European Labour Market Chartbook

October 2026

Indeed Hiring Lab

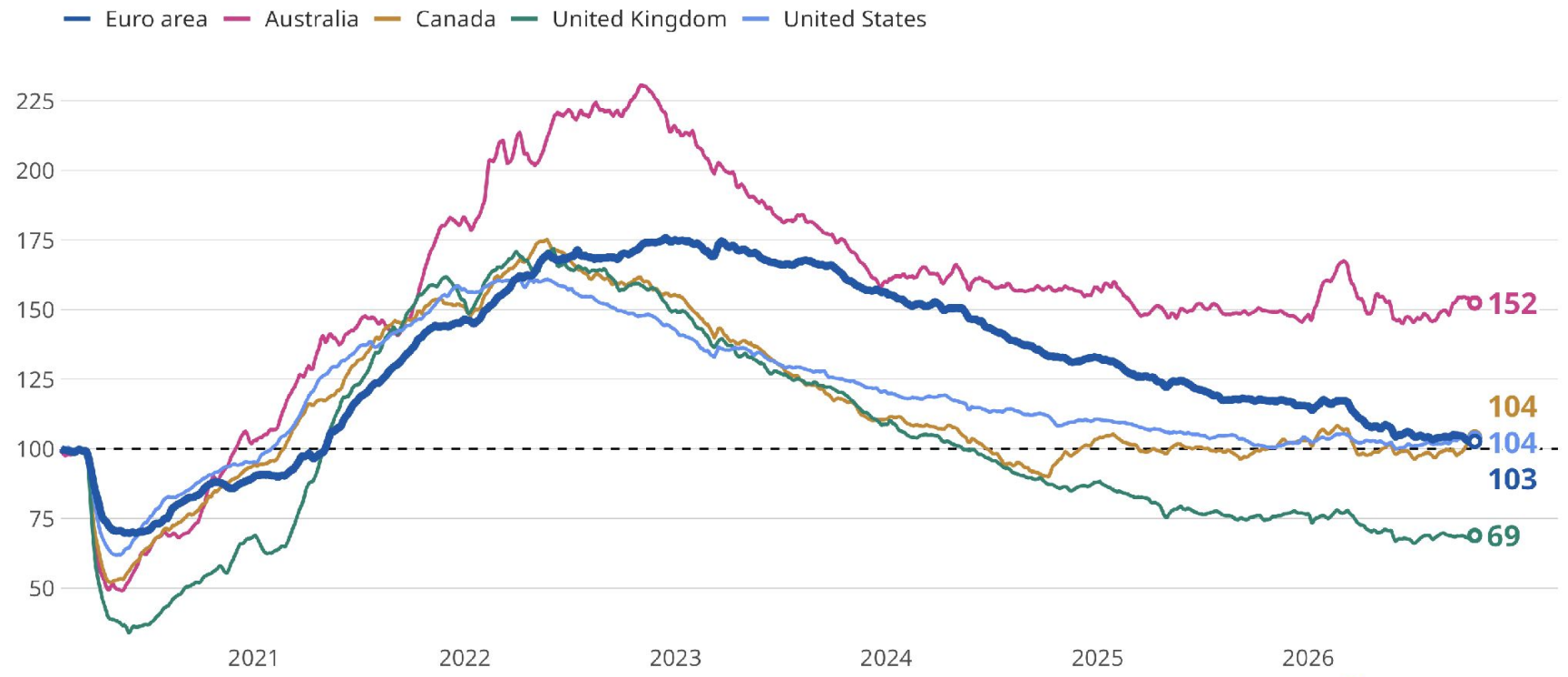
Europe: Labour Market Overview

- Euro Area job postings remain above pre-pandemic levels, though momentum is slowing and demand is narrowing.
- Spain and Italy stand out for sustained high demand.
- While postings for roles in high-remote occupations are falling, AI-related demand continues to surge.
- Strong wage growth now leads inflation in most countries, though purchasing power has still eroded over the past 5 years.
- Labour market slack varies, with larger countries such as France and Germany seeing continued loosening.
- Participation rates are improving broadly across workers aged 25 - 54.
- Ongoing weakness in overall labour market conditions should reduce perceived threat of a wage-price spiral in Europe.

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European job postings fall below US and Canada

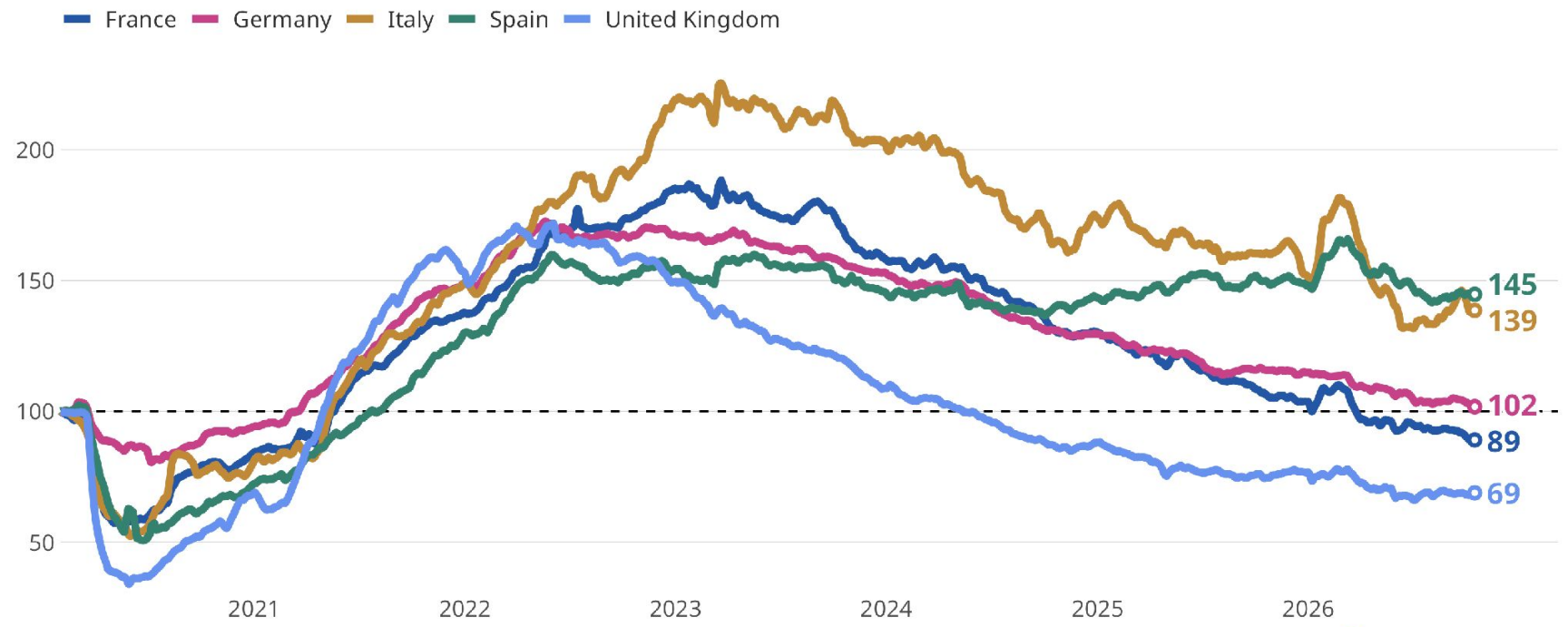
Indeed Job Postings Index (1 Feb 2020 = 100), through 16 Oct 2026



Source: Indeed

Spanish and Italian job postings outperform other large economies

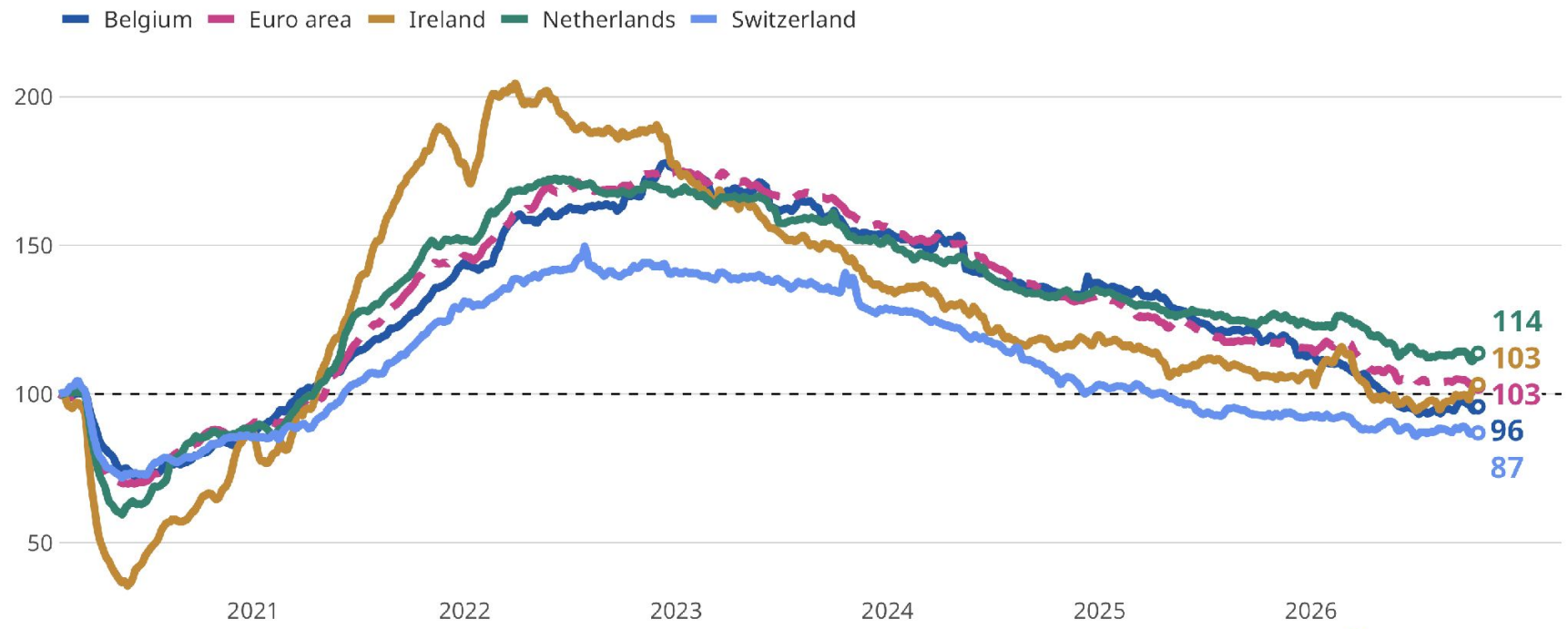
Indeed Job Postings Index (1 Feb 2020 = 100), through 16 Oct 2026



Source: Indeed

Some smaller European economies are underperforming the euro area

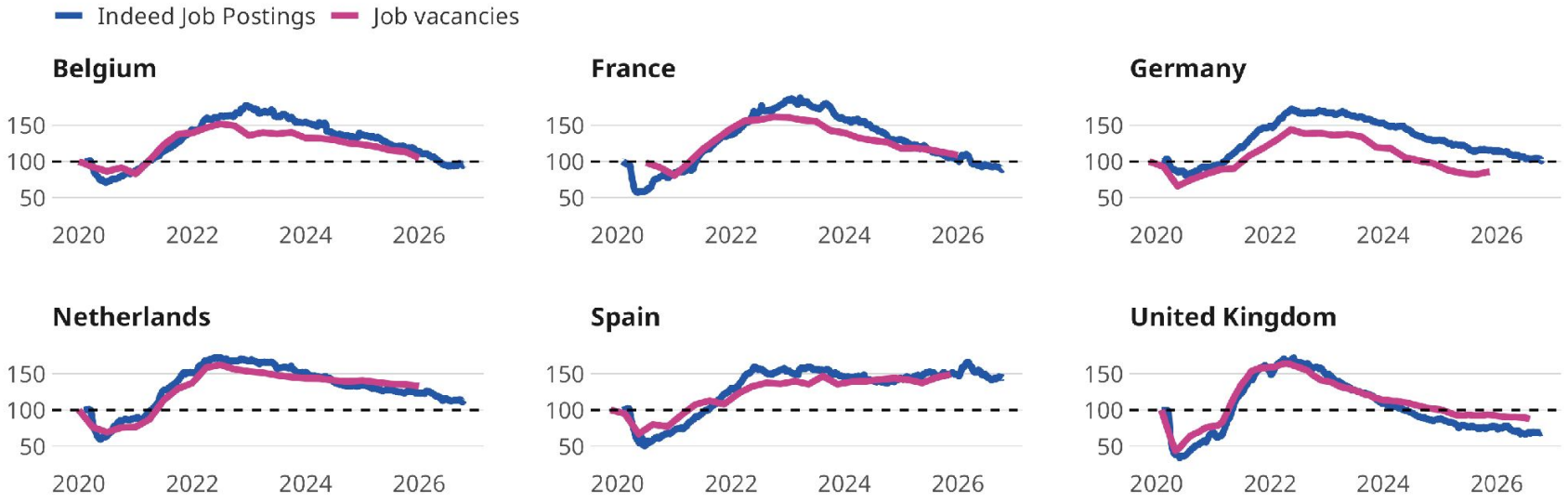
Indeed Job Postings Index (1 Feb 2020 = 100), through 16 Oct 2026



