Trends in the Irish Labour market Special Focus: Young People

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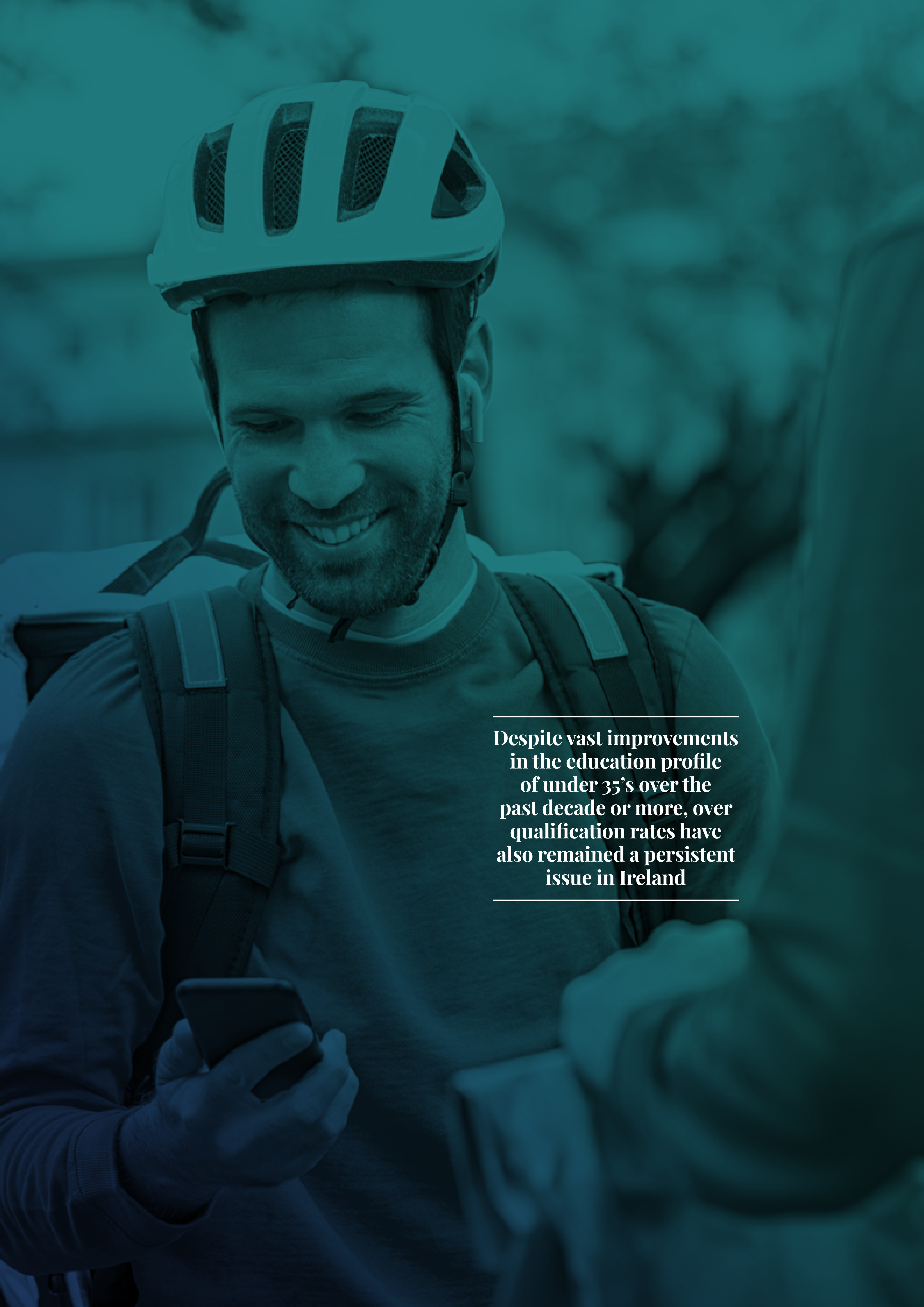

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Introduction

This paper provides a time-series analysis of labour market trends in the Republic of Ireland tracking a selection of indicators related to employment and wages with a special focus on the experience of younger generations. The available data does not cover the impact of the coronavirus, which has at the time of writing, upended the Irish labour market. It will likely be a year before we get a full-picture of what is currently unfolding. As such, this analysis offers a snapshot of the Irish labour market as it was at the time the crisis began and will act as a benchmark from which the impact of the crisis can be assessed.

The analysis finds that in many respects, the Irish labour market had not recovered from the financial crisis of 2008. Although the national unemployment rate had just about reached a level comparable to the best years of the Celtic Tiger era, both the employment rate and participation rate had quite a way to go to return to pre-crash levels. In fact, the participation rate has been stubbornly flat despite seven years of strong economic and employment growth with a slight uptick only in the last year of available data. The data also show that employment and participation rates recovered for older groups from 2008 but remained much worse for younger ones, even relative to the late nineties. In addition, the unemployment rate for those under 35 had not recovered by 2019. Almost every indicator of precarious work available showed elevated levels of precarity for younger workers relative to labour market conditions before the financial crisis. This includes part-time work, underemployment, temporary contracts and more.

