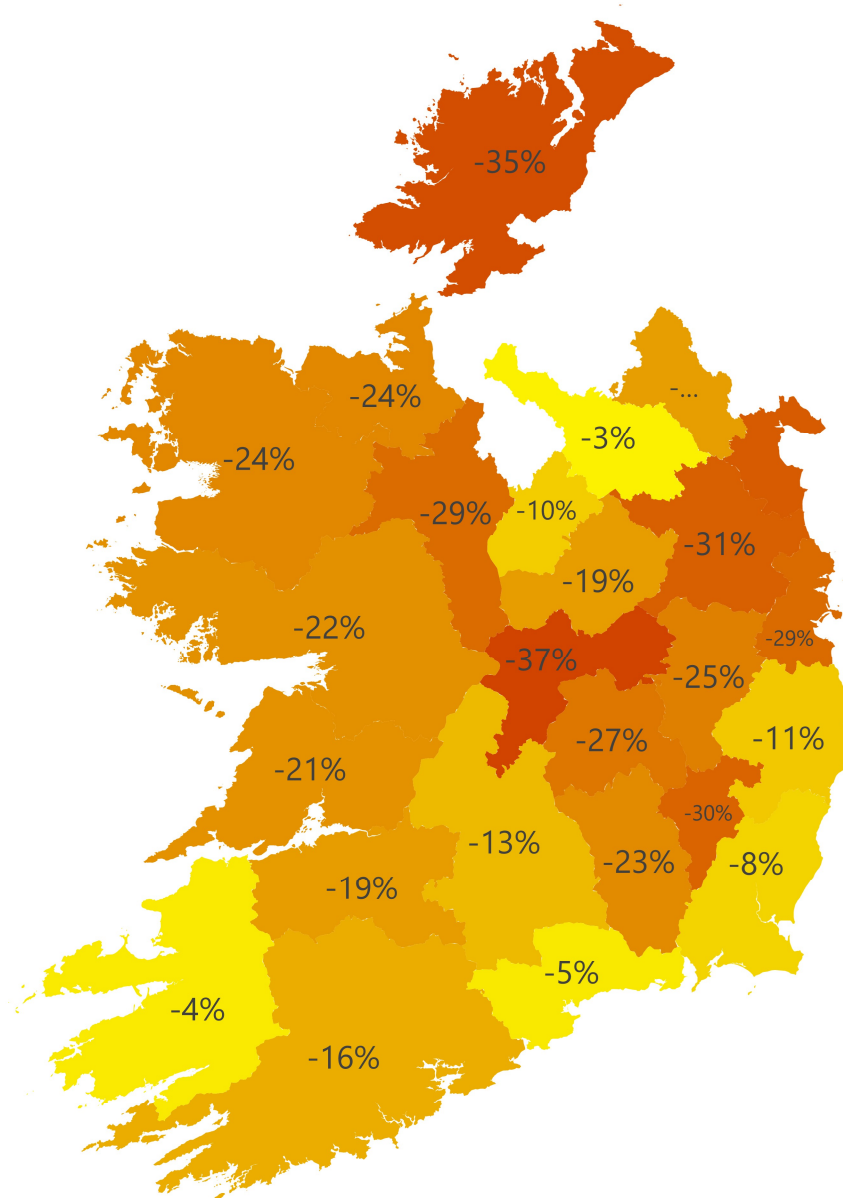
The county-level data from Indeed shows a decline in the level of across all counties

⁴ [Indeed Hiring Lab Data Portal](#)

⁵ It should be noted that Indeed does not provide the base levels for their indices, only the base time period. Insurance sector vacancies during the base time period could, for example, be 100, 1,000, or 10,000.

on an annual basis. This change in county-level postings is shown in Figure 15 below.

Figure 15: Annual % change in job postings by county, Q1 2024 vs Q1 2023.⁶



Powered by Bing
© OpenStreetMap

Source: Indeed and author's own estimates.

⁶ Data for Leitrim is not available. Author's own estimates.