Source: Indeed

Indeed job postings track official job vacancy data well

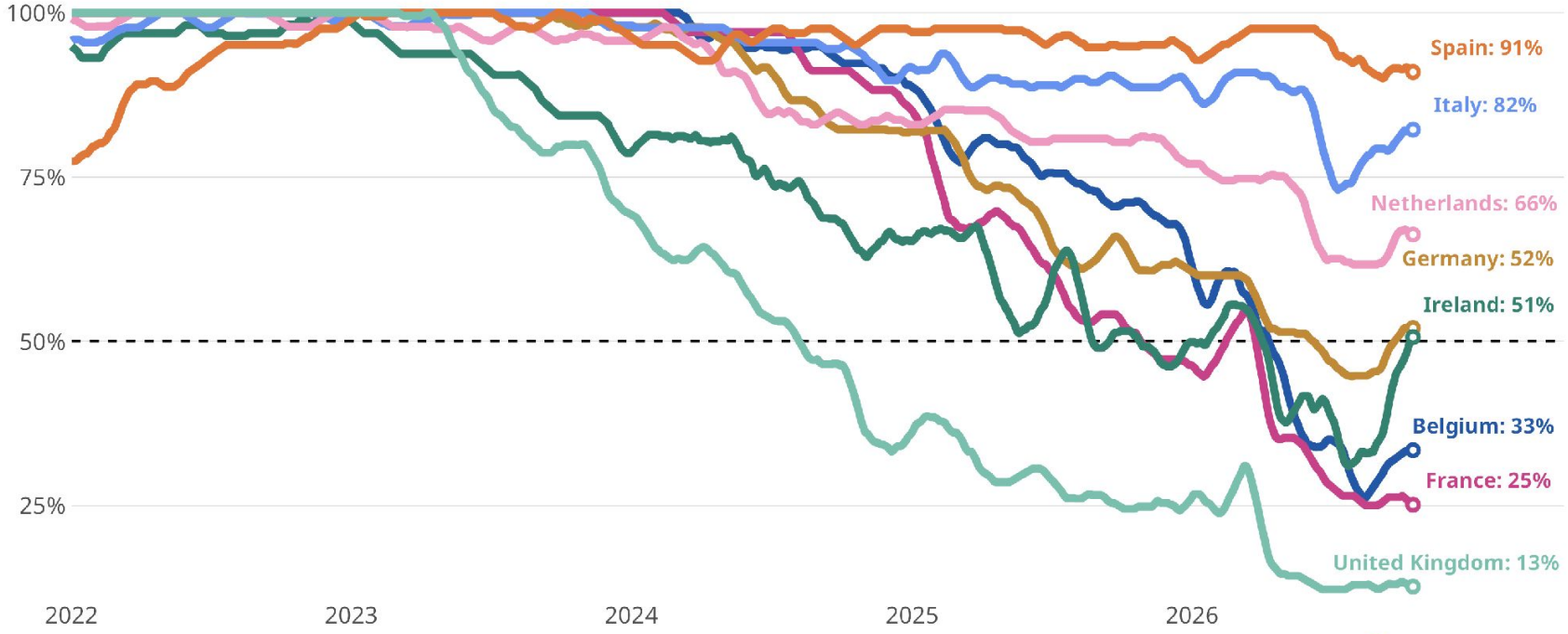
Indeed Job Postings Index (1 Feb 2020 = 100) versus official vacancy data, seasonally adjusted, through Oct 2026



Source: Indeed, Eurostat (Germany, France, Spain, Belgium, Netherlands; quarterly data, to Q4 2025), ONS (United Kingdom; monthly data, to Aug 2026). Index 100 = Feb 2020 for Indeed and ONS data. Index = Q4 2019 for Eurostat data. Missing value in French data for Q1 2020. Eurostat data is survey-based and refers to NACE-Rev. 2 sectors B-S (French data excludes sector O (public administration) as well as public jobs in P (education) and Q (human health/social work)).

Labour demand has broadened in recent months

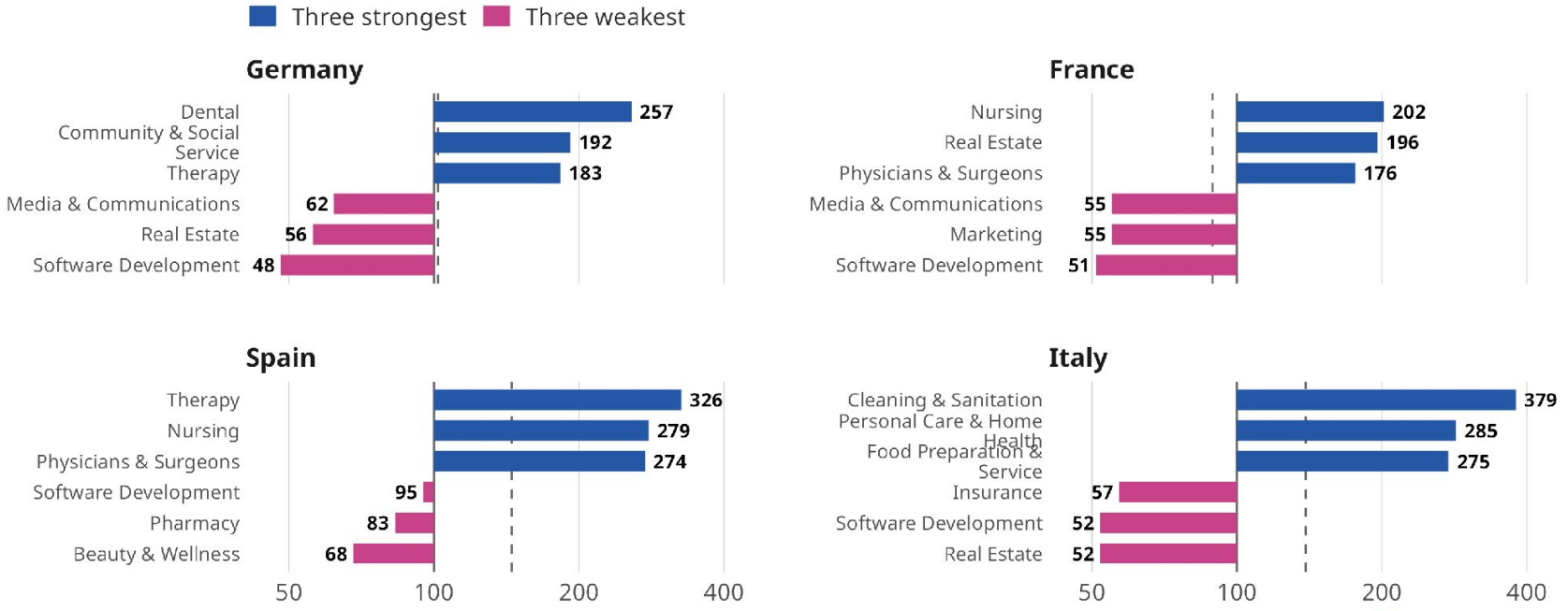
Share of occupational categories with postings above pre-pandemic baseline (01 Feb 2020), 30-day moving avg., through 16 Oct 2026



Source: Indeed

Healthcare labour demand is elevated across major economies

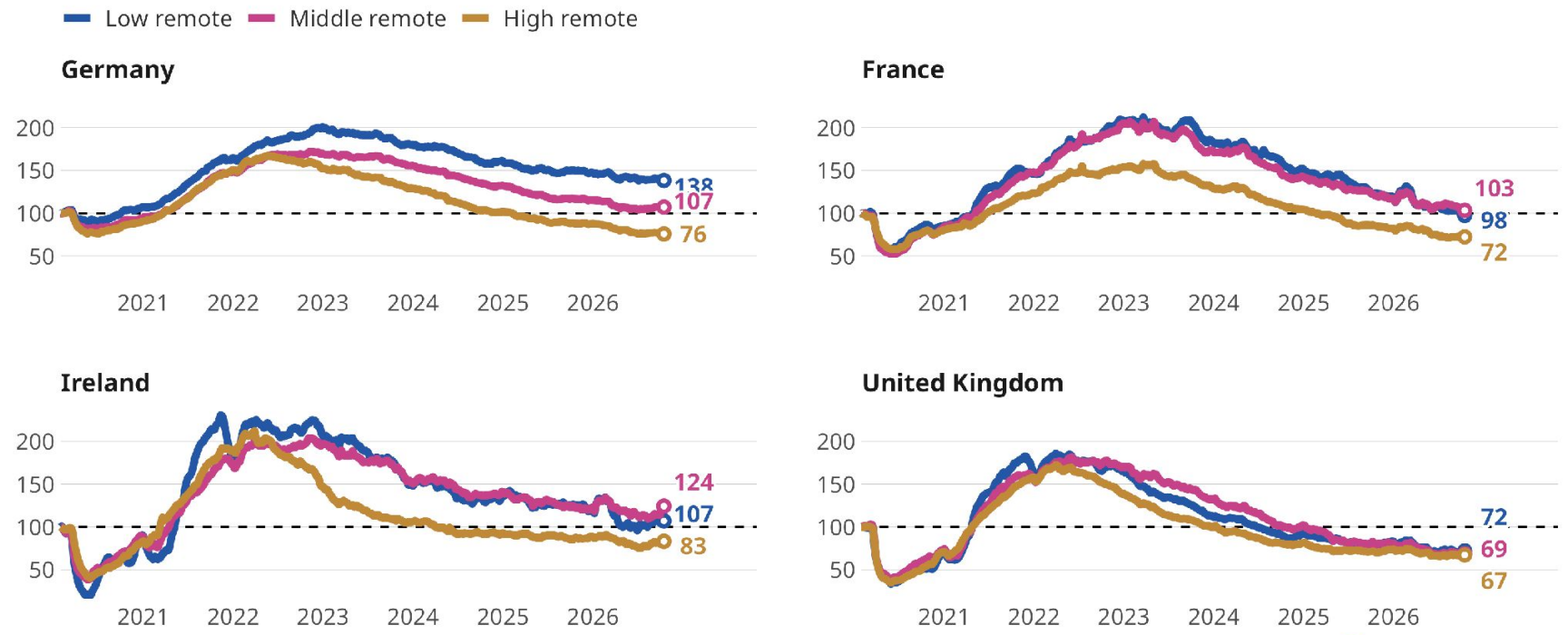
Three strongest and weakest occupational categories by Indeed Job Postings Index (1 Feb 2020 = 100), through 16 Oct 2026. Dashed line represents the overall JPI in each country.