Despite vast improvements in the education profile of under 35's over the past decade or more, over qualification rates have also remained a persistent issue in Ireland. It is an area where we consistently underperform in a European context, with little improvement in ten years. Although, the share in the top three skills categories *(Managers, Professionals and Associated Professionals)* have grown since the financial crisis, so have the share of *Service and Sales* employment, while *Craft and Related Trades* employment is significantly down. The share of employment in *Construction* for under 35's was still significantly lower in 2019 compared to 2008 and growing in *Accommodation and Food*.

Wages continued to grow in 2019 (2.4 per cent) for a second year running following years of stagnation. At the end of 2019, average weekly wages were just 7.9 per cent up on the same quarter in 2008, in real terms. However, this was skewed in favour of those at the higher end of the skill and wage spectrum *(Managers, Professionals and Associated Professionals)*. Average weekly earnings were still down in several sectors associated with public sector employment *(Education, Human Health* and *Pubic Administration*). The group who were furthest from recovering from the financial crisis were low-skilled, public sector workers whose average weekly earnings were 9.8 per cent lower in real terms in 2019 than in 2010. Average weekly earnings also fell in some sectors between 2018 and 2019; *Transport and Storage, Financial and Insurance Activities* and *Real Estate Activities*.

The analysis uses the most up-to-date data from the Labour Force Survey (LFS), the Earnings, Hours and Employment Costs Survey (EHECS) and Earnings using Administrative Data Survey (EADS) provided by the Central Statistics Office and Eurostat. Indicators related to the nature of employment come from the LFS, while earnings and wage data are accessed from EHECS and EADS. Depending on the indicator, the data may be more or less up-to-date. For some, the data available covers up to the final quarter of 2019. As the data comes from two different providers who make decisions on grouping data for public use separately, all indicators may not be perfectly comparable (for example we may have data for 20-29 year olds on Eurostat but grouped and published for 25-34 year olds by the CSO). The available time series is also different from dataset to dataset, though I endeavour to include as long a time frame as possible. These issues will be flagged as they come up in the paper.

Headline indicators

Tables 1 and 2 show the absolute number of the Irish labour force, and the rate of participation. This includes those in employment and those seeking employment relative to the working age population. The labour force grew by 36.5 per cent in the two decades up to the end of 2019. At the same time, both the absolute number and share of younger cohorts (15-19, 20-24) in the labour force fell significantly between 2008 and 2012. Both remained relatively steady for the 25-34 year old group.

Similar trends were reflected in participation rates. The national participation rate grew moderately on an annual basis in 2019 for the first time since 2012 (62.2 to 62.7 per cent). However, it still had not recovered from the financial crisis and at 62.7 per cent was 3.5 points lower than in 2007 (66.2 per cent). Ireland does not compare favourably to top European performers in this indicator, driven by low levels of female participation (McDonnell & Nugent 2018). For the 15-19 and 20-24 year old groups, participation rates were at least 15 percentage points lower in 2019 than in 1999 (45.0 compared to 24.2 per cent and 85.8 compared to 70.5 per cent respectively). Third level students with part-time jobs are included as participating in the labour market. This has implications for social mobility with increased rental costs in cities and third level fees over the past decade. Education grants for lower income households as they stand, are not sufficient to cover the costs of third level education.[1] Thus, fewer opportunities for part-time work will mean university is not possible for many from disadvantaged backgrounds.

1 https://tinyurl.com/y9t4lwo9

Table 1 Labour Force (000)

	1999 Q4	2001 Q4	2003 Q4	2005 Q4	2007 Q4	2009 Q4	2011 Q4	2013 Q4	2015 Q4	2017 Q4	2019 Q4
15 - 19 yrs	149.3	133.9	116.9	122.2	126.7	85.9	70.2	64.1	63.6	76.3	78.1
20 - 24 yrs	265.7	271.7	277.7	289.2	323.8	274.1	221.4	208.3	202.2	194.3	213.9
25 - 34 yrs	479.2	516.8	544.4	603.8	657	644.6	620	580.3	554	542.3	522.5
15+	1815.8	1912.9	1988.9	2162	2347.6	2271.3	2228.3	2247.8	2292.2	2374.8	2471.7

Source: CSO (2020a) Labour Force Survey - Table QLF 18

Table 2 ILO Participation Rate (15 years and over) (%)

	1999 Q4	2001 Q4	2003 Q4	2005 Q4	2007 Q4	2009 Q4	2011 Q4	2013 Q4	2015 Q4	2017 Q4	2019 Q4
15 -19 yrs	45	42.4	38.9	42	43.1	29.5	24.9	22.3	21.3	24.4	24.2
20 -24 yrs	85.8	83.7	82.8	84.7	86.8	80.9	76	75	73.5	68.6	70.5
25 -34 yrs	85.2	85.1	84.4	85.2	85.1	83.8	83.1	82.8	83.8	85.5	84.8
15+	61.6	62.4	62.5	64.7	66.2	63.1	61.9	61.8	61.8	62.2	62.7

Source: CSO (2020a) Labour Force Survey - Table QLF 18

Table 3 Employment (000)