Earnings

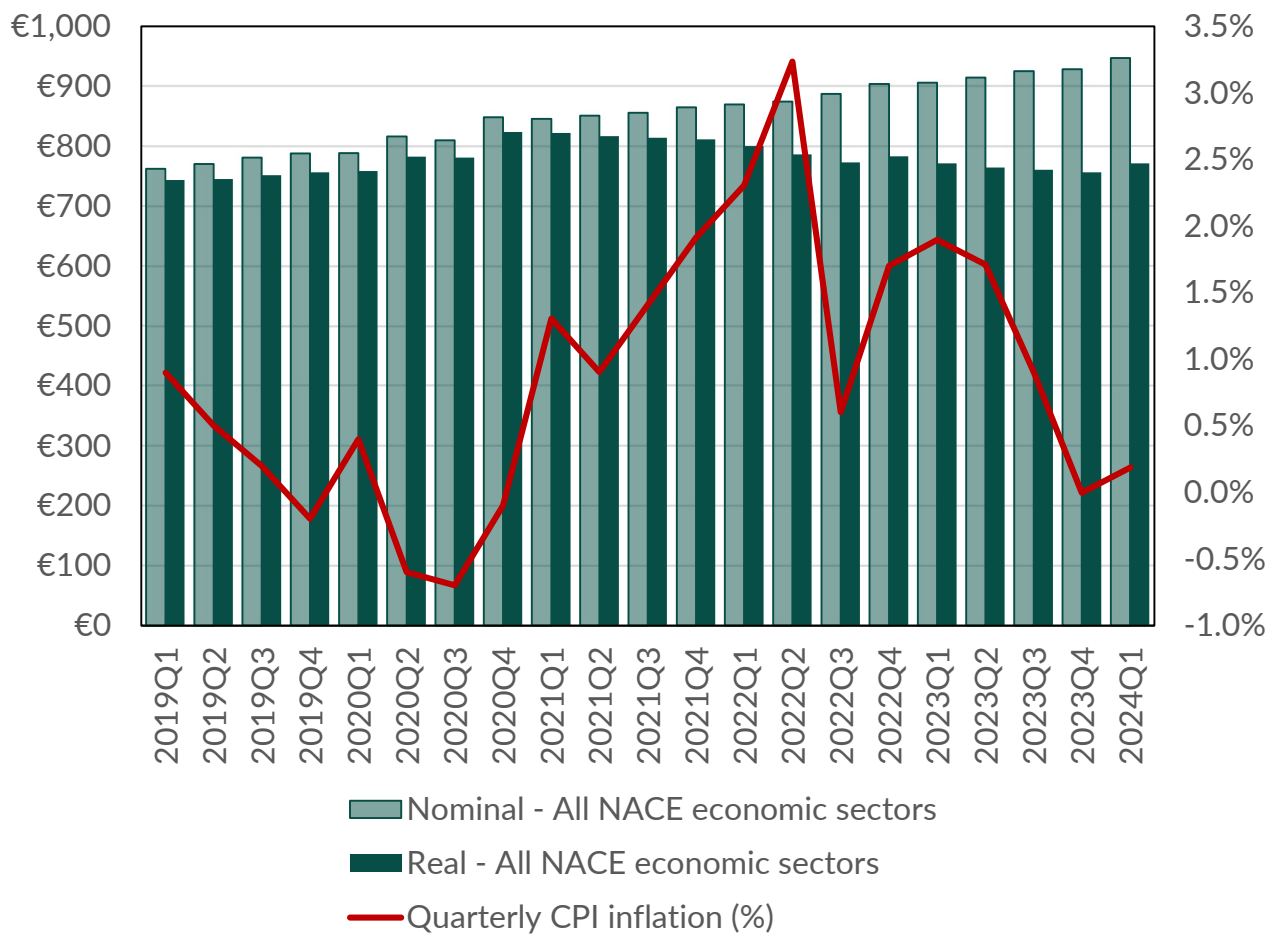
Key messages:

- Average weekly earnings increased by €18.51 (+2 percent) on a quarterly basis and by €41.18 (+4.5 percent) annually.
- Average hourly earnings increased by €0.54 (+1.9 percent) on a quarterly basis and by €1.25 (+4.5 percent) annually.
- Real earnings increased on a quarterly but were unchanged on an annual basis.
- In the past four years, nominal earnings growth has struggled to keep up with inflation. Earnings in the ICT sector held up well against relatively high inflation since 2021. Most other sectors saw decreases in real earnings between 2021 and 2023 but have slowly rebounded since.

Both weekly and hourly earnings increased on an annual and quarterly basis to Q1 2024. Average hourly earnings increased 1.9 percent on a quarterly basis and 4.5 percent on an annual basis to €28.96. Average weekly earnings increased by 2 percent on a quarterly basis and 4.5 percent on an annual basis to €946.55. Average weekly paid hours were unchanged on a quarterly basis and decreased 0.3 percent on an annual basis to 32.5.

Though nominal weekly earnings have increased continuously for ten consecutive quarters, relatively high inflation over this same period has eroded much of the purchasing power of such increases. Figure 16 shows the progression of nominal earnings versus real earnings since Q1 2019. Between Q1 2023 and Q1 2024, real weekly earnings are unchanged, though they increased on a quarterly basis (+2 percent).

Figure 16: Average weekly earnings (SA), real weekly earnings, and CPI inflation, by quarter.⁷