Source: Indeed

Postings are weakest in high-remote sectors

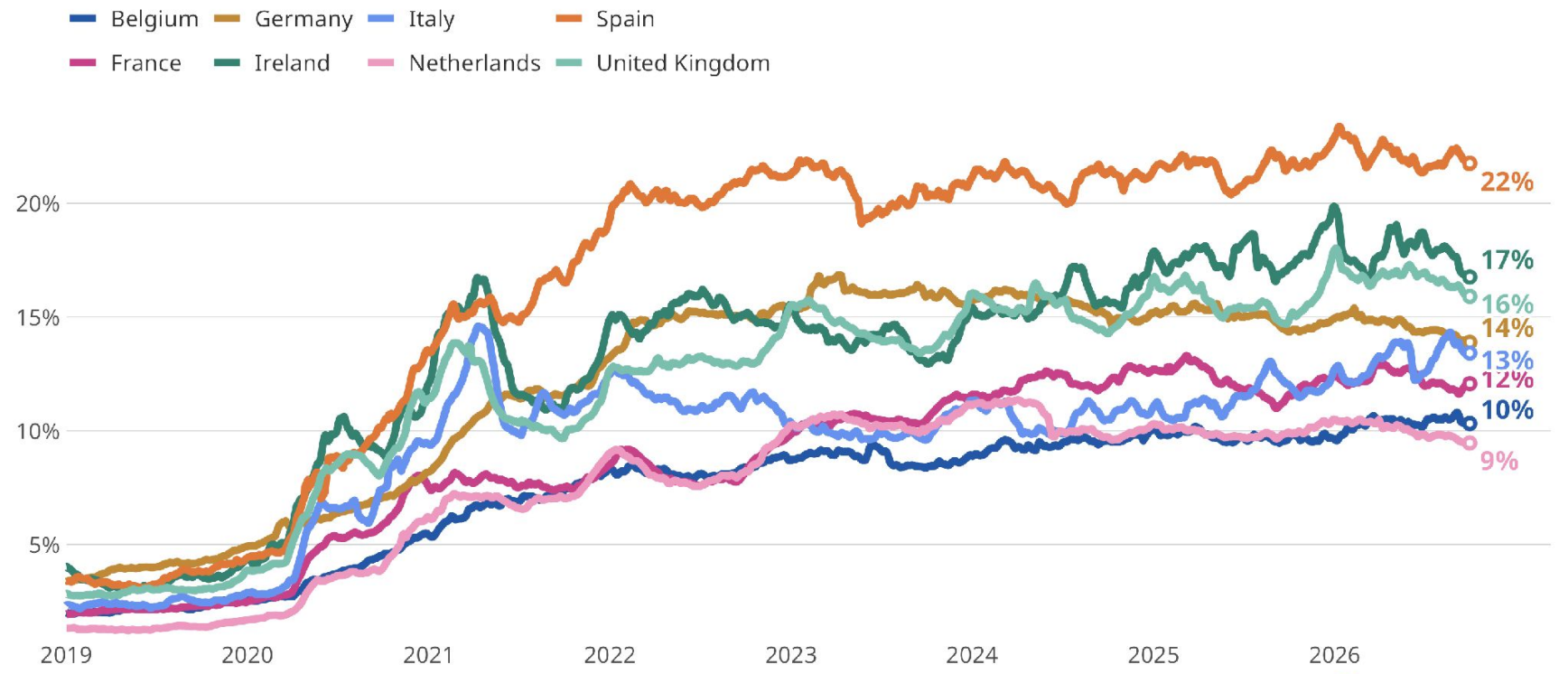
Indeed Job Postings Index by remote tier (1 Feb 2020 = 100), seasonally adjusted, through 16 Oct 2026



Source: Indeed

Incidence of remote work remains high

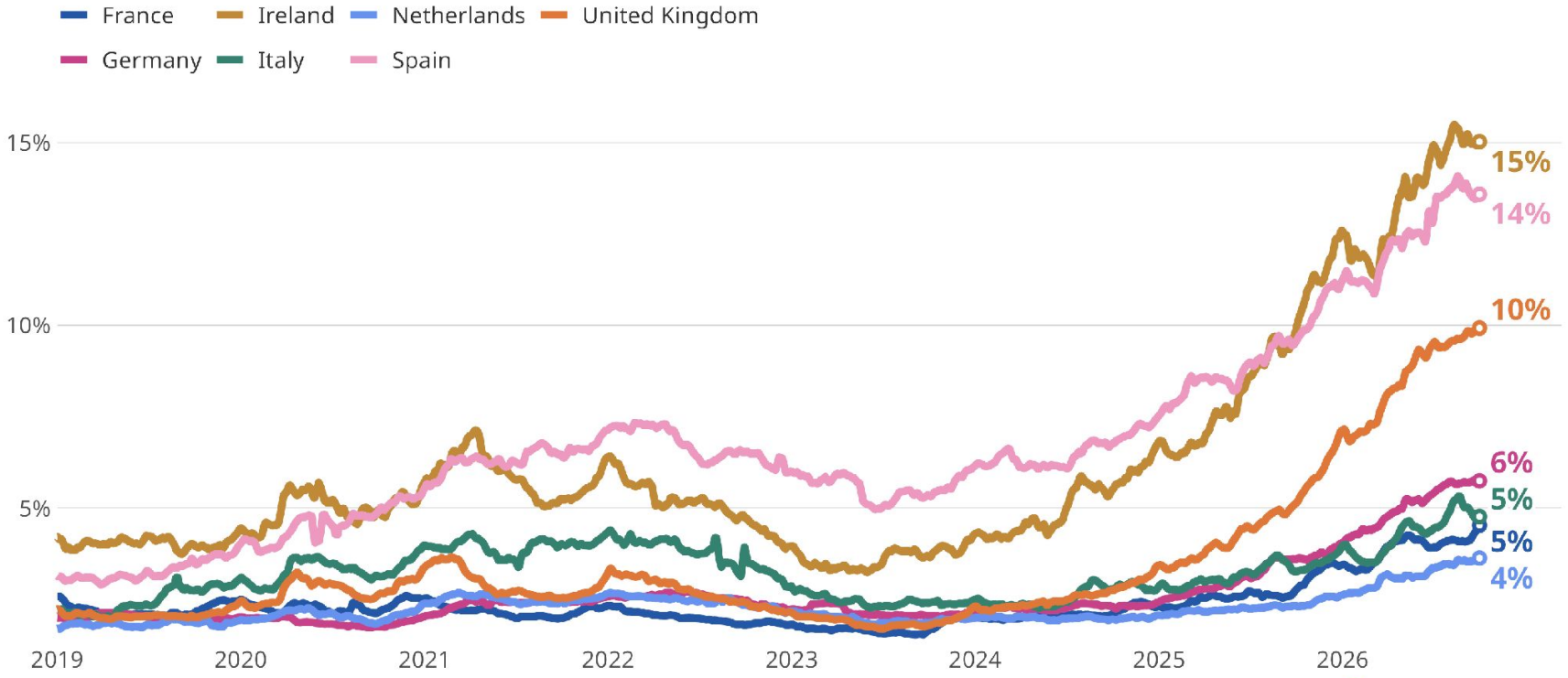
Share (%) of job postings mentioning remote/hybrid terms, through Sep 2026



Source: Indeed

AI mentions in job postings are climbing across Europe

Share (%) of job postings containing terms related to AI, through Sep 2026

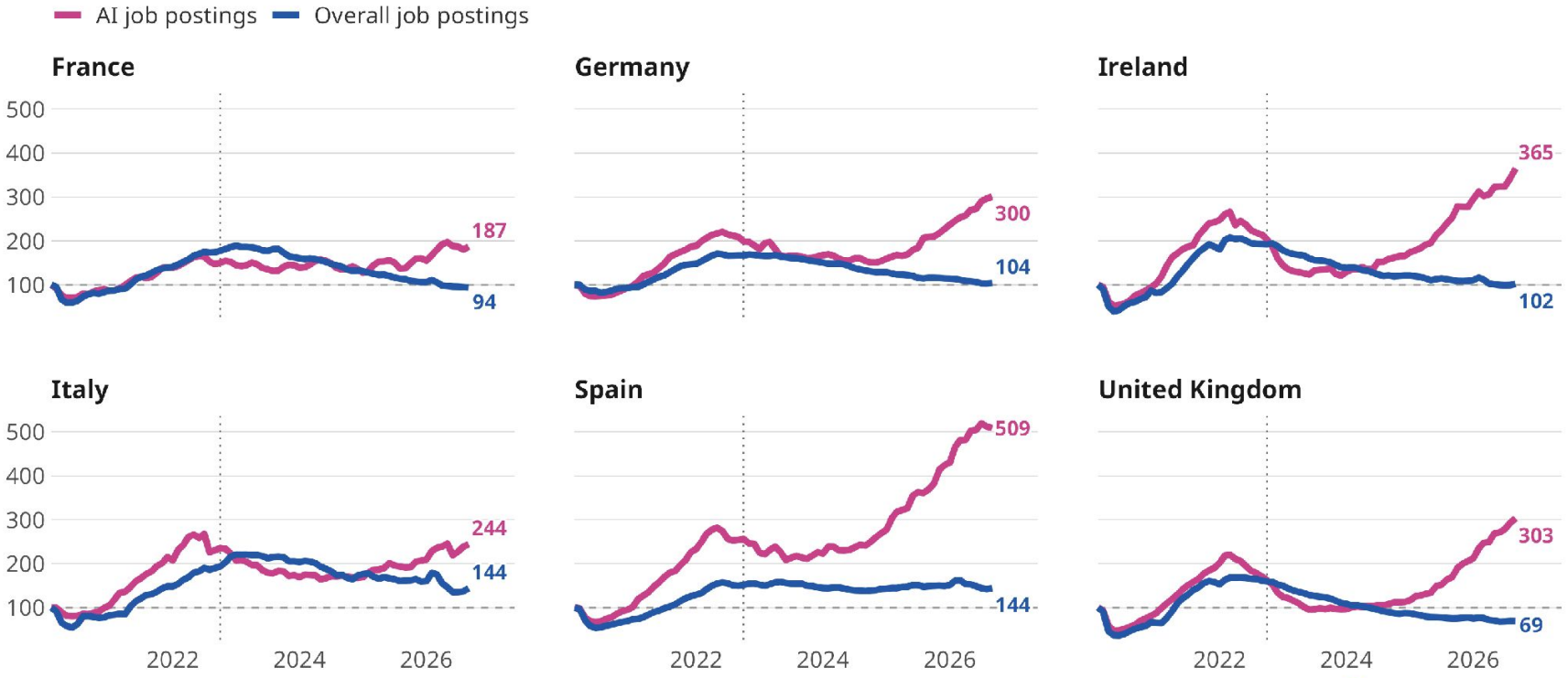


Source: Indeed

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AI job postings have surged while overall postings have fallen

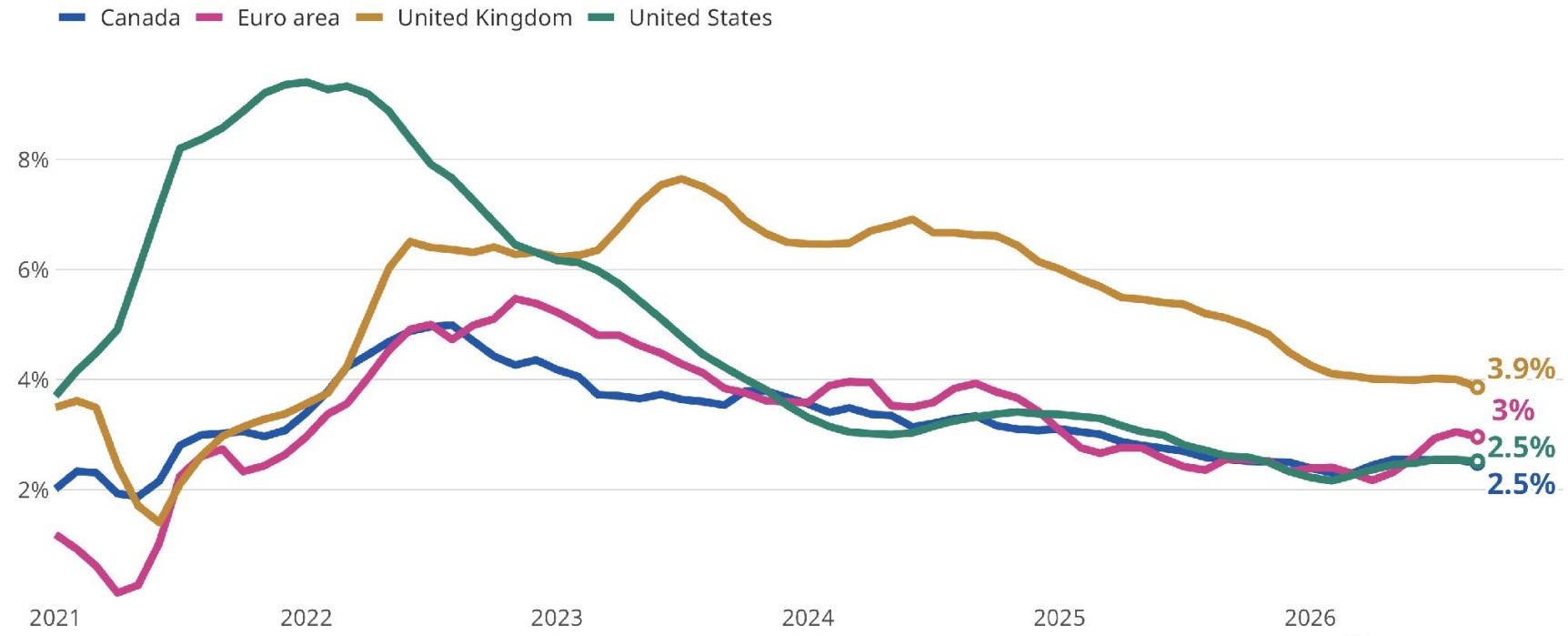
Indeed Job Postings Index (1 Feb 2020 = 100), monthly average, through Sep 2026



Source: Indeed. AI job postings are postings that include AI terms in the job description.