	1999 Q4	2001 Q4	2003 Q4	2005 Q4	2007 Q4	2009 Q4	2011 Q4	2013 Q4	2015 Q4	2017 Q4	2019 Q4
15 - 19 yrs	135.8	121.6	103.2	108.7	111.7	57.3	41.8	44.7	48.1	60.8	66.8
20 - 24 yrs	248.6	254	259.5	270.5	299.9	208.4	163.4	162.7	169.3	176.7	197.3
25 - 34 yrs	456.7	497	521.1	578.1	622.8	556.4	518.9	503.6	502	508.1	498.2
15+	1723.1	1833.2	1899.5	2070.1	2232.9	1970.4	1888.2	1971	2085.4	2230.8	2361.2

Source: CSO (2020a) Labour Force Survey -Table QLF 18

Table 4 ILO Employment Rate (15- 64) (%)

	1999 Q4	2001 Q4	2003 Q4	2005 Q4	2007 Q4	2009 Q4	2011 Q4	2013 Q4	2015 Q4	2017 Q4	2019 Q4
15 - 19 yrs	40.9	38.5	34.4	37.4	38	19.6	14.9	15.5	16.1	19.4	20.7
20 - 24 yrs	80.3	78.3	77.4	79.2	80.4	61.5	56.1	58.6	61.5	62.4	65
25 - 34 yrs	81.2	81.8	80.7	81.6	80.7	72.4	69.5	71.9	75.9	80.1	80.8
15 -64	66.9	68.3	68.1	70.6	71.3	62.3	60.1	62.7	65.5	68.3	70.2

Source: CSO (2020a) Labour Force Survey - Table QLF 18

Tables 3 and 4 show the absolute numbers in employment in the Irish economy as well as the employment rate (the share of the working age population in employment). The number in employment at the end of 2019 (2.3 million) was 37.0 per cent higher than at the turn of the century (1.7 million). The employment rate was close to full recovery from the effects of the crash in 2008 by 2019 (70.2 compared to 71.3 in 2007). However, the headline figure again conceals trends for different groups. The number and share of 15-19 year olds in employment at the end of 2019 was about half what it was in 1999 and more than 15 points lower for the next age group. Approximately two in five 15-19 year olds were employed in the decade preceding the financial crisis compared to just 1 in 5 in 2019. The employment rate for those in their early twenties was just 65.0 compared to 80.7 per cent in 2007. Although the share of these groups in full-time education has risen in that time, this shows a much lower share of students with part-time jobs than during the Celtic tiger. In 2007, 32.3 per cent of students (15- 25) were in employment compared to 18.6 in 2018 (CSO 2020b).

Dropping by over ten points during the recession, the employment rate for 25-34 year olds gradually caught back up to 2007 levels between 2012 and 2019, though it was still slightly lower than in 2005.

Table 5 Unemployment (000)

	1999 Q4	2001 Q4	2003 Q4	2005 Q4	2007 Q4	2009 Q4	2011 Q4	2013 Q4	2015 Q4	2017 Q4	2019 Q4
15 -19 yrs	13.6	12.3	13.7	13.4	15.1	28.7	28.3	19.4	15.5	15.5	11.4
20 -24 yrs	17	17.8	18.2	18.7	23.9	65.7	58	45.6	32.8	17.6	16.7
25 -34 yrs	22.5	19.8	23.4	25.7	34.1	88.2	101.2	76.7	52	34.2	24.3
15 +	92.7	79.7	89.3	91.9	114.7	300.9	340.1	276.8	206.8	144	110.6

Source: CSO (2020a) Labour Force Survey -Table QLF 18

Table 6 ILO Unemployment Rate (15- 74) (%)

	1999 Q4	2001 Q4	2003 Q4	2005 Q4	2007 Q4	2009 Q4	2011 Q4	2013 Q4	2015 Q4	2017 Q4	2019 Q4
15 - 19 yrs	9.1	9.2	11.7	11	11.9	33.4	40.3	30.3	24.4	20.3	14.5
20 - 24 yrs	6.4	6.5	6.5	6.5	7.4	24	26.2	21.9	16.2	9.1	7.8
25 - 34 yrs	4.7	3.8	4.3	4.3	5.2	13.7	16.3	13.2	9.4	6.3	4.7
15+	5.1	4.2	4.5	4.3	4.9	13.3	15.3	12.4	9.1	6.1	4.5

Source: CSO (2020a) Labour Force Survey -Table QLF 18

In absolute terms, the number of unemployed in 2019 was still elevated relative to the decade leading up to the Irish financial crisis. The unemployment rate at the end of 2019 was similar to the best performing years pre-crisis at 4.7 per cent however, though it did not match the record rate (Table 5). The headline figures again mask heterogeneity by age group. For the under 25's the number of unemployed dropped below those recorded leading up to 2008 in 2019 after a steady trend downwards post 2012. The unemployment rates for all three groups under 35 however, were still elevated in 2019 relative to their pre-crisis peaks. This was especially the case for the youngest group of jobseekers. The 20-24 and 25-34 year old groups were close to a full-recovery.