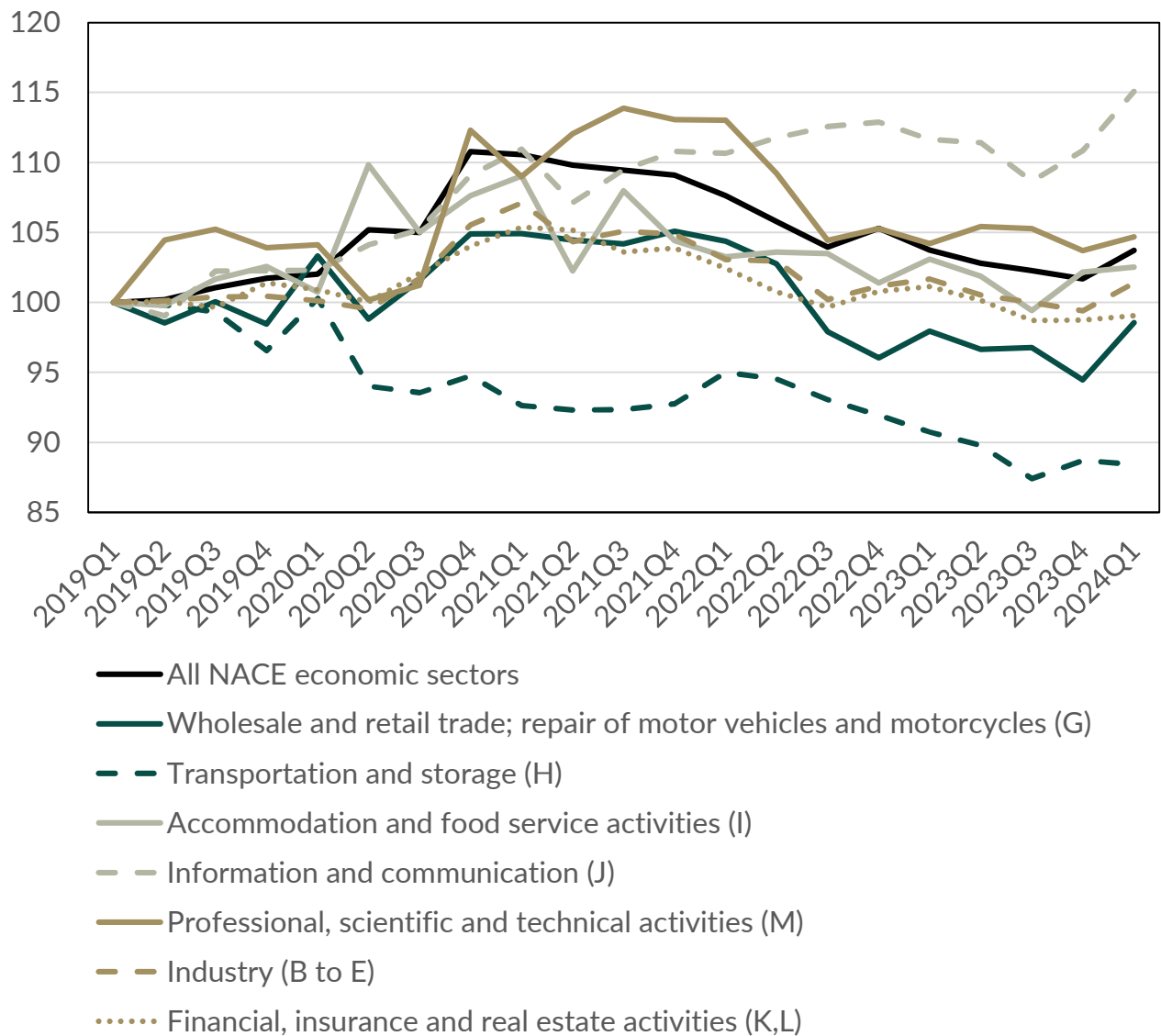


Source: Nominal earnings – CSO PxStat table EHQ03. Real earnings and Quarterly CPI inflation are authors’ own estimates. Real earnings adjust nominal earnings taking account of inflation and are in 2008 Q1 euros: these estimates differ from those of other institutions as methods differ. Figures are subject to change.

Looking at the trend in real weekly earnings across sectors paints a different picture to the topline figures. Compared to Q1 2019, real weekly earnings have changed the most in the ICT (+15 percent) and Transport sectors (-12 percent). Figure 17 below shows the changes by sector.

⁷ Monthly CPI inflation is converted to a quarterly figure.

Figure 17: Index of real weekly earnings in select sectors, Q1 2019 = 100.⁸



The drop in real earnings in the Transport sector appears mainly attributable to pay cuts in the Aviation industry in the early days of the pandemic.⁹

⁸ Figures for the Education, Public administration, and Health sectors are not shown here as earnings in these sectors are generally dictated with public sector pay agreements, the latest of which is the Public Service Pay Agreement 2024-2026.⁸

⁹ Nominal average hourly earnings decreased between Q1 2019 and Q4 2023 in only two NACE subsectors: Air transport and Activities auxiliary to financial services and insurance activities. See CSO PxStat table [EHQ15](#) for other breakdowns.

Hours Worked

Key messages:

- Total hours worked decreased over the past year by 0.2 percent, though they increased on a quarterly basis by 3.5 percent.
- Hours worked in the Professional, Scientific & Technical Activities sector had the highest annual increase at 10 percent, while the Industry sector had the largest decrease at 4.2 percent.

Total hours worked per week increased by 3.5 percent over the previous quarter, from 82.5 million to 85.4 million. Annually, the figure dropped by 0.2 percentage points from 85.6 million in Q1 2023.

The average number of weekly paid hours in Q1 2024 was 32.5, broadly unchanged from the previous quarter (decrease of 0.1 hours) and year (increase of 0.1 hours).