European wage growth is accelerating

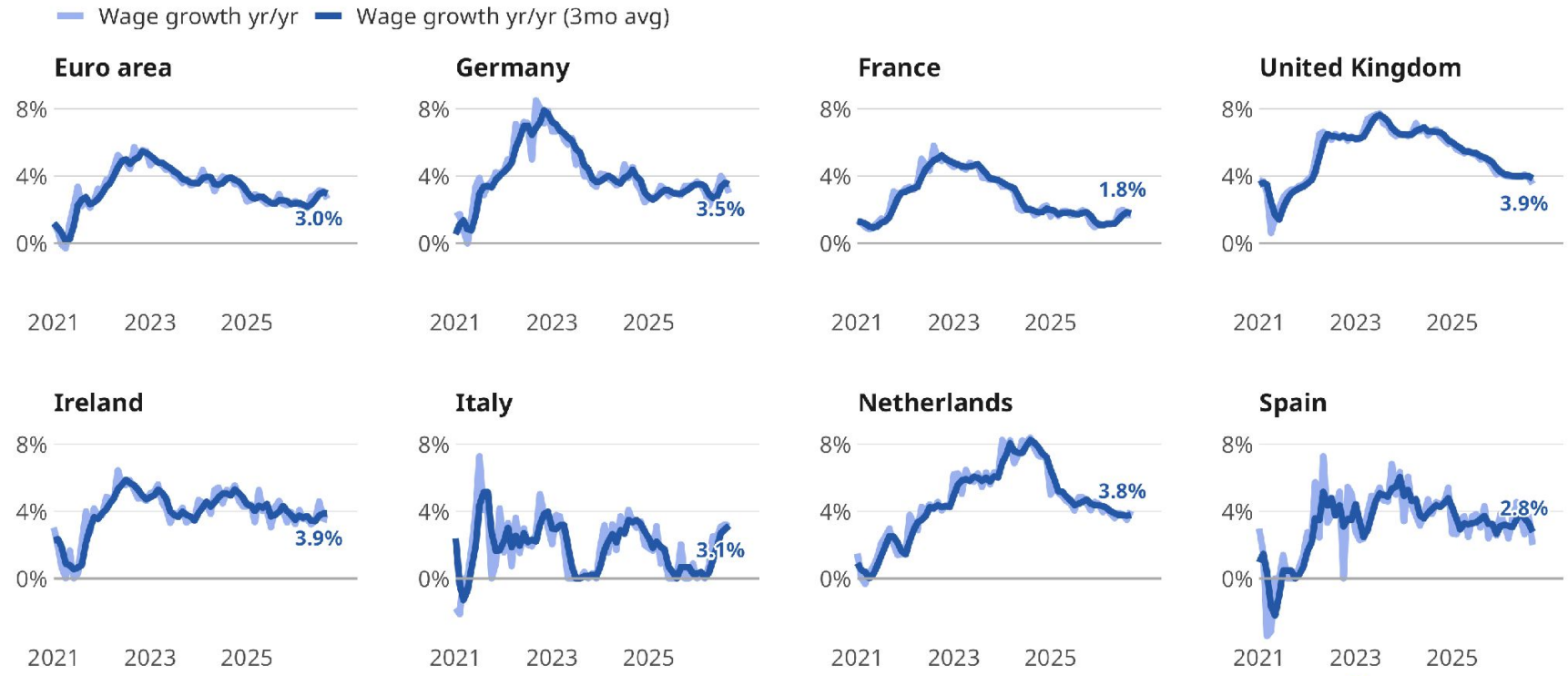
Yr/Yr growth in wages/salaries advertised in job postings on Indeed, 3-month moving avg., through Sep 2026



Source: Indeed

Wage growth solid across most of Europe but modest in France

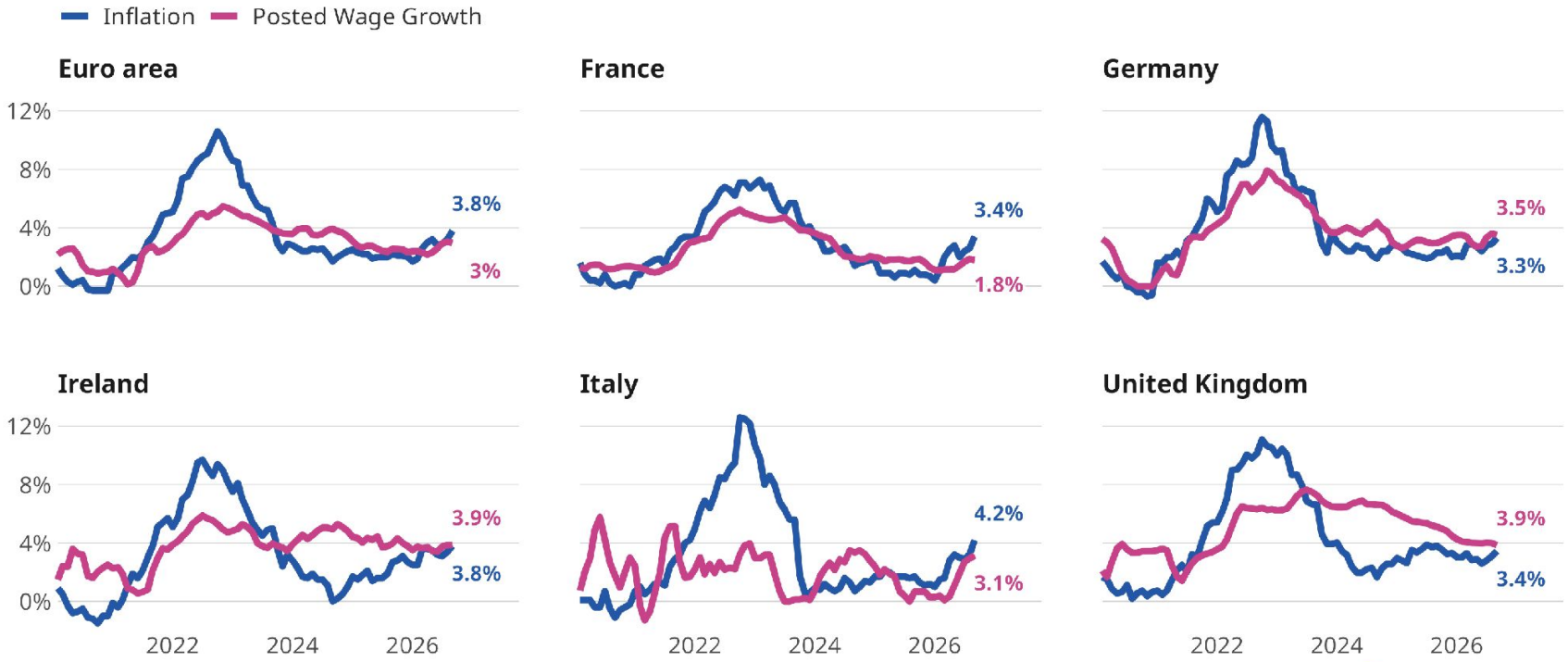
Yr/Yr growth in posted wages, through Sep 2026



Source: Indeed

Both inflation and posted wage growth have ticked up

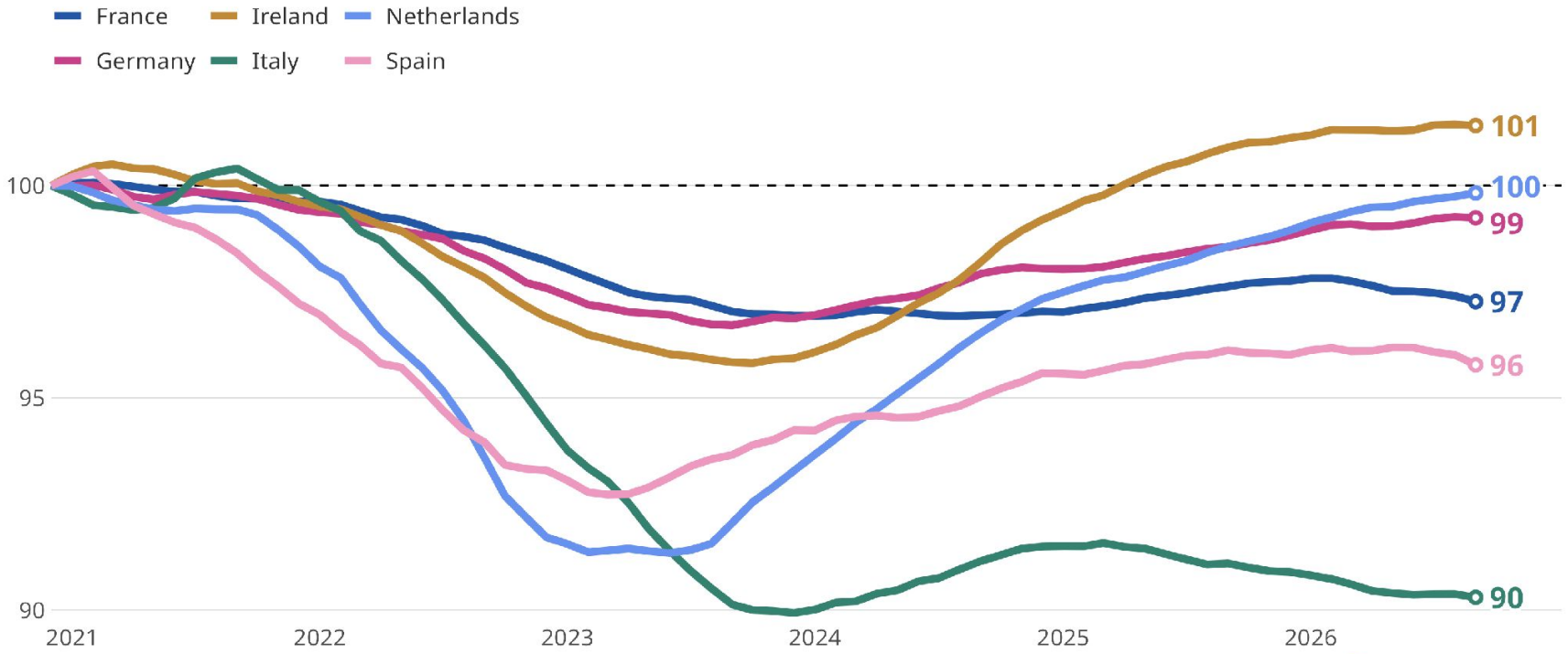
Indeed Wage Tracker vs. headline inflation, Yr/Yr growth, through Sep 2026



Sources: Indeed, Eurostat (All-items Harmonized Index of Consumer Prices), ONS (Total Consumer Price Index, UK). Wage data 3-month moving average.