Precarious work

Part-time work

Table 7 Part-time Rate (15+) (%)

	2004	2006	2008	2012	2014	2016	2018	2019*
% employment	17.5	17.8	19.1	24.2	23.5	22.6	20.3	20.4
% 'at work'	14.0	14.2	15.7	21.2	20.5	19.3	16.9	
% < 35 yrs	16.0	16.3	17.6	25.3	25.4	24.8	22.9	
% 'at work' & < 35	8.9	9.1	10.5	18.3	18.4	16.7	14.9	
% 35+	18.8	19.1	20.4	23.6	22.5	21.4	19.0	
% 'at work' & 35+	18.0	18.2	19.6	22.8	21.6	20.5	17.9	

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Note: * CSO (2020a) Labour Force Survey- Table QES 06

The share of part-time work in Irish employment was trending upward before the financial crisis. It peaked in 2012 at 24.2 per cent and trended down again with a return to growth, levelling off around 2017. There was even a slight uptick in the estimate in 2019 (20.4 compared to 20.3).

Unfortunately, a more granular analysis is not yet possible for 2019. The available data for 2018 however, show a very similar trend controlling for those who identify as 'at work' as their main status. This excludes students and individuals on home duties so the share is about three or four points less for this group. Examining rates by a simple breakdown of over and under 35, the data show that part-time work was actually less common for the under 35's leading up to 2008, but that relationship is now reversed. The share of under 35's in part-time employment in 2018 was 6.6 points higher than in 2006 (22.9 compared to 16.3 per cent) while the over 35 rate is almost identical (19.0 compared to 19.1 per cent). This same trend applies to the 'at work' contingent of both groups. The share of under 35's at work was more than 50 per cent higher in 2018 than it had been (14.9 compared to 9.1 per cent). The figure for the over 35's at work was actually lower than in 2008 (17.9 and 18.2 per cent).

The Labour Force Survey also asks respondents the main reason they are in part-time work and are given a list to choose from (Table 8-8e). The underemployed are those in part-time work but cannot find a full-time job, though they want one. Positions of involuntary underemployment tend to offer less opportunity for career progression and have been found to be correlated with worse overall health (Broughton et al 2016). Underemployment is comparable to unemployment in many respects due to the associated risks of poverty and deprivation due to insufficient work (Broughton et al 2016; Nugent, Pembroke & Taft 2019). This accounted for only 11.3 per cent of part-timers in 2006, rising to 39 per cent in 2012 and falling since 2015 to 15.2 per cent in 2019 as labour market conditions improved.

Underemployment was still higher for every group in 2018 than in 2006.

The share who work part-time hours due (as their main reason) to caring for children and incapacitated adults has been rising as underemployment has fallen since 2012/13. There were 99,100 part-time workers in 2019 who were in this position, predominantly women. Controlling again for those at work (excluding students etc.) the data show similar trends over the same period but higher shares of both underemployment and part-time workers constrained by caring duties. The combined share was 43.7 per cent in 2018 compared to 34.3 per cent in 2006. For the group of under 35's at work, the underemployed represented 28.0 per cent of part-timers in 2018 compared to 21.4 per cent in 2006, though there was a strong downward trend from 2014. The share of those in part-time work due to caring responsibilities rose from 14.7 per cent in 2014 to 21.2 in 2018. At the same time, the incidence of underemployment for over 35's at work was lower than their younger counterparts (17.0 and 28.0 per cent) though the share that are working part-time mainly due to caring responsibilities was higher (24.7 and 21.2 per cent). Underemployment was still higher for every group in 2018 than in 2006.

Table 8 Reason for part-time (15+) (% of part-time workers)

(% of part-time workers)	2004	2006	2008	2012	2014	2016	2018	2019*
Underemployment (%)	14.4	11.3	13.2	39.0	39.3	29.4	16.7	15.2
Social barriers (care duties) (%)		15.7	14.7	13.5	15.5	16.9	19.8	19.1

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Note: * CSO (2020a) Labour Force Survey- Table QES 14

Table 8a Reason for part-time (15+) (% of part-time, 'at work')

	2004	2006	2008	2012	2014	2016	2018
Underemployment (%)	17.9	14.1	16.1	44.6	44.7	34.5	20.0
Social barriers (care duties) (%)		20.2	18.6	15.9	18.3	20.4	23.7

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Table 8b Reason for part-time (15+) (% of part-time, <35 years)

	2004	2006	2008	2012	2014	2016	2018
Underemployment (%)	14.8	12.0	15.7	41.6	41.3	31.5	17.3
Social barriers (care duties) (%)		13.7	11.2	9.5	9.6	9.8	12.8

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Table 8c Reason for part-time (15+) (% of part-time, 'at work', <35 years)

	2004	2006	2008	2012	2014	2016	2018
underemployment	27.0	21.4	27.1	59.7	58.6	49.0	28.0
Social barriers (care duties) (%)		26.8	20.6	14.8	14.7	16.3	21.2

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Table 8d Reason for part-time (15+) (% of part-time, 35+ years)

	2004	2006	2008	2012	2014	2016	2018
Underemployment	14.1	10.9	11.4	37.3	38.0	28.1	16.3
Social barriers (care duties)		17.2	17.3	16.0	19.1	21.4	24.0

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Table 8e Reason for part-time (15+) (% of part-time, 'at work', 35+ years)

	2004	2006	2008	2012	2014	2016	2018
underemployment	14.3	11.1	11.7	37.9	38.7	28.9	17.0
social barriers (care duties)		17.6	17.8	16.3	19.9	22.0	24.7

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Table 9 Would like to work more hours (% of part-time workers)

