



SPOTLIGHT ON JOBS AND SKILLS AUSTRIA

2026

Introduction

Drawing on its rich country-level skills intelligence, Cedefop develops its Spotlights on jobs and skills for EU-27 Member States, Iceland and Norway. The Spotlights provide insights into the current labour market landscape, future trends, and skills anticipation in each country. The analysis is based on Cedefop's skills intelligence online tool, its skills forecast, the European Skills Index (ESI), online job advertisements, sectoral and occupational skills intelligence, and country-specific skills anticipation reports.

Recent employment developments

In 2023, the unemployment rate in Austria was 5 %, below the 6 % EU average. The country has not yet returned to pre-2020 unemployment levels, and the unemployment rate has risen in recent years. Unemployment is slightly higher among men, and notably higher among those with low educational attainment (12 %).

While Austria is a services-led economy, the manufacturing sector ⁽¹⁾ had the highest employment share in 2023 (17 %, slightly above the 16 % EU average). Wholesale and retail trade, health and social care, and construction are also important employers ([Figure 1](#)).

In 2023, over half of total employment was in the categories of professionals (22 %), associate professionals (18 %), and service and trade workers (17 %). Among the occupational groups within these broad categories, office associate professionals account for the largest employment share (8 %). Sales workers make up 7 % of the workforce. Within the group of professionals, teaching professionals have the largest employment share (5 %). In the high-tech economy in 2022, two sectors are particularly significant: ICT services, which account for 49 % of all high-tech employees, and energy supply services (35 %).

Changes in the labour force are driven by an ageing population ⁽²⁾, which leads to higher replacement demand and rising participation rates across all age groups. One third of the employed population was 50 years or older in 2023. This was still slightly below the EU average of 35 %, as the statutory retirement age in Austria is lower than in many other EU countries. The share of young people (aged 15-24) in employment (11 %) was higher than in the EU (8 %), possibly because of the strong dual VET system and the well-established network of VET schools, which enable direct access to the labour market. The employment share of young people aged 15-24 decreased by 2 percentage points in 2024 because of increased participation in education in this cohort. At the same time, older workers stayed in the labour market slightly longer in 2024, partially because the statutory retirement age for women is being increased from 60 to 65 (the male retirement age). In 2023, female employment (47 %) was lower than male employment (53 %).

The long-term unemployment rate (22 % of all unemployed) is below the EU average (35 %) and has fallen to a level below that recorded before COVID-19. Long-term unemployment for men (24 %) exceeds the rate for women (20 %). Long-term unemployment is concentrated in the older cohorts (37 % of unemployment for 50- to 64-year-olds) and among the unemployed with no or low-level qualifications (29 %).

Recent skills and learning developments

Cedefop's analysis of online job advertisements (OJAs) underscores the substantial demand for highly skilled individuals. In 2024, most OJAs were for jobs in consultancy, marketing, accounting and legal services, manufacturing, and public administration and defence. The majority of OJAs were for professionals, such as ICT professionals, office and associate professionals, and researchers and engineers.

⁽¹⁾ To learn more about the classification of sectors, occupations, and qualification levels discussed in this report, see Annex 2 of [Cedefop's skills forecast methodological framework](#) (2023).

⁽²⁾ Statistics Austria. [Population by age /sex](#).

According to Cedefop's [European Skills Index](#) (ESI), Austria ranked 15th out of 31 countries, with a total score of 60. Since 2017, Austria's ranking has dropped (from 12th to 15th place) despite an improvement in its ESI score (from 52 to 60 on a 100-point scale). The country performs strongest in the ESI skills activation pillar, ranking fifth with a score of 73. It ranks seventh for the ESI skills development pillar (score of 62), but lower for the ESI skills matching pillar (20th, score of 52).

From an EU comparative perspective, Austria's top-performing indicators are the share of VET students (89 %, ranked fourth) and the activity rate of 20- to 24-year-olds (89 %, ranked fifth) ([Figure 2](#)). The overqualification rate among tertiary graduates (34 %, ranked 25th) and the proportion of low-wage workers with higher education (ISCED 5-8) (47 %, ranked 22nd) are the country's weakest links. Among the most notable improvements are the rapid declines in the share of underemployed part-time workers (from 4 % in 2017 to 2 % in 2024), and in the long-term unemployment rate (from 2 % to 1 %).