Real wage recovery varies widely across European countries

Cumulative real wage index (12-month avg.), Dec. 2020 = 100, through Sep 2026

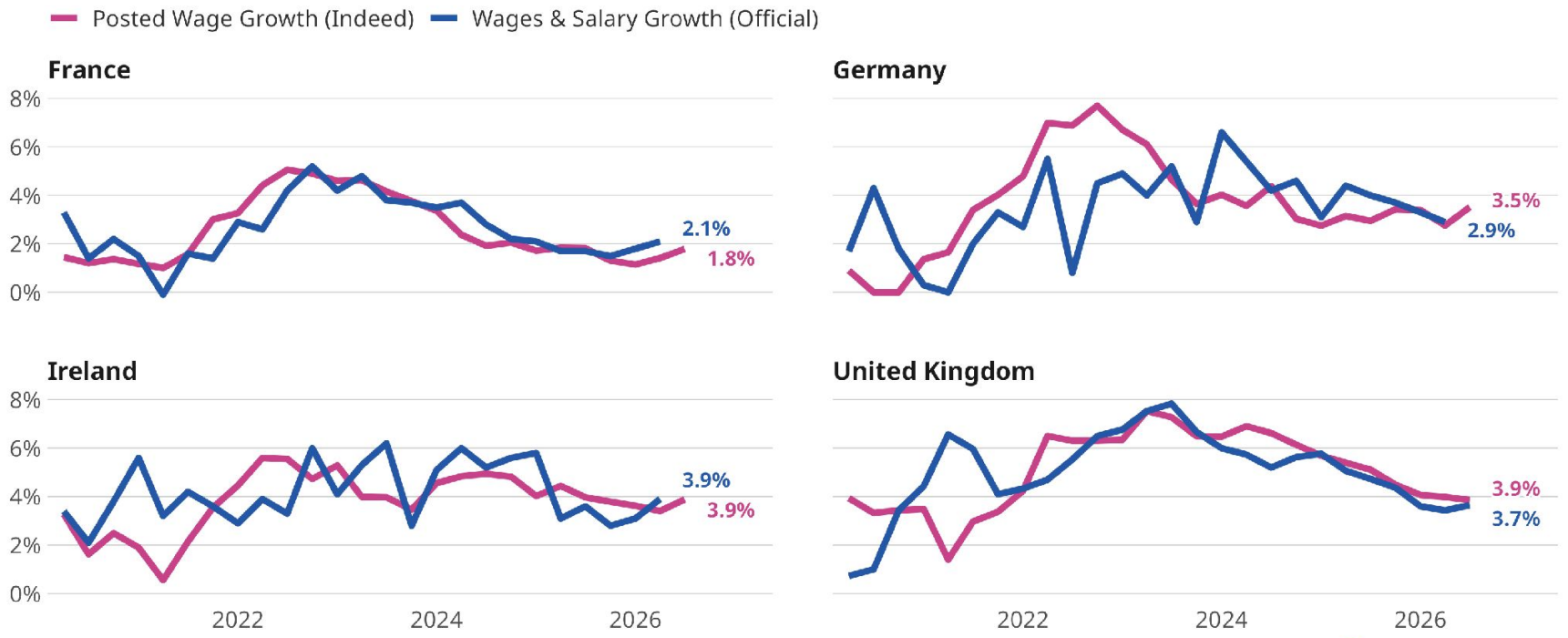


Sources: Indeed, Eurostat (Harmonised Index of Consumer Prices). Chains Yr/Yr posted wage growth net of inflation and shows the chained level as a 12-month moving average.

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The Indeed Wage Tracker mirrors official pay data

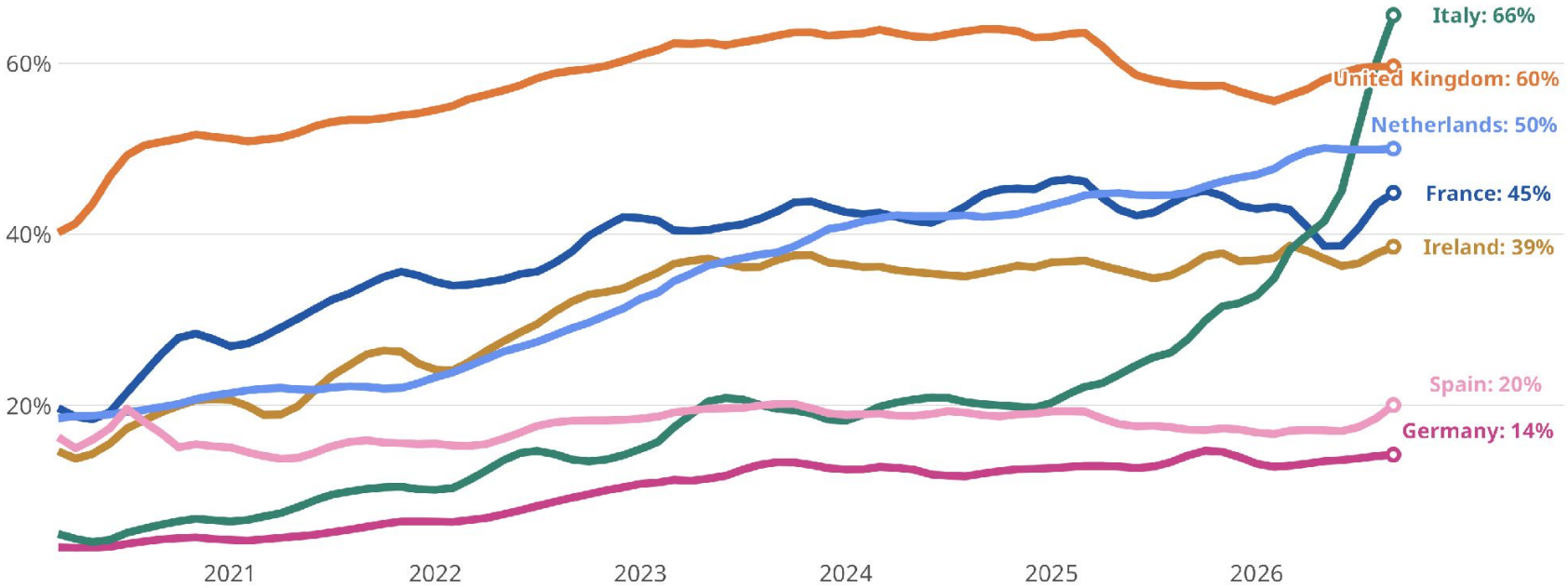
Yr/Yr growth in wages, Indeed Wage Tracker and official pay measures, quarterly avg., through Q3 2026



Sources: Indeed, Eurostat (Wages and Salaries from Labour Cost Index, NACE B-S), ONS (Average Weekly Earnings, Regular Pay, UK).

Pay transparency surges in Italy

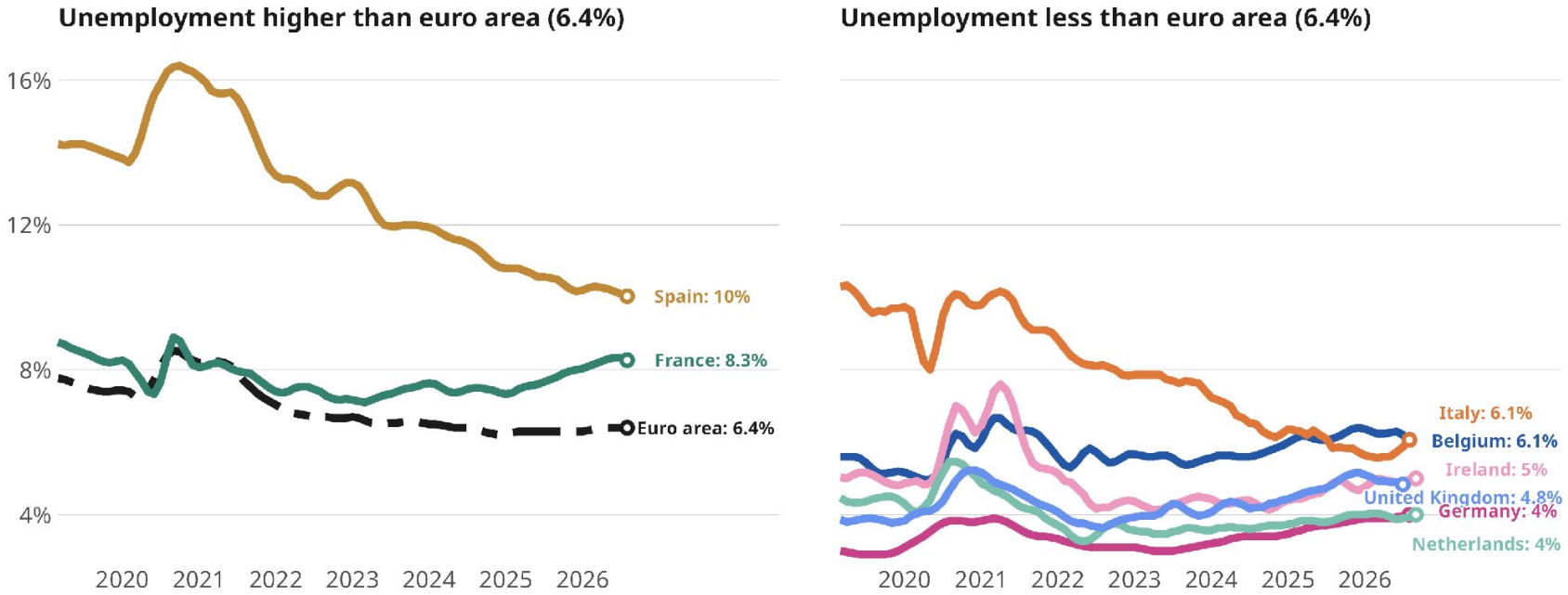
Share of job postings containing salary information (%), 3-month moving avg., through Sep 2026



Source: Indeed

Unemployment is inching up in many countries, though not in Spain

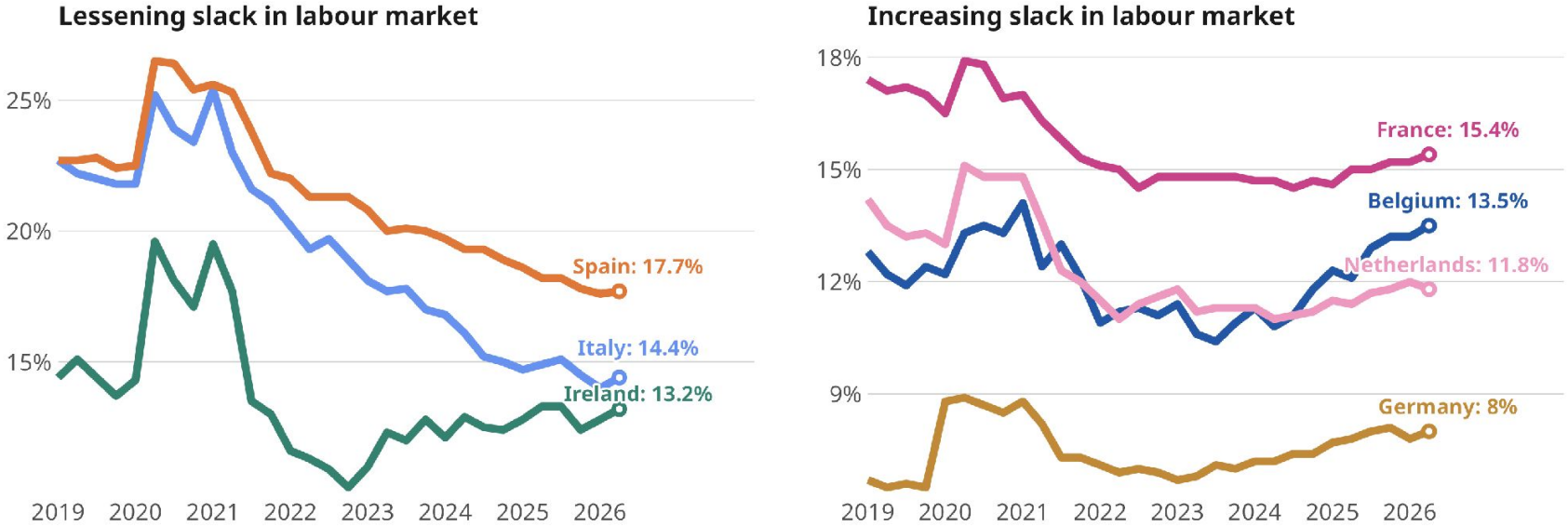
Unemployment rate (% of labour force, 15-74), 3-month moving avg., through Sep 2026



Source: Eurostat (une_rt_m), ONS via Macrobond. Age 15-74 for EU countries and euro area; age 16+ for United Kingdom (ONS LFS).