	2004	2006	2008	2012	2014	2016	2018
% of part-time	3.9	3.4	17.4	35.8	31.0	25.3	32.1
% of part-time ('at work')	4.4	4.1	18.1	38.7	33.6	27.4	33.0
% of part-time (<35's)	4.8	4.2	22.6	39.8	35.5	31.1	38.8
% PT ('at work' & < 35)	7.8	7.0	28.5	50.2	45.6	41.1	46.4
% of part-time (35+)	3.1	2.8	13.7	33.2	28.1	21.7	28.1
% PT ('at work' & 35+)	3.0	2.9	13.8	33.6	28.5	22.1	28.0

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Although the most commonly used indicator for underemployment tends to be the one just discussed (part-time workers who answer that the main reason for their part-time employment is due to the fact they cannot find a full-time position in the labour market), another question on the Labour Force Survey also gives an indication of underemployment. It is a yes or no question; 'Wish to work usually more than the current number of hours'. It is an indication of the sufficiency of earnings. By this measure, the data suggest that underemployment or inadequate hours, is significantly higher than the previous indicator suggests. In 2018, 32.1 per cent of part-time workers wished they had more hours compared to just 3.4 per cent in 2006. This figure rose significantly between 2016 and 2018 (25.3-32.1 per cent). For part-time workers under 35, 38.0 per cent wish they had more hours. Controlling for those at work, the figure was almost half in 2018 (46.4 per cent). The lowest share of any group considered here is 28.0 per cent for the over 35's at work, ten times the share in 2006 when it hardly registered as an issue (2.9 per cent).

Table 10 Marginal Part-time workers (% of part-time workers)

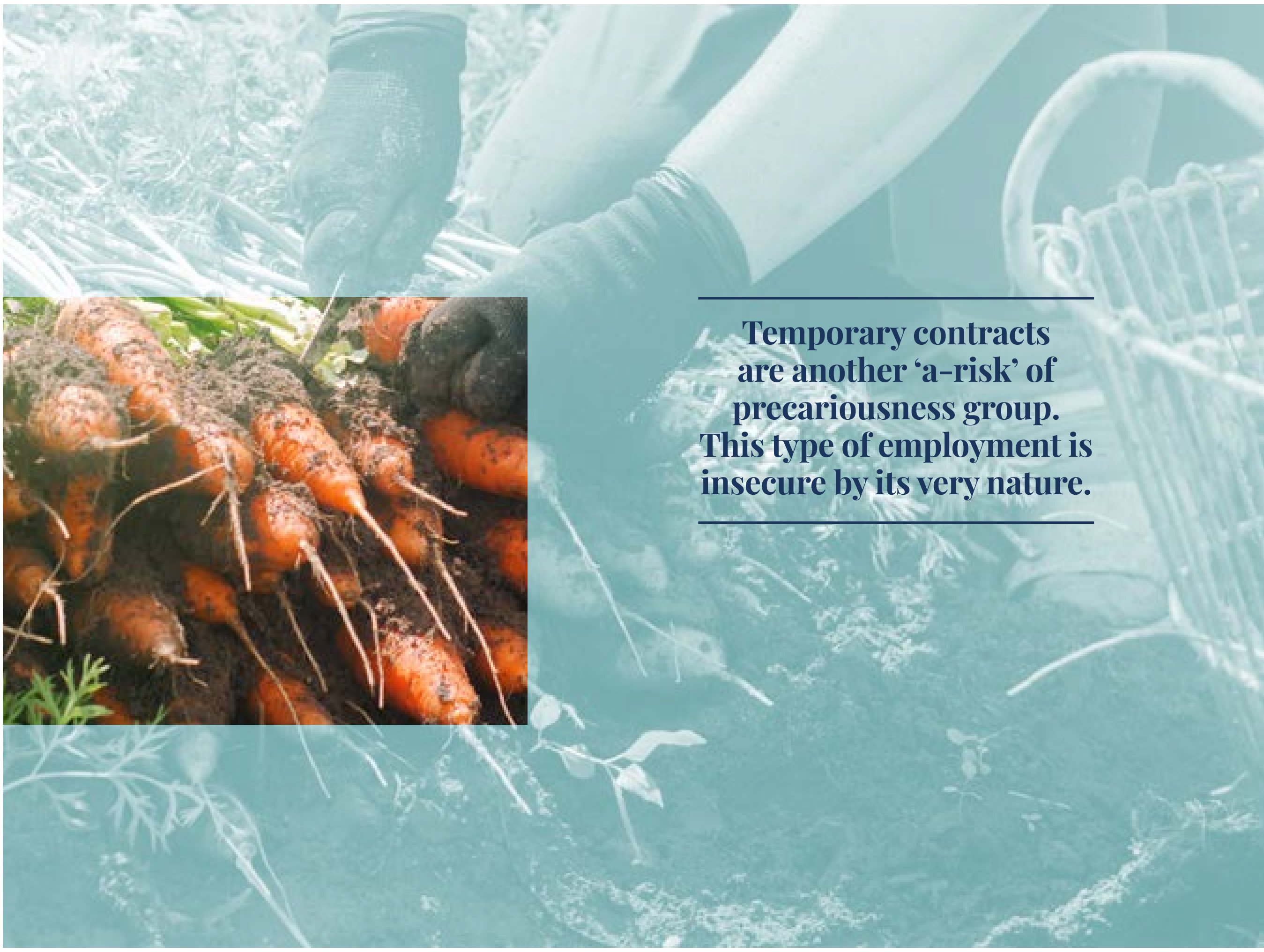
< 20 hours p/w	2004	2006	2008	2012	2014	2016	2018
% of part-time	48.1	49.1	49.4	50.4	49.3	49.2	47.0
% of part-time ('at work')	39.9	41.3	42.7	45.6	44.1	43.9	41.0
% of part-time (< 35's)	54.5	54.3	54.4	53.5	53.9	55.5	52.5
% of PT ('at work' & < 35)	35.4	36.1	38.7	41.9	41.9	43.0	39.4
% of part-time (35+)	43.3	45.2	45.9	48.4	46.5	45.2	43.7
% of PT ('at work' & 35+)	41.6	43.4	44.4	47.2	45.0	44.3	41.6