A total of 38 % of the employed population had above-basic digital skills – higher than the EU average of 33 %. This share was higher (40 %) for those aged 25-34, slightly exceeding the EU average (39 %), but it was below the shares recorded in most other EU countries.

In 2023, 18 % of the employed population participated in training in the past four weeks, surpassing the EU average of 14 %. Women and those aged 25-49 (21 % of both groups) took part in training compared with 16 % of men and 13 % of those aged 50-64.

Future employment trends

Employment is expected to grow annually until 2035 at a lower rate than the 2015-2019 period but faster than the EU on average (0.5 %-0.6 % annually, versus 0.3 %-0.4 %). Employment in Austria is expected to increase by 7 % between 2022 and 2035, a rate exceeding the 5 % growth rate forecast for the EU-27 as a whole.

The ageing population will require more health and care services, which will increase employment

for personal care workers, health professionals and associate professionals. Until 2035, 15 % of forecast job openings will be for health professionals and personal care workers. These two occupation groups are also among the three with the largest percentage increase in employment (+63 % for personal care workers and +47 % for health professionals). The third occupation group with the largest employment increase is legal, social, cultural and related associate professionals, for which employment is expected to increase by almost 34 %.

Most job openings (the sum of employment growth and replacement demand) between 2022 and 2035 are expected for business and administrative associate professionals (8 % of total job openings), followed by health professionals (8 %), personal care workers (7 %), and teaching professionals (6 %). Most of these job openings will stem from replacement demand. The share of new jobs (expansion demand) in expected total job openings is highest for personal care workers (64 %), legal, social, cultural and related associate professionals (56 %), administrative and commercial managers (50 %), science and engineering professionals (48 %), health professionals (47 %), and ICT professionals (45 %).

The highest relative employment increase is expected in the electricity, gas, steam, and air conditioning supply sector, which will grow by 40 % between 2022 and 2035. This reflects national energy transition targets (100 % renewable electricity by 2030, climate neutrality by 2040), which will be met through a strong expansion of renewable electricity generation, and the acceleration of electrification and decarbonisation of gas, heating, and cooling.

The population is expected to grow by 6 % between 2020 and 2035. Cedefop's forecast shows a decrease in the 20-39 and 50-59 age cohorts, while increases are expected for 40- to 44-year-olds (+14 %) and 45- to 49-year-olds (+2 %). Other expanding age cohorts are 15- to 19-year-olds (+9 %), 60- to 64-year-olds (+6 %), and the 65+ age group, which will grow most rapidly (+37 %) until 2035. At the same time, labour market participation rates are expected to increase for all age cohorts until 2035. These increases are highest for the 55-59 (+17 %) and 60-64 (+22 %) age cohorts. For 25- to 29-year-olds, an +11 % increase is projected.

Future skills and learning trends

By 2035, the share of people with a high-level qualification in employment is expected to reach 67 %, 21 percentage points above the forecast EU average. Austria's share of medium-level qualified workers (25 %) will be one of the lowest in the EU by 2035, having more than halved compared to 2017.

Employment in high-skilled occupations is expected to grow by 1 % annually, while employment in skilled non-manual occupations is projected to remain relatively stable. Employment in skilled manual occupations is expected to decrease marginally.

Following EU-27 trends, female participation rates are forecast to increase more than those of males, as they start from a significantly lower level in 2020. Between 2020 and 2035, the total participation rate among the female population is projected to increase by 5 percentage points to 59 %, while the rate among the male population will rise by 3 percentage points to 68 %.

Most expected job openings that require a high-level qualification will arise because of employment expansion (59 % of job openings, exceeding the 38 % EU-27 average). A total of 41 % of job openings requiring a high-level qualification will emerge to replace people exiting the labour market or their jobs (replacement demand) (EU-27 average at 62 %).