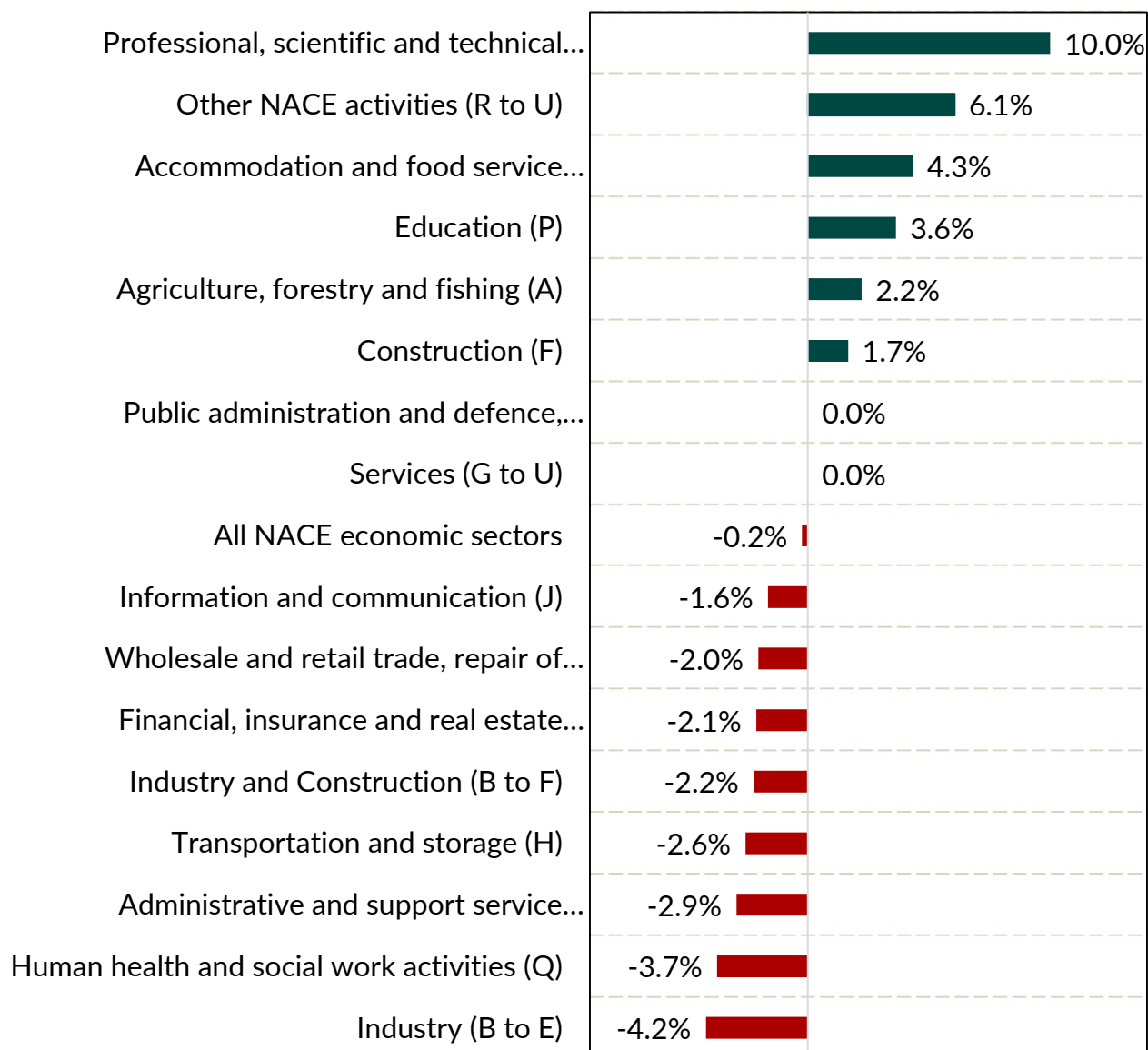
Hours Worked by Sector

Professional, Scientific, & Technical Activities, Other NACE Activities, and Accommodation and Food Service Activities saw the largest annual increases in hours worked with 10 percent, 6 percent, and 4.4 percent respectively.

The Industry, Human Health and Social Work Activities, and Administrative and Support Service Activities sectors saw the largest decreases in hours worked over the last year at 4.2 percent, 3.7 percent, and 2.9 percent respectively. Employment levels also decreased in each of these sectors over the past year.

Figure 18 below shows the annual percentage change in total paid hours by sector.

Figure 18: Annual percentage change in total paid hours by NACE sectors, Q1 2023 to Q1 2024



Source: CSO LFS QLF36 (figures are subject to revision).

Blended Work

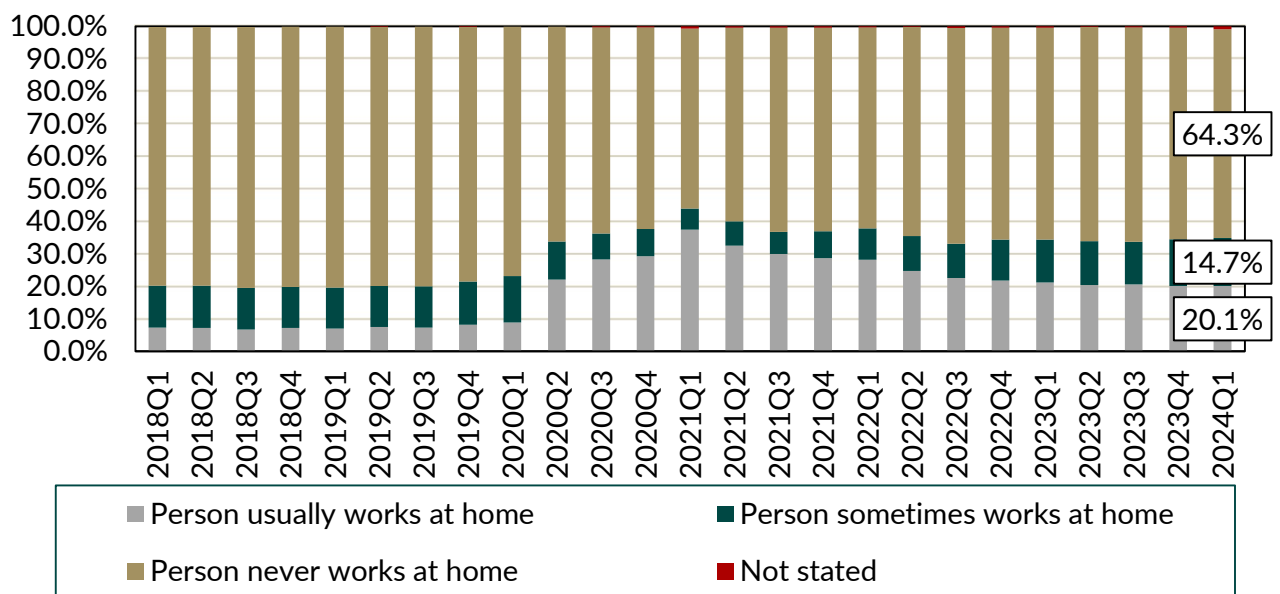
Key messages:

- As of Q1 2024, 941,700 people reported working at least some amount of time at home. Just under two thirds of people indicate that they never work at home, 20.1 percent usually work at home, and 14.7 percent sometimes work at home.
- Since the pandemic, people living in the Dublin region have been significantly more likely to work at home than any other region.

The total number of people working, at least in part, from home has remained reasonably steady post-pandemic, around 36 percent since 2020 Q2. As of Q1 2024, 941,700 people reported working at least some amount of time at home. Compared with the previous quarter, this is a decrease of 500 (-0.1 percent), or 18,200 (-3.2 percent) compared with the previous year.

Figure 19 shows the proportions of employed people working from home and not. Of people in employment in Q1 2024, 64.3 percent (or 1,737,900) never work at home. People were more likely to indicate that they ‘usually work at home’ rather than ‘sometimes work at home’ in Q1 2024, at 20.1 percent and 14.7 percent, respectively.