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

The share of marginal part-time work (less than 20 hours a week) in part-time employment has remained relatively steady for all groups, rising somewhat during the financial crisis years and falling again to similar rates as before 2008. However, as a share of employment this was elevated in 2018 relative to the pre-crisis labour market due to the increased share of part-time employment in Ireland. In 2018, 9.5 per cent of employment was marginal part-time work. In 2006, it was 8.7 per cent.

Temporary work

Temporary contracts are another 'a-risk' of precariousness group. This type of employment is insecure by its very nature. Temporary contracts can also affect precariousness in other realms of life, particularly related to housing. Banks do tend not issue mortgages to workers on a temporary contract as banks tend not to give out mortgages without a permanent contract and the associated guarantee of future earnings. In an Irish context, this means being stuck in a dysfunctional and unaffordable rental market with little protections for tenants (Nugent 2018). The share of temporary contracts for all employees considered here were still elevated in 2018 relative to 2006 (Table 11). The headline figure, available for 2019 had almost fully recovered. However, that figure masks the experience of different groups. Again, younger workers (under 35) were still more likely to be on a temporary contract in 2018 (17.2 per cent) than in 2006 (13.4 per cent).



Temporary contracts are another 'a-risk' of precariousness group. This type of employment is insecure by its very nature.

Table 11 Temporary Contract Rate (15+) (% of employees)

	2004	2006	2008	2012	2014	2016	2018	2019*
% temporary contracts	9.7	9.2	9.4	10.9	10.3	9.0	10.1	9.7
% temp contracts ('at work')	6.6	6.3	6.8	8.5	7.9	6.7	7.6	
% temp contracts (< 35 yrs)	14.1	13.4	13.7	17.2	17.0	15.0	17.2	
% temp ('at work' & < 35)	8.8	8.4	9.1	12.3	12.0	9.9	11.7	
% temp contracts (35+)	4.9	4.6	5.0	6.3	5.8	5.1	5.9	
% temp ('at work' & 35+)	4.5	4.3	4.7	5.9	5.5	4.8	5.4	

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Note: * CSO (2020a) Labour Force Survey- Table QES 15

More recent data, published by Eurostat actually has the temporary contract rate for employees under 30 at almost a quarter in the final quarter of 2019 and over four times more prevalent than in 2005 (Table 12). It was also trending upwards in 2019. This is actually based on the same LFS data as the CSO publish.

Table 12 Temporary Contracts (%) (15-29 yrs)

	2005 Q4	2007 Q4	2009 Q4	2013 Q4	2017 Q4	2019 Q4
Ireland	5.6	15.2	17.8	22.6	22.4	24.2

Source: Eurostat (2020b) Labour Force Survey- lfsq_etpga

Involuntary temporary contracts are among the most at-risk categories of precarious work. The share of temporary employees who were in that position because they couldn't find a full-time job was over a third in 2019 and still approximately five points higher than in 2006 (30.3 compared to 35.1 per cent). More than four in ten (43.0 per cent) of temporary workers under the age of 35 who's main status was at work were in that position involuntarily, while that figure grew to over half (51.5 per cent) for all temporary workers with the same status.

Table 13 Involuntary temporary contract (15+) (% of temporary employees)

	2004	2006	2008	2012	2014	2016	2018	2019*
% of temp employees	28.9	30.3	35.7	64.1	58.0	59.5	40.6	35.1
% of temp ('at work')	54.9	59.0	63.4	76.5	69.5	75.3	51.5	
% of temp (< 35 yrs)	23.7	22.3	28.3	56.0	50.0	48.5	29.8	
% of temp ('at work' & <35)	54.4	53.6	59.8	72.5	65.8	70.3	43.0	
% of temp (35+)	53.4	64.9	66.6	80.7	73.4	79.6	59.9	
% of temp ('at work' & 35+)	55.8	68.8	70.3	82.1	74.7	81.3	61.6	

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Note: * CSO (2020a) Labour Force Survey- Table QES 15

Temporary contracts have gotten shorter on average over the past two decades or so adding to insecurity in the Irish labour market. In 2004, the share of fixed-term contracts less than a year in duration was under one third (29.6 per cent). In 2019, it was over half. This share was still rising in 2019 for the under 30's (52.3 in 2018 to 52.7 per cent) but fell slightly overall (53.0 to 50.8 per cent).