In the period 2030-2035, [employment growth of the high-tech economy](#) is forecast to be higher than the EU-27 average (7 % versus 5 %), particularly in knowledge-intensive services (14 % versus about 9 %). This is consistent with the anticipated employment growth for highly qualified workers.

Expected skill shortages

According to the [Cedefop Labour and Skills Shortage Index](#), hiring difficulties will be severe for many skilled manual and non-manual occupations. Employers will face substantial difficulties in recruiting personal care workers, sales workers, personal service workers, and market-oriented skilled forestry, fishery and hunting workers, and will also face challenges in recruiting staff for elementary occupations. Shortages are primarily driven by replacement demand ('labour shortage'), which is linked to the retirement wave of the baby boomer generation, and to a lesser extent by existing supply-demand imbalances ([Figure 3](#)).

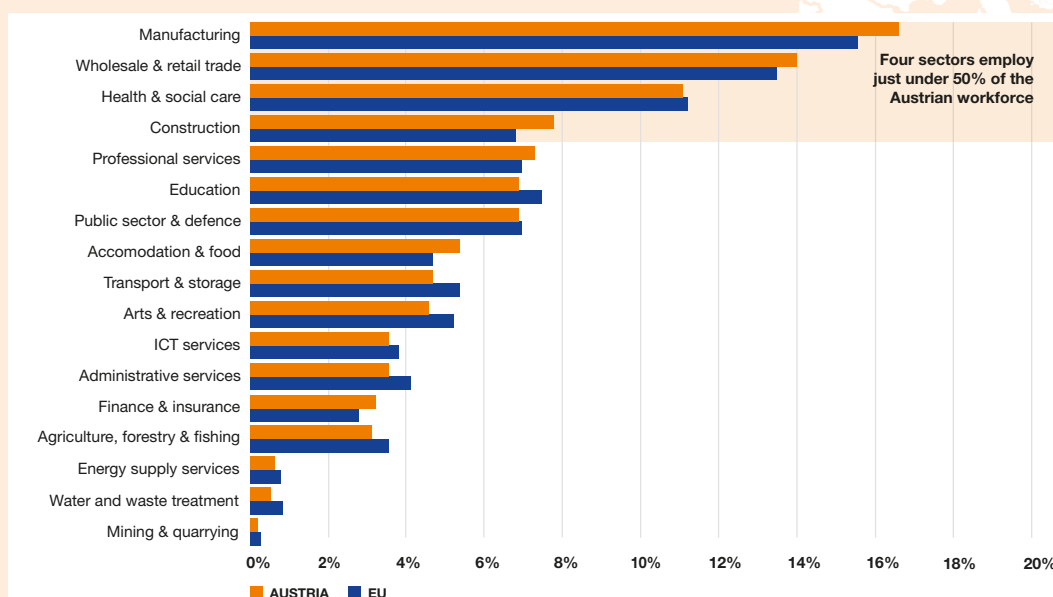
Shortages of high-skilled non-manual workers – the largest group of workers – are expected to be most pressing for science and engineering professionals, health professionals, and legal, social and cultural professionals.

Shortages for these occupations will be demand-driven (skills) and supply-driven (labour). Replacement demand is expected to drive shortages of legal, social and cultural and related associate professionals.