Figure 19: Employment by extent of working at home (Q1 2018 to Q1 2024)



Source: CSO LFS QES20 (figures are subject to revision).

Blended Work by Region

Figure 20 below shows the proportion of employed people who were engaged in some form of blended work (either usually working at home or sometimes working at home) by NUTS3 region between Q1 2018 and Q1 2024.

Consistently, the Dublin region had the most blended workers, with the number increasing annually from 336,100 to 364,800 (+5 percent). The Midland and Border regions had the lowest numbers of blended workers over the past year, with the Midland number dropping from 50,900 to 41,000 (-19.4 percent) and the Border number growing from 43,700 to 45,900 (+5 percent).

In the past quarter, the regions with the highest and lowest numbers of blended workers remained the same, with Dublin rising by 12,300 (3.5 percent), Midland falling by 1,100 (-2.6 percent), and Border falling by 1,500 (-3.2 percent).

Figure 20: Blended Workers as a percentage of Employment, by NUTS3 Region (Q1 2018 to Q1 2024)

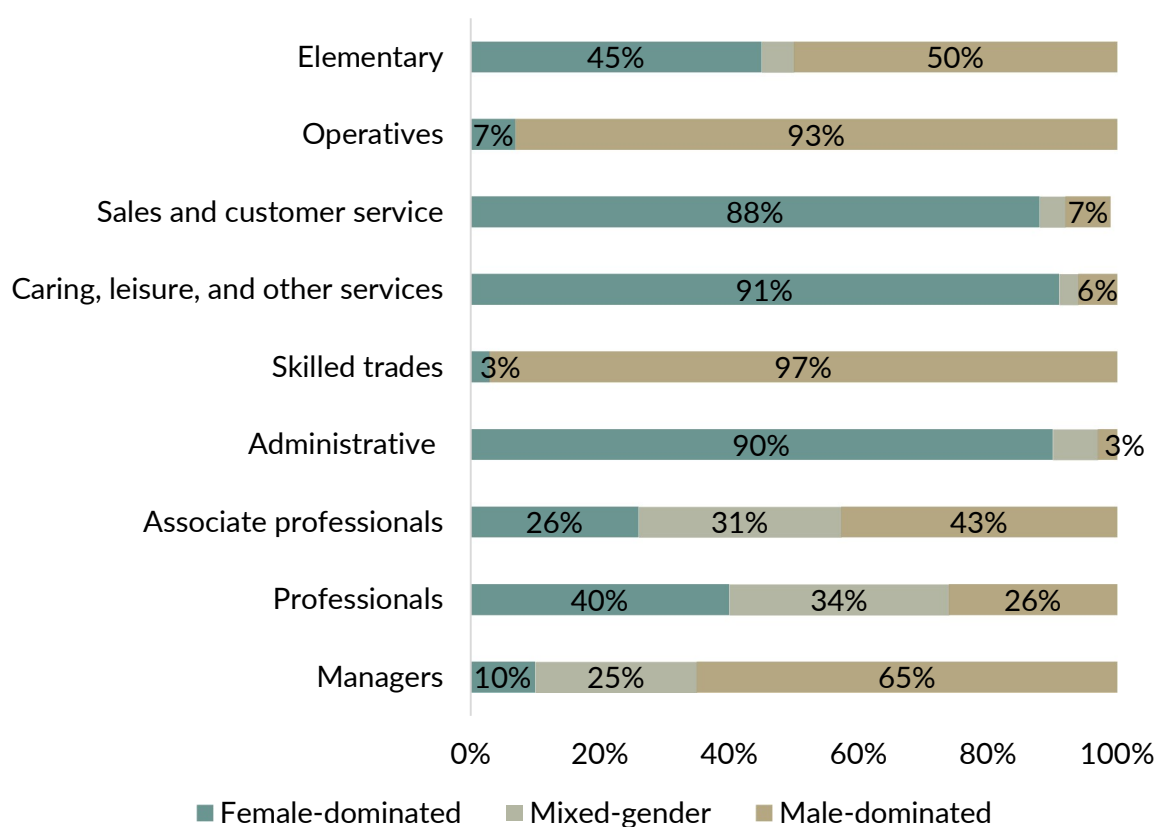
Source: CSO LFS QES21 (figures are subject to revision).

Box B: Occupational gender segregation in Ireland

SOLAS has carried out research on the gender breakdown within occupations. In doing so, they distinguished between occupations which were dominated by one gender (>80% male/female), mainly one gender (60-80% male/female) or mixed gender (40-59% of either gender).

Looking at the broad occupation level, Figure B1 below shows the breakdown between the employment share of female-dominated, male-dominated, and mixed gender occupations.

Figure B1: Employment by level of gender segregation and broad occupation, Quarter 4 2023



Source: SOLAS analysis of CSO data.

The paper provides further breakdowns by level of education. Male-dominated occupations have the lowest levels of educational attainment and mixed-gender

occupations have the highest levels. While levels of education for males and females are broadly similar in mixed-gender and female-dominated occupations, females are more highly educated than males in male-dominated occupations. This may be explained by a higher concentration of female (in male-dominated occupations) employed in managerial, professional, and associate professional roles.

Another finding in the paper was in relation to the gender differences in full-time versus part-time employment. A higher share of females is employed part-time across male-dominated, female-dominated, and mixed-gender occupations. There is a reasonably high share of males in part-time employment (over 25 percent) in female-dominated occupations. This could be explained by a larger share of males (in female-dominated occupations) employed as sales assistants and in hospitality-related roles. Females in part-time employment are a much more diverse group in terms of occupation.