Table 14 Share of temporary contracts 1 year or less (% of temporary employees)

	2004 Q4	2006 Q4	2008 Q4	2012 Q4	2014 Q4	2016 Q4	2018 Q4	2019 Q4
15-29 years	29.6	36	17.9	30.1	37.6	30.1	52.3	52.7
15-64 years	29.4	34.4	16.1	31.7	34.9	29.7	53	50.8

Source: Eurostat (2020a) Labour Force Survey – [lfsq_etgadc]

Occupations

The International Standard Classification of Occupations (ISCO) is based on four broad skills levels. Jobs at skill level 4 involve complex problem-solving, decision-making and creativity and extensive knowledge in a specialised field while jobs at skill level 3 involve complex technical and practical tasks that also require knowledge in a specialised field. *Manager* (3+4), *Professional* (4) and *Technician and Associate Professional* (3) occupations are in the top 2 skills levels and are associated with the highest wages. The next five categories are in skills level 2; *Clerical support workers, Service and sales workers, Skilled agricultural, forestry, & fishery workers, Craft and related trades workers* and *Plant and machine operators, and assemblers.* Occupations that fall into these categories typically involve the performance of tasks such as operating machinery and electronic equipment and the manipulation, ordering and storage of information. *Elementary* occupations are the sole category for skill level 1 (broadly requiring no more than junior cert level of education and typically involving the performance of simple and routine physical or manual tasks). This standard was first implemented for 2008 data. Time series going back further is therefore problematic.

ISCO-08 major groups		Skill level
1-	Managers	3+4
2-	Professionals	4
3-	Technician and Associate Professional	3
4-	Clerical support workers	2
5-	Service and sales workers	
6-	Skilled agricultural, forestry, & fishery workers	
7-	Craft and related trades workers	
8-	Plant and machine operators, and assemblers	
9-	Elementary occupations	1

Source: Eurostat (2020a) Labour Force Survey – [lfsq_etgadc]

The data show that the share of each of the three top occupational categories in Irish employment increased between 2008 and 2018, a positive development. However, this may merely reflect a compositional change due to the impact of the financial crisis, where fewer jobs were lost for those at the top of the skills spectrum. The share in these occupations has not risen by much (0.4 percentage points) since the return to employment growth in 2012. In fact, there is very little to distinguish between the distribution of occupations in 2012 and 2018. Other than the *Service and Sales* category, the rest saw their shares fall, with *Craft and related Trade* workers experiencing the largest decrease (11.9 to 9.2 per cent of employment).

Table 15 Occupational breakdown (% of employment)

	2008	2012	2014	2016	2018
Managers	6.7	8.3	8.4	8.7	8.7
Professionals	20.7	24.1	23.6	23.7	23.6
Technicians and associate professionals	10.1	11.0	11.0	11.3	11.5
Clerical support workers	9.9	9.3	9.6	9.1	8.8
Service and sales workers	18.6	19.7	19.5	19.4	19.8
Skilled agricultural, forestry, & fishery workers	4.8	4.8	4.6	4.6	4.1
Craft and related trades workers	11.9	8.4	8.9	8.7	9.2
Plant and machine operators, and assemblers	6.5	5.5	5.4	5.7	5.9
Elementary occupations	10.8	8.9	9.0	8.9	8.5
Source: CSO (2020b) Labour Force Survey AMF & author's calculations					

The share of workers under 35 in the top three occupational categories has also risen since 2008, though not by as much. The same issues regarding the interpretation of compositional changes applies here also and for under 35's the share of high end employment actually fell since 2012 both for the group as a whole and controlling for those at work. As we will see later, this is despite significant changes in the skills profile of this group. The national growth in *Service and Sales* occupations is driven in large part by growth for this younger group from 23.3 per cent in 2008 to 28.2 in 2018. Although the share of *Elementary* occupations fell for this group in the same period, it didn't fall by as much as the national figure and has not changed since 2012. It has come down half a percentage point for the 'at work' group since 2012.

Table 16 Occupational breakdown (% of 'at work')

	2008	2012	2014	2016	2018
Managers	7.0	8.6	8.7	9.1	9.1
Professionals	21.4	24.8	24.4	24.6	24.4
Technicians and associate professionals	10.3	11.3	11.3	11.6	11.8
Clerical support workers	9.9	9.4	9.7	9.1	8.7
Service and sales workers	16.7	18.0	17.9	17.8	18.4
Skilled agricultural, forestry and fishery workers	4.8	4.8	4.6	4.5	4
Craft and related trades workers	12.4	8.6	9.2	8.9	9.5
Plant and machine operators, and assemblers	6.8	5.7	5.6	5.9	6.0
Elementary occupations	10.7	8.7	8.6	8.5	8.1
Source: CSO (2020b) Labour Force Survey AMF & author's calculations					

Table 17 Occupational breakdown (% of under 35's)

	2008	2012	2014	2016	2018
Managers	4.1	5.0	5.0	5.0	4.5
Professionals	19.6	23.1	23.2	23.1	22.8
Technicians and associate professionals	10.0	10.9	10.6	11.1	10.9
Clerical support workers	10.7	9.8	9.8	9.0	8.5
Service and sales workers	23.3	26.6	26.9	27.5	28.2
Skilled agricultural, forestry and fishery workers	1.8	1.5	1.6	1.8	1.4
Craft and related trades workers	13.7	9.0	8.7	8.5	9.2
Plant and machine operators, and assemblers	5.2	4.0	4.0	3.9	4.2
Elementary occupations	11.6	10.2	10.3	10.2	10.2
Source: CSO (2020b) Labour Force Survey AMF & author's calculations					

Controlling for students, home duties etc. the trends for the under 35's are broadly similar. An increase of almost 4 points in the share of *Professionals* between 2008 (21.1 per cent) and 2018 (25.0), the highest skill category, is a positive development for young workers. However, the share of all three of the top categories actually fell slightly for this group since 2012. At the same time, the share of under 35's in work in *Craft and related Trades*, fell by almost a third and has not improved by much in 7 years, reflecting ongoing recruitment and training issues for a sector with significant skills shortages.