Labour market slack is diverging across Europe

Composite labour underutilization rate (% of extended labour force, 15-74), quarterly, through Q2 2026

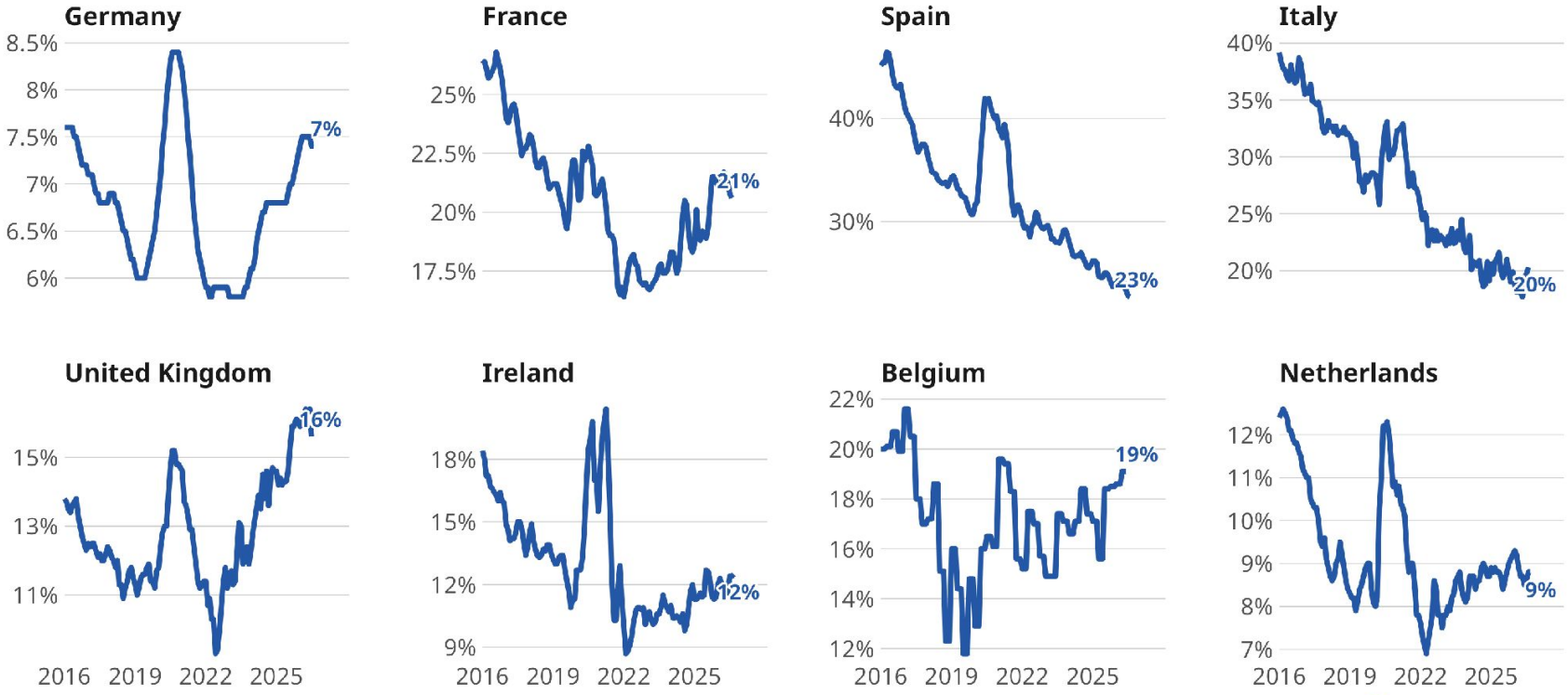


Source: Eurostat (lfsi_sla_q). Composite measure of labour underutilization includes unemployment, time-related underemployment, and the potential additional labour force (persons available but not seeking work, or seeking but not immediately available). Seasonally adjusted. Age 15-74. Panels split by year-over-year change.

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Youth unemployment highest in a decade in UK

Unemployment rate for ages 15-24 (%), seasonally adjusted, through Sep 2026

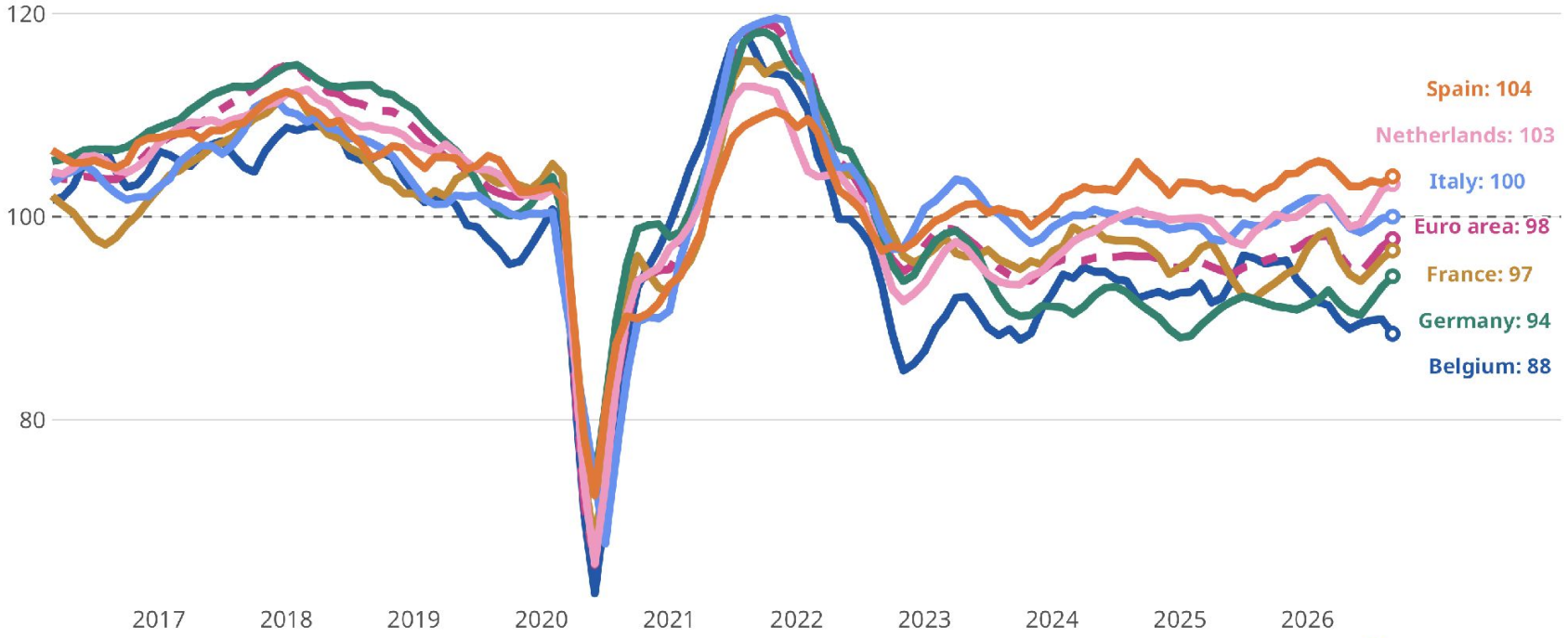


Source: Eurostat (une_rt_m), ONS via Macrobond. Unemployment rate for ages 15-24 (16-24 for the UK), seasonally adjusted.

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Economic sentiment is below average in many countries

Economic Sentiment Indicator (long-run avg. = 100), 3-month moving avg., through Sep 2026

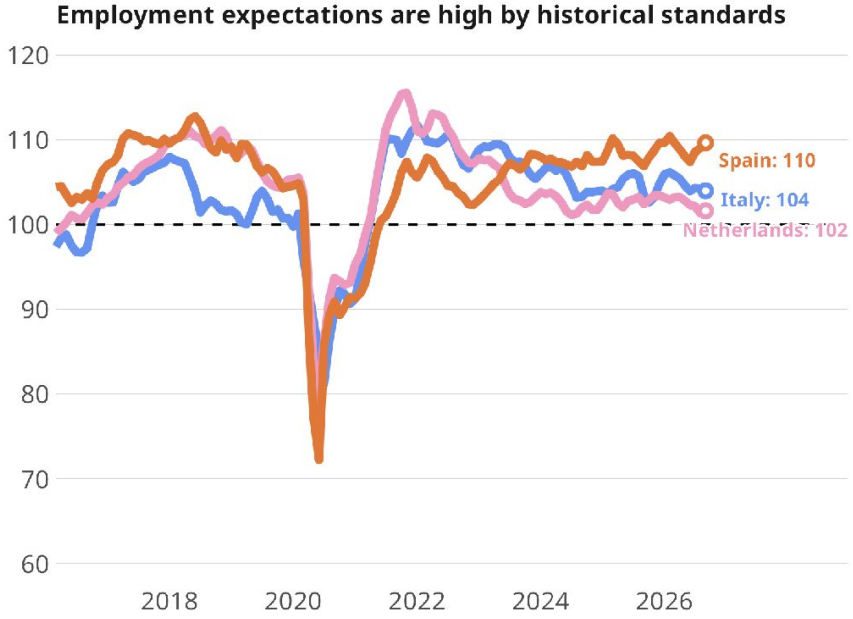


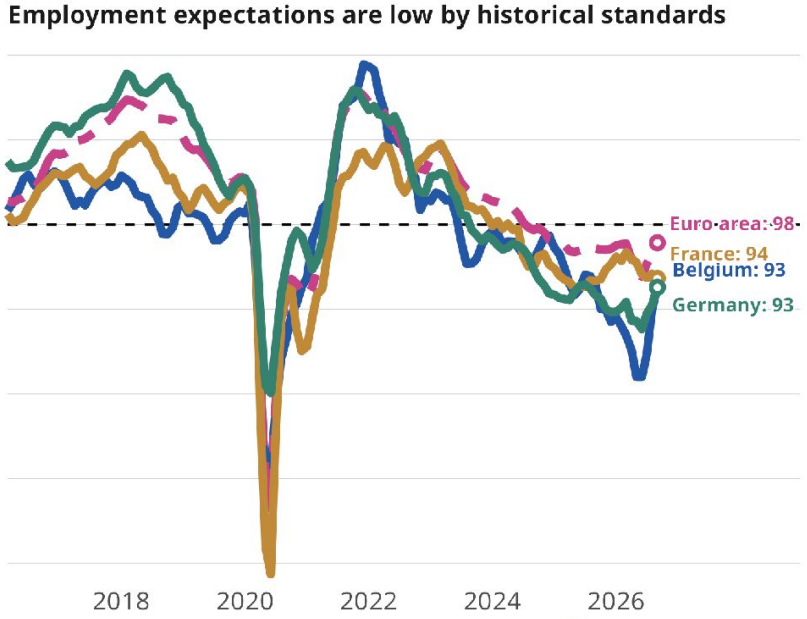
Source: European Commission Business and Consumer Survey (DG ECFIN) via Eurostat (ei_bssi_m). Long-run average = 100.

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Euro area survey-based employment expectations are below average

Employment Expectations Indicator (long-run avg. = 100), 3-month moving avg., through Sep 2026

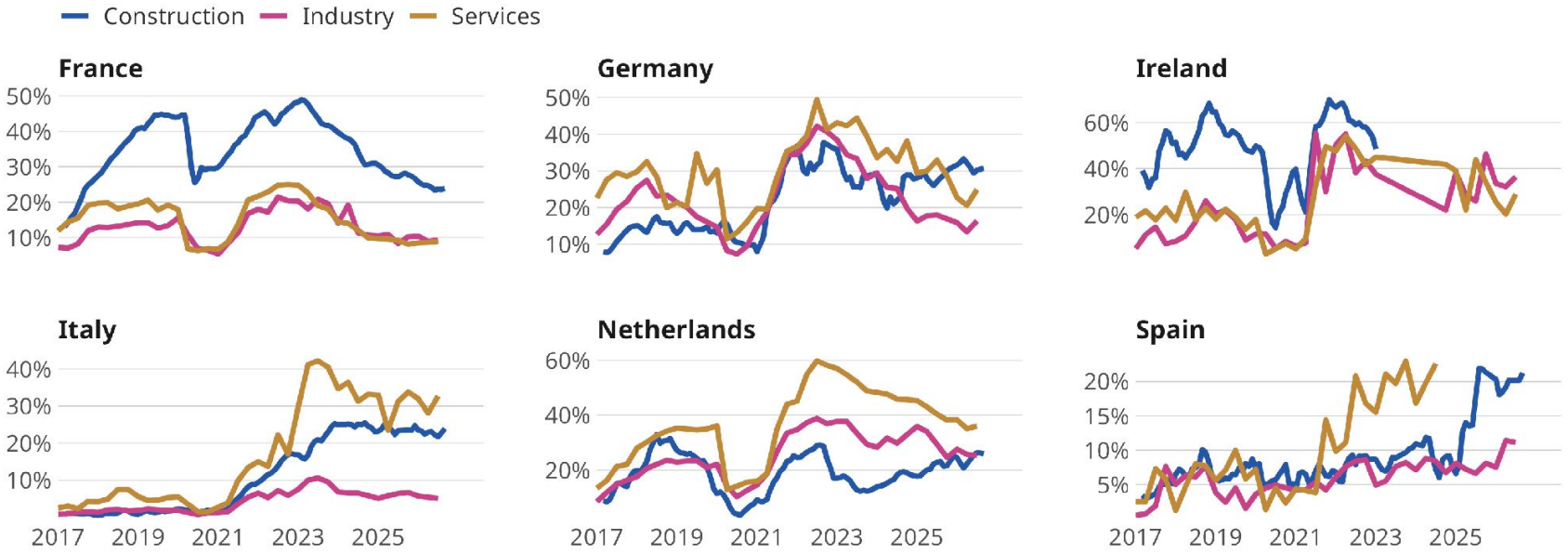




Source: European Commission Business and Consumer Survey (DG ECFIN) via Eurostat (ei_bsee_m, BS-EEI-I). Employment Expectations Indicator (all sectors, next 3 months).