3. Unemployment

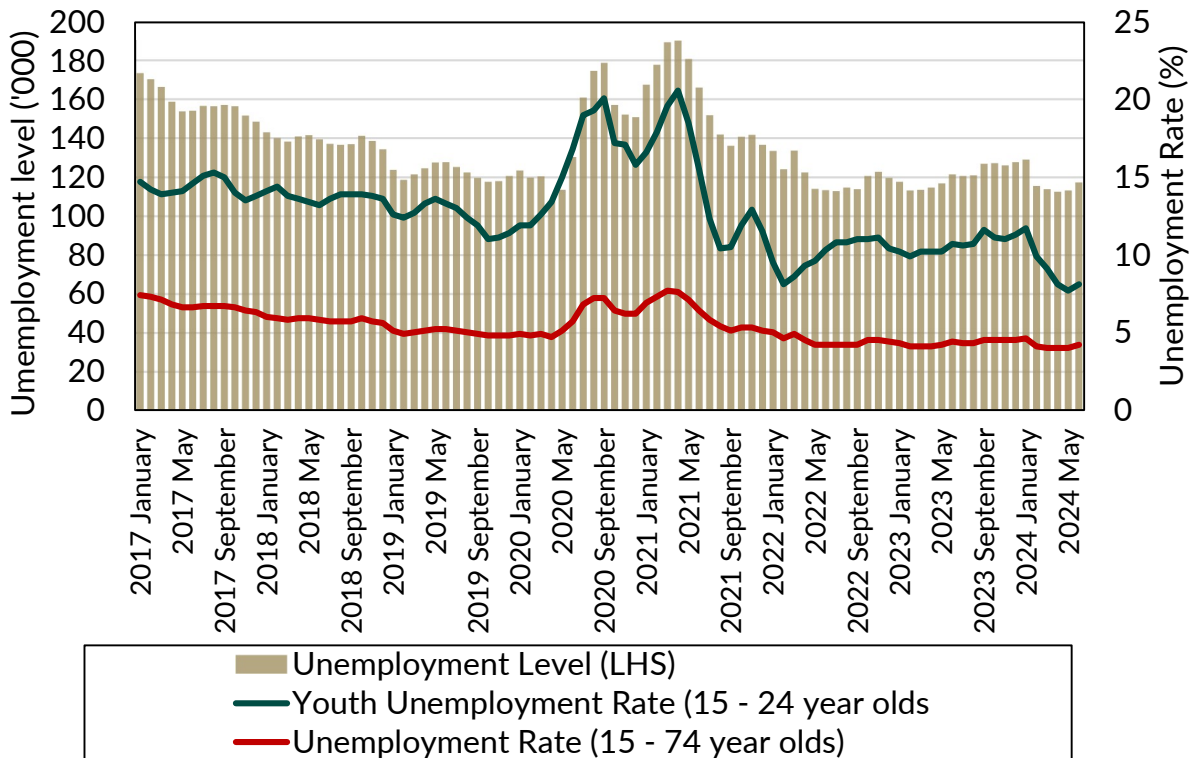
Unemployment Rate

Key messages:

- The unemployment rate remains low, now standing at 4.2 percent as of June 2024.
- The youth unemployment rate remains low, although increasing to 8.1 percent in June 2024.

The monthly unemployment rate has remained low in the first half of 2024, standing at 4.2 percent in June on seasonally adjusted terms. The previous three months were among the lowest rates on record for this series: only the last three months of 2000 recorded lower rates of 3.9 percent. The youth unemployment rate increased to 8.1 percent in June, having stood at 7.7 percent in May 2024, the lowest rate since August 2001. Figure 21 below shows the trend in monthly unemployment rates (in general and for youths) and overall unemployment levels since January 2017.

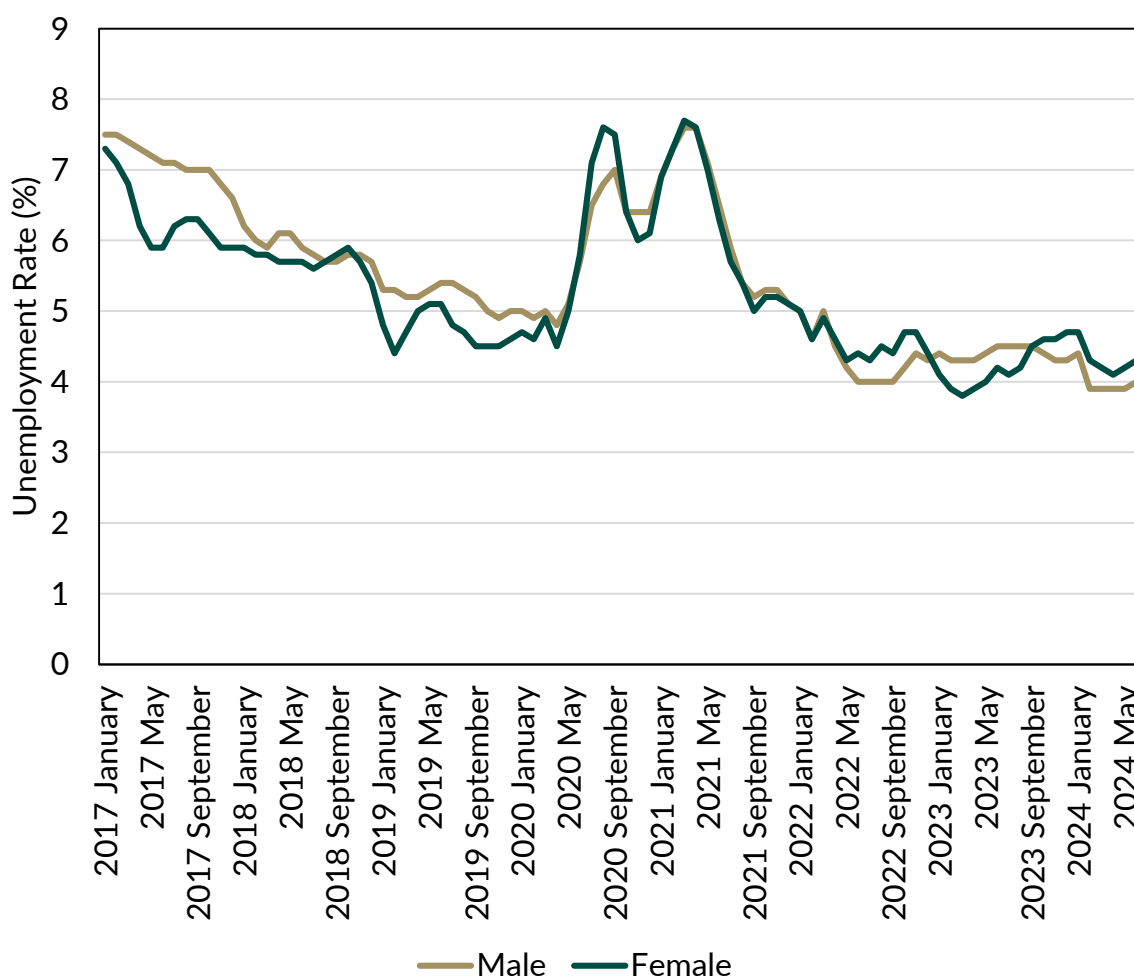
Figure 21: Monthly unemployment rates and levels, Jan 2017 to June 2024, seasonally adjusted.