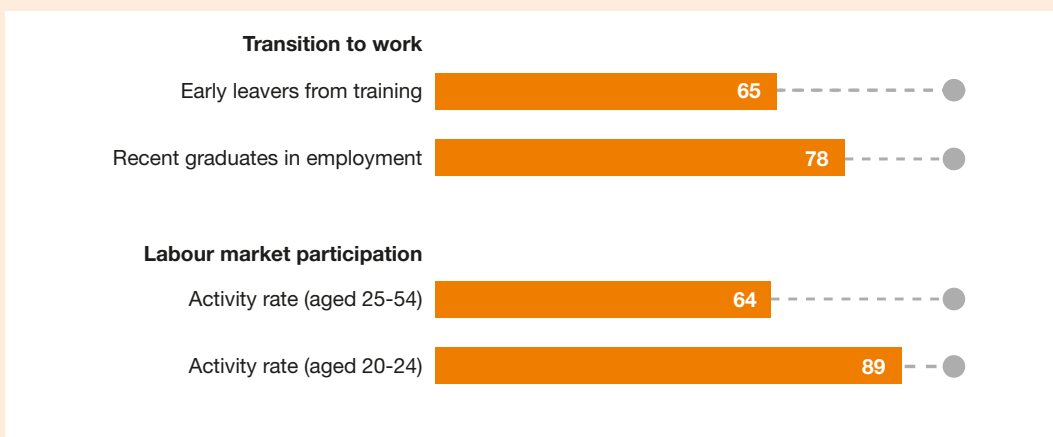
Jobs and skills in figures

Distribution of employment across sectors in Austria and the EU, 2023 (%)



Source: [Cedefop Skills Intelligence tool](#).

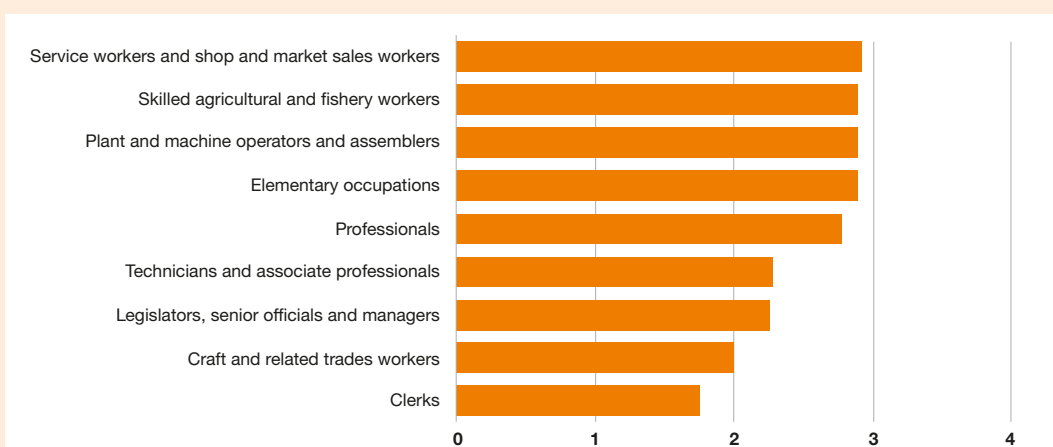
ESI skills activation pillar in Austria, 2024



NB: The ESI measures countries' 'distance to the ideal' performance, i.e. the highest achieved by any country over a period of seven years. The ideal performance is scaled to 100, with national scores computed and compared to that. Example: a score of 65 suggests that the country has reached 65 % of the ideal performance, with 35 % (100-65) room for improvement.

Source: [Cedefop European Skills Index \(ESI\)](#).

Cedefop Labour and Skills Shortage Index, 2022-35, Austria



NB: The Labour and Skills Shortage Index is the simple average of the quartiles in each of the three pillars: (1) employment growth; (2) replacement demand; (3) supply/demand imbalance (IFOD). A score of 4 indicates a higher level of shortage, and 1 no shortage. The outcome of the pillars is based on the relative evaluation in quartiles of the occupation (here for all EU-27).

Source: [Cedefop Labour and Skills Shortage Index](#).



Further information

- Cedefop. (2023). [Skills forecast methodological framework](#).
- Cedefop. (2023). [Skills anticipation in Austria](#). Data insights series.
- Cedefop. (2024). [Evolution of European skills systems: performance 2015 to 2022](#). Publications Office of the European Union.
- Cedefop. (2024). [Skills forecast report – Austria](#).
- Statistics Austria. (2025). [Economic recession and labour market in 2024: 38 400 fewer employed persons in industry and construction](#). Press release.
- Statistics Austria. [Population and society](#).

[Cedefop Skills intelligence tool](#)[Cedefop Skills forecast](#)[Cedefop Skills OVATE](#)[Cedefop European Skills Index](#)[Cedefop Labour and Skills Shortage Index](#)

This Spotlight was drafted by Cedefop's Skills intelligence and foresight team.

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