Hiring challenges persist but continue to ease

Share of companies reporting labour shortages as a factor limiting production, through Sep 2026

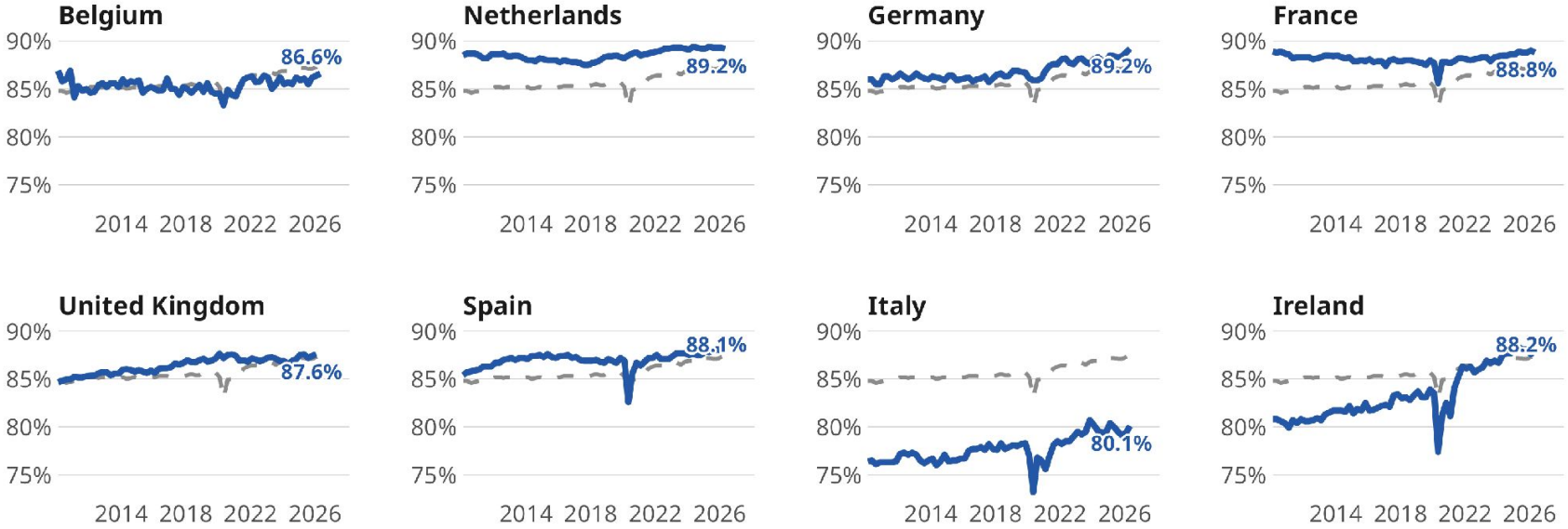


Source: European Commission Directorate General for Economic and Financial Affairs (DG ECFIN), Business and Consumer Surveys via Eurostat (ei_bsbu_m_r2 / ei_bsin_q_r2 / ei_bsse_q_r2). Construction series shown as 3-month moving average; Industry and Services are quarterly.

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Prime-age labour force participation has risen across most of Europe

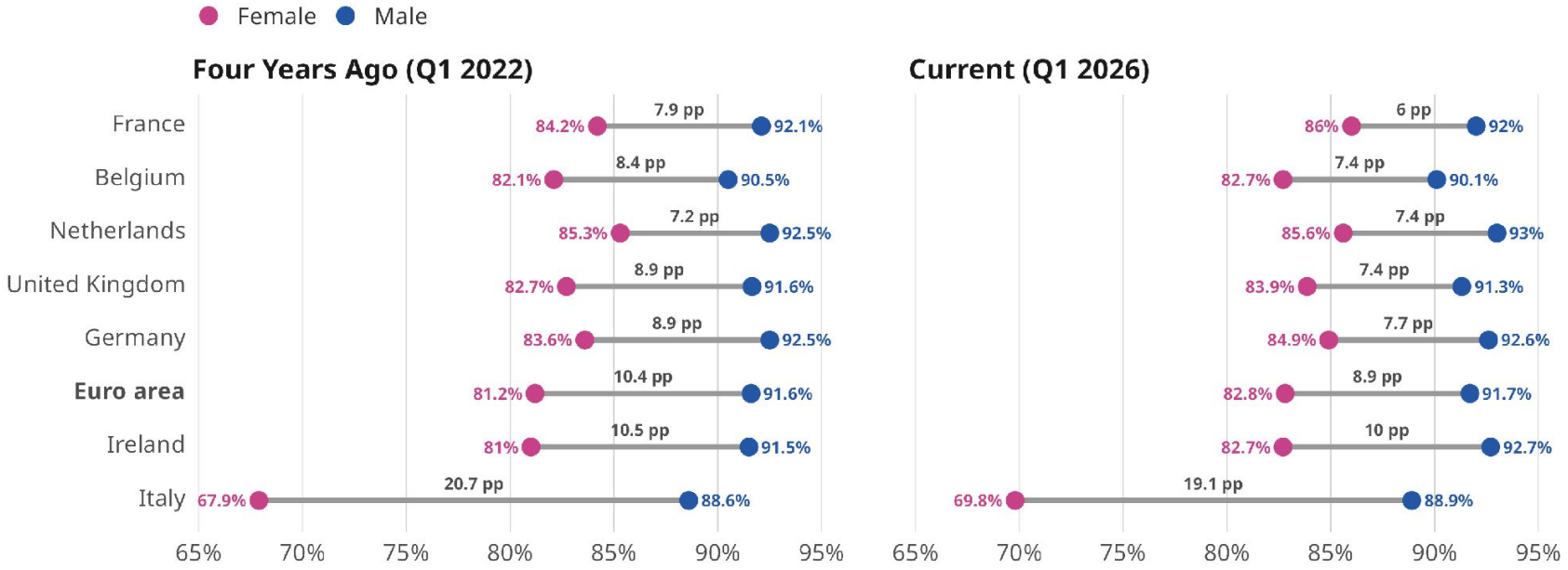
Activity rate (% of population aged 25-54), seasonally adjusted, through Q2 2026. Grey dashed line shows euro area aggregate.



Source: Eurostat (lfsi_emp_q) for EU/EA countries; ILOSTAT (EAP_DWAP_SEX_AGE_RT_Q) for United Kingdom. Activity rate (labour force as % of population aged 25-54), seasonally adjusted. Grey dashed line in each panel shows euro area aggregate.

The gap in labour force participation by gender has narrowed

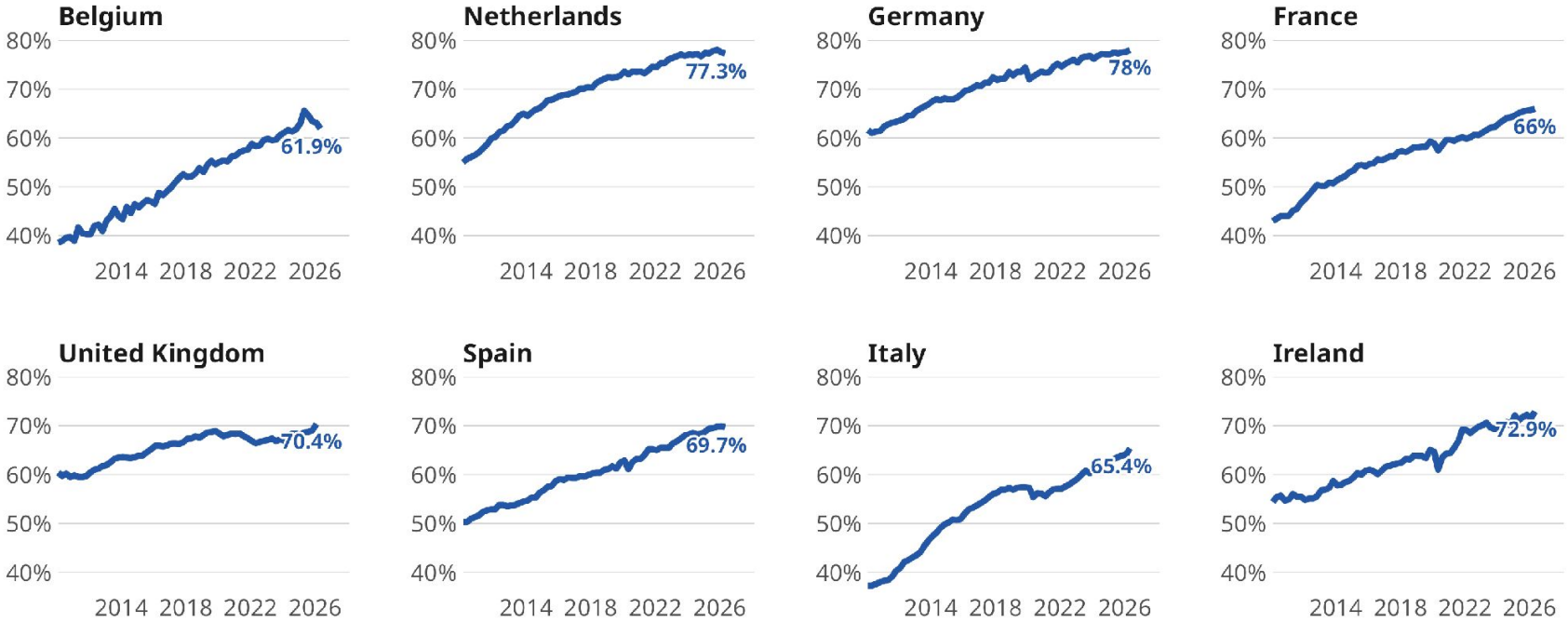
Female and male activity rate (% of population aged 25-54), seasonally adjusted; through Q1 2026



Source: Eurostat (lfsi_emp_q) for EU/EA countries; ILOSTAT (EAP_DWAP_SEX_AGE_RT_Q) for United Kingdom. Prime-age (25-54) activity rate, seasonally adjusted. Each panel shows male and female activity rates for the same quarter, with the gap (percentage points) labelled. Countries sorted by gap in Q1 2026, smallest at top.

Older workers' participation has trended up almost everywhere

Activity rate (% of population aged 55-64), seasonally adjusted, through Q2 2026

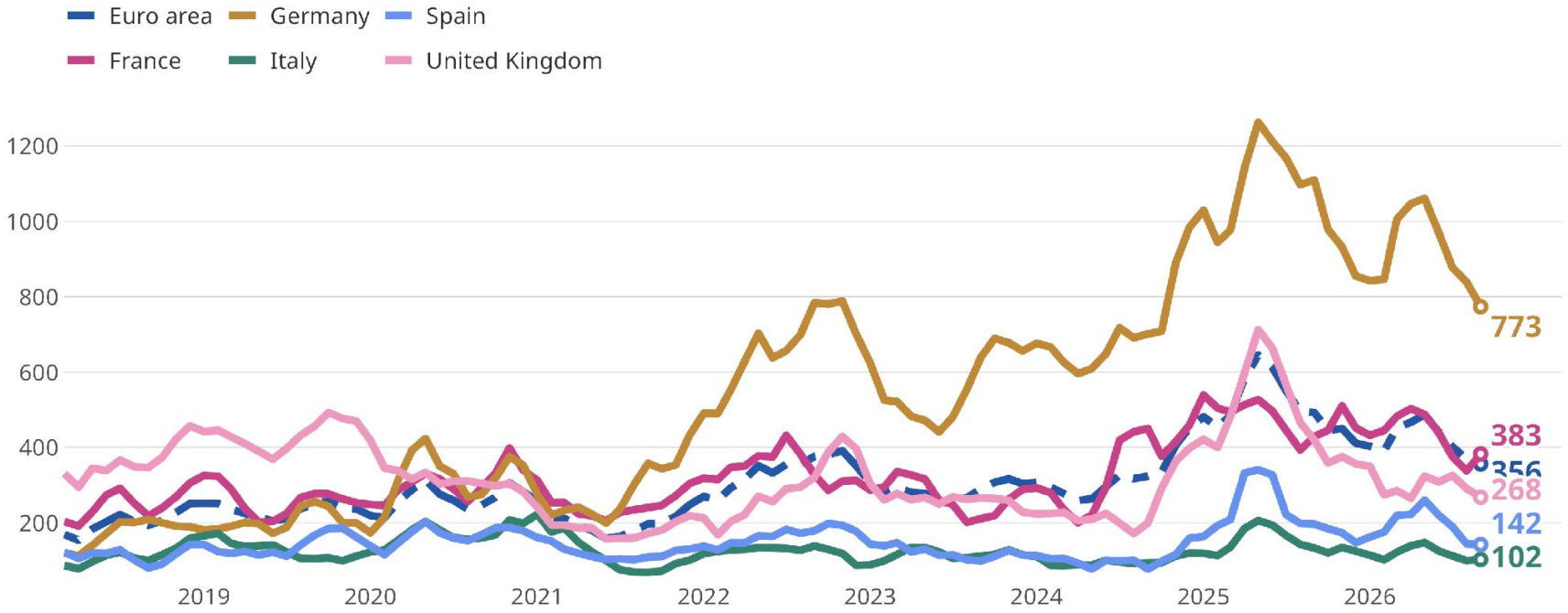


Source: Eurostat (lfsi_emp_q) for EU/EA countries; ILOSTAT (EAP_DWAP_SEX_AGE_RT_Q) for United Kingdom. Activity rate (labour force as % of population aged 55-64), seasonally adjusted.