Source: CSO MUM01 (figures are subject to revision).

The number of unemployed people stood at 117,100 in June 2024, with a monthly unemployment rate of 4.5 percent. The female unemployment rate stood at 4.3 percent in June, compared to 4.0 percent for males.

Figure 22: Unemployment Rate by Sex, January 2017 to June 2024, seasonally adjusted.

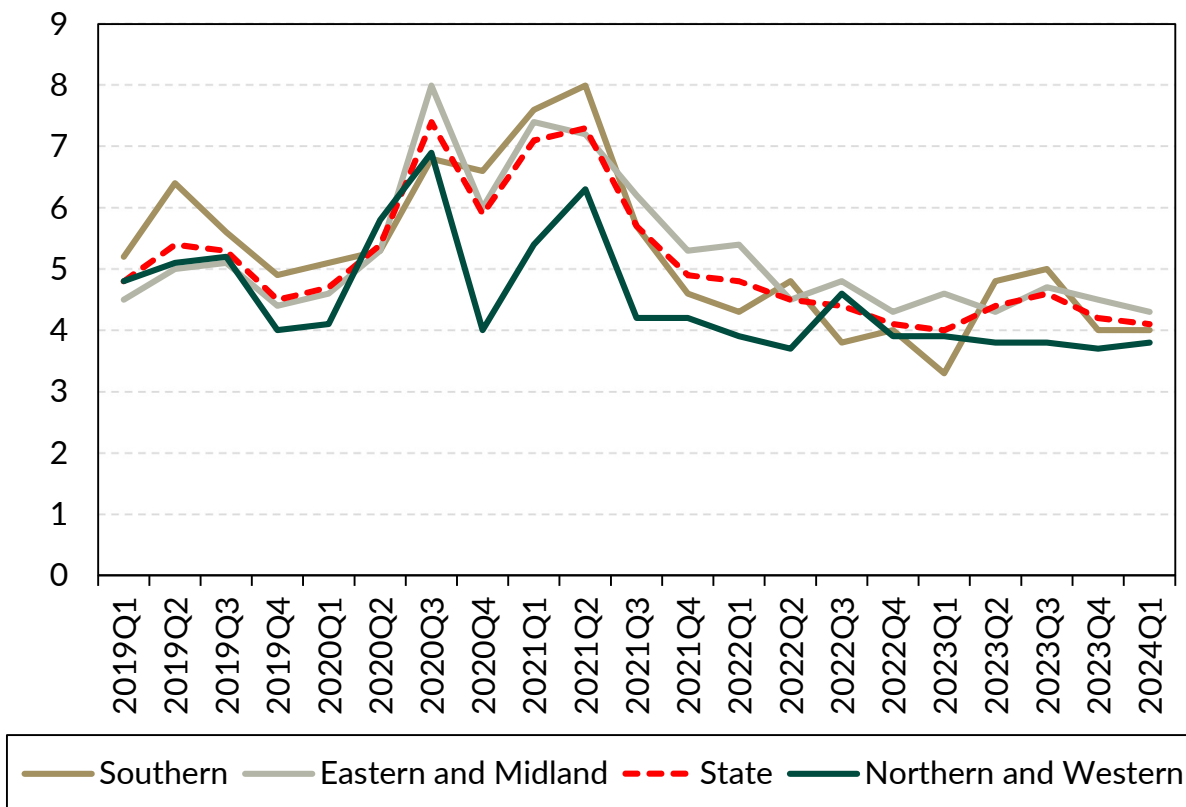


Source: CSO LFS (figures are subject to revision).

Considering unemployment at a NUTS2 regional level, the Northern and Western region has the lowest unemployment rate of 3.8 percent in Q1 2024. The unemployment rate in this region has remained below 4 percent since Q4 2022. The Southern region has seen the largest variation in the series, with a low of 3.3 percent in Q1 2023, reaching 5 percent by the third quarter, before falling to 4 percent in the

last quarter of 2023 and first quarter of 2024. The Eastern and Midland region has had an unemployment rate of below 5 percent since the second quarter of 2022.

Figure 23: Unemployment Rate by NUTS2 Region, by quarter, 2019 to 2024.



Source: CSO LFS (figures are subject to revision).

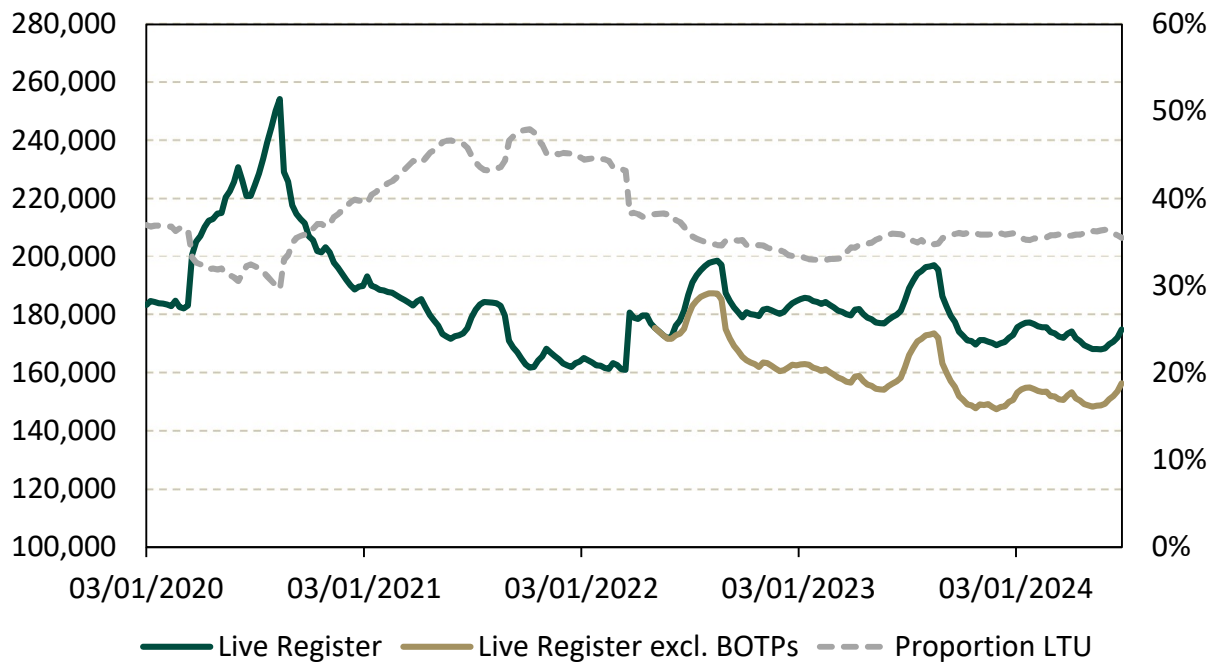
Live Register

The Live Register stood at 174,909 in June 2024, representing an increase of 6,086 (3.6 percent) from the first week of May. Excluding Beneficiaries of Temporary Protection (BOTPs), the underlying Live Register was 156,381. Looking at the share of persons on the Live Register, BOTPs accounted for 10.6 percent.

Of these Live Register claimants, 43,490 (24.9 percent) were claimants of Jobseeker’s Benefit, 119,546 (68.4 percent) were on Jobseeker’s Allowance and 11,855 (6.8 percent) were on credits only.

Considering duration, the proportion of people on the Live Register who are Long Term Unemployed was 36 percent at the end of June. This reflects the trend post-COVID where the proportion has been between 35 and 36 percent since July 2022.

Figure 24: Live Register Claimants, including and excluding BOTPs, and proportion who are long-term unemployed (LTU) Jan 2017 to May 2024.



Source: DSP Live Register data (figures are subject to revision).

5. Economic Outlook

Following from the historic performance of the labour market in 2023 and into 2024, together with positive performance of the economy otherwise, the short- and medium-term outlook for Ireland remains positive.

In terms of overall growth, GDP is no longer expected to grow at the high rates observed in recent times, though Ireland is still expected to perform well. The European Commission's forecast of GDP growth puts Ireland above the Eurozone average in 2024 (1.2 versus 0.8 percent) and near the top of the table for 2025 (3.6 versus 1.4 percent).

Modified Domestic Demand (MDD), which is in some respect a better measure of the domestic economy, is forecast to increase by 1.4-2.2 per cent in 2024 and 2.3-2.9 per cent in 2025¹⁰. In this respect, Ireland is similarly expected to compare well to other Eurozone countries.

Declining inflation rates, and the potential for further reductions in European Central Bank's headline interest rate, are expected to support real wage growth in the remainder of 2024 and 2025. Differential nominal wage growth and the asymmetric normalisation of different components of inflation (housing and rent prices remain persistently high, for example), may result in different cohorts experiencing different levels of real wage growth, into 2025. Though, notably, the gradual move to a Living Wage is expected to support those on the lower end of the earnings spectrum.

Furthermore, as discussed in this labour market update and previous ones, there is some evidence of labour market segmentation, with higher participation and better employment outcomes particularly among highly educated women and growing under-employment rates amongst other groups.

Various institutions have noted the capacity constraints facing the Irish economy. Addressing the shortage of construction workers in the labour market would appear to represent a critical component in easing the housing supply and infrastructure pressures, which may otherwise hamper further investment and sustainable economic growth. The ability to do this, given the low levels of unemployment, and high housing costs acting as a barrier to further inward migration, represents a challenge to the

¹⁰ Forecasts by the Central Bank of Ireland, ESRI, OECD, Ibec and Department of Finance.

economy.

Finally, international economic conditions may change in the short to medium term, owing to changing political paradigms among key trade partners following the 2024 'year of elections'. There has been much commentary about the diminished capacity for small countries to compete as economies move towards directed industrial policy, protectionism and other State supported interventions. This may exacerbate competitiveness concerns in Ireland.

Despite these downside risks, forecasts of unemployment remain positive, among various institutions, as shown in Figure 27. All institutions expect unemployment to remain at levels concomitant with full employment into 2025.

Figure 25: Unemployment rate (official and forecasted) by institution.