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Policy uncertainty is decreasing, but still elevated

Economic Policy Uncertainty Index (higher = more uncertainty), 3-month moving avg., through Sep 2026

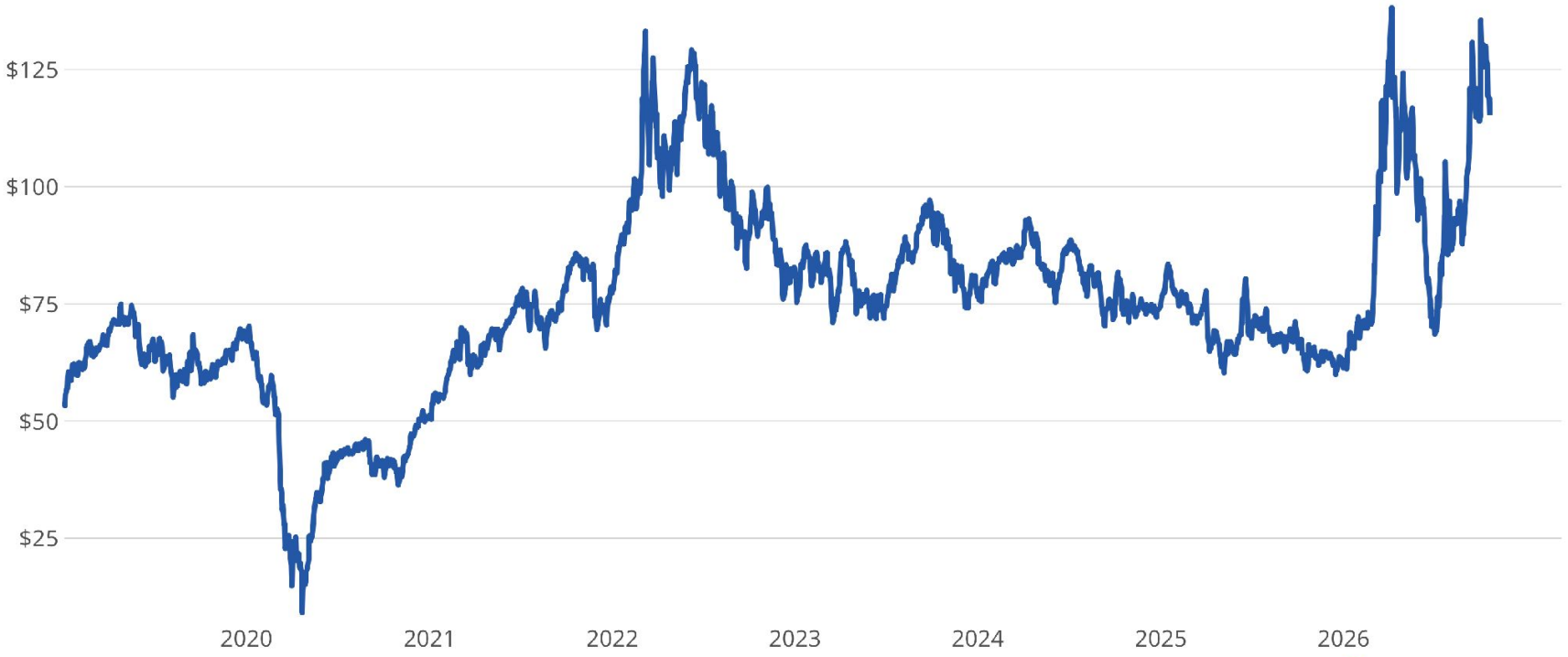


Source: Baker, Bloom, and Davis (2016) via FRED. Euro area composite (dashed) is GDP-weighted average of Germany, France, Italy, and Spain.

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Oil prices are climbing again

Brent crude oil spot price (USD per barrel), daily, through 20 Oct 2026

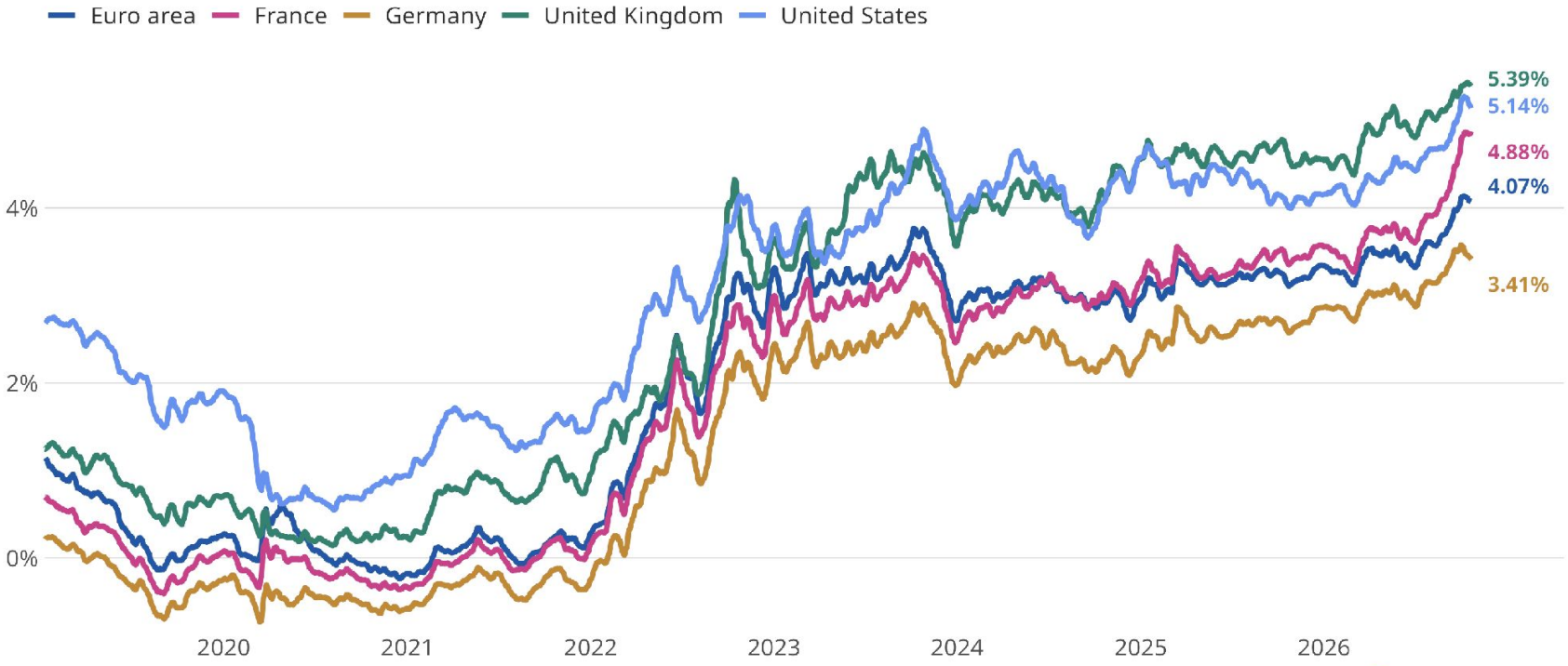


Source: U.S. Energy Information Administration (EIA) via Macrobond (uscaes0302).

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Long-term bond yields remain elevated

10-year government bond yields, 7-day moving avg., through 22 Oct 2026

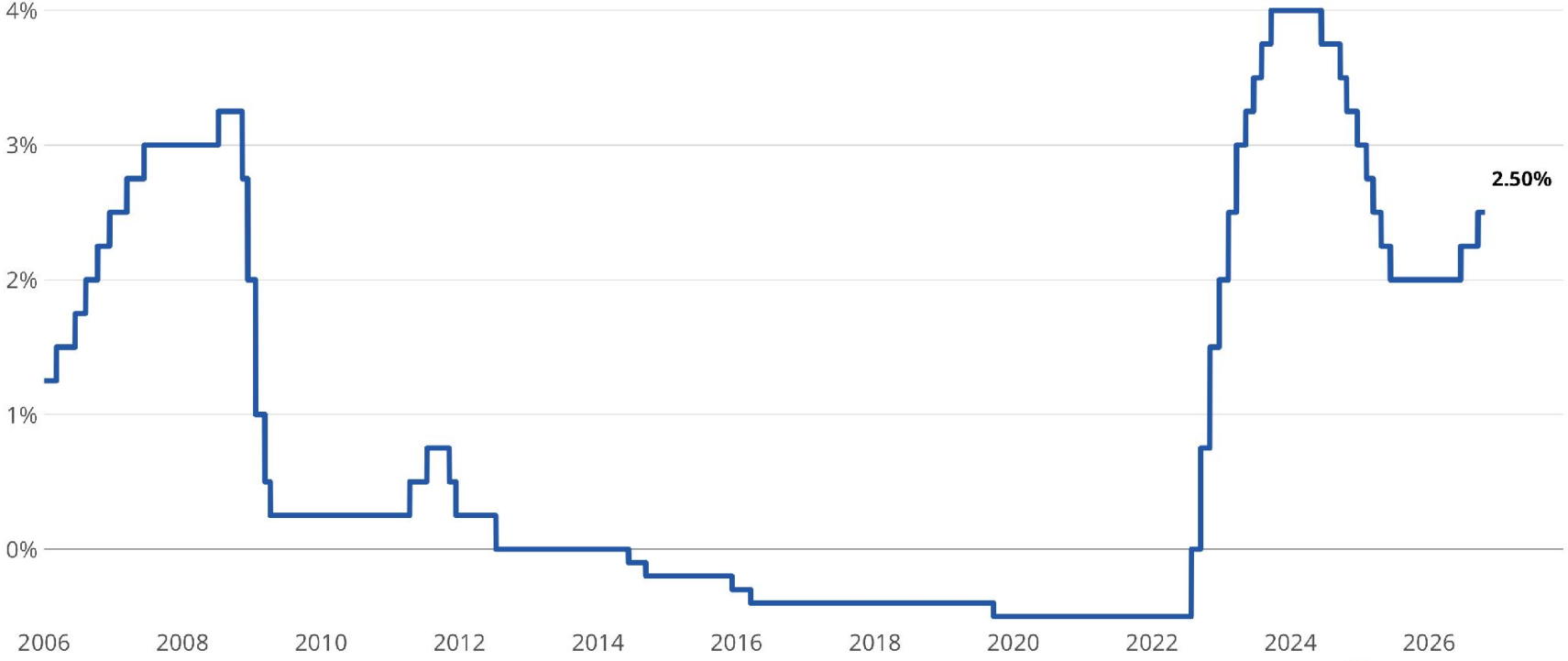


Source: Macrobond (DE / GB / US) and ECB Statistical Data Warehouse (euro area). 10-year benchmark government bond yields, 7-day moving average. DE = Bund, GB = Gilt, US = Treasury, EA = ECB composite 10Y benchmark.

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The European Central Bank has begun a new rate-hiking cycle

ECB deposit facility rate (%), daily, through 22 Oct 2026



Source: European Central Bank (ECB) via FRED (ECBDFR).

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