Table 18 Occupational breakdown (% 'at work' & under 35)

Occupational breakdown ('at work' <35)	2008	2012	2014	2016	2018
Managers	4.5	5.4	5.5	5.5	5.0
Professionals	21.1	24.9	25.2	25.4	25.0
Technicians and associate professionals	10.5	11.7	11.3	11.8	11.7
Clerical support workers	10.9	10.1	10.2	9.1	8.5
Service and sales workers	19.4	22.8	23.1	23.7	24.7
Skilled agricultural, forestry and fishery workers	1.8	1.4	1.6	1.7	1.3
Craft and related trades workers	14.8	9.6	9.4	9.1	10.0
Plant and machine operators, and assemblers	5.6	4.3	4.3	4.3	4.5
Elementary occupations	11.5	9.8	9.5	9.4	9.3

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Table 19 Occupational breakdown (% 35+)

	2008	2012	2014	2016	2018
Managers	8.9	10.3	10.3	10.7	10.8
Professionals	21.6	24.7	23.9	24.0	24.0
Technicians and associate professionals	10.1	11.0	11.2	11.5	11.8
Clerical support workers	9.1	9.1	9.5	9.2	9.0
Service and sales workers	14.8	15.5	15.4	15.0	15.6
Skilled agricultural, forestry and fishery workers	7.2	6.8	6.3	6.0	5.4
Craft and related trades workers	10.5	8.1	9.0	8.8	9.2
Plant and machine operators, and assemblers	7.6	6.4	6.2	6.7	6.6
Elementary occupations	10.2	8.2	8.3	8.2	7.6

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Table 20 Occupational breakdown (% 'at work' & 35+)

Occupational breakdown ('at work' & 35+)	2008	2012	2014	2016	2018
Managers	9.0	10.4	10.4	10.8	10.9
Professionals	21.6	24.7	23.9	24.2	24.1
Technicians and associate professionals	10.2	11.1	11.2	11.6	11.8
Clerical support workers	9.1	9.1	9.5	9.1	8.8
Service and sales workers	14.6	15.4	15.4	15.0	15.6
Skilled agricultural, forestry and fishery workers	7.1	6.7	6.2	5.9	5.2
Craft and related trades workers	10.6	8.1	9.1	8.8	9.3
Plant and machine operators, and assemblers	7.7	6.4	6.2	6.7	6.7
Elementary occupations	10.1	8.1	8.2	8.1	7.5

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

There is very little difference between the over 35's in employment and the over 35's in employment and 'at work', obviously due to a low number of students in that age range. The data show that the share of the top three occupational categories is up significantly on 2008, but again there has been less change since 2012. The share of *Professionals* actually fell for this group since 2012 (24.7 to 24.1 per cent). The share in *Skilled Agricultural, Forestry and Fishery* jobs has trended downwards since 2008 and represented only 5.2 per cent of employment for over 35's in 2018. The share of *Craft and related Trade workers* has also grown more strongly for over 35's than for the younger group.

Sectors

The largest proportional share increase of any of the 14 NACE sectors in the Irish economy since 2008 has been in *Education*, from 6.5 to 8.1 per cent followed closely by the lowest paid sector, *Accommodation and Food* (6.2 to 7.6 per cent in 2019). Next was *Human Health and Social Work* (11.1 to 12.5 per cent in 2019), which, like *Education*, is demand led and mostly within the public sector. The share of employment in *Construction* was still over three points lower at the end of 2019 (6.2 per cent) than in 2008 (9.5 per cent) and even fell slightly in 2018/2019. The share of employment in *Wholesale/Retail* was also down in 2019 relative to 2008 (13.1 compared to 14.9 per cent).

Table 21 Sectoral breakdown (% employment)

	2008	2012	2014	2016	2018	2019 Q4*
Agriculture, Forestry & Fishing	5.3	5.8	5.4	5.3	4.8	4.5
Industry	13.8	12.5	12.6	13.0	12.4	12.1
Construction	9.5	4.4	4.7	5.6	6.4	6.2
Wholesale/Retail	14.9	14.7	14.5	14.0	13.4	13.1
Transportation & Storage	4.2	4.4	4.3	4.4	4.4	4.6
Accommodation & Food	6.2	6.6	7.3	7.4	7.8	7.6
Information and Communication	4.0	5.0	4.9	5.1	5.2	5.4
Finance, Insurance, Real Estate	5.1	5.5	5.3	5.1	4.7	4.9
Professional, Scientific & Technical	5.7	5.7	6.4	6.3	6.1	6.0
Administrative & Support Service Activities	4.4	4.1	4.0	4.1	4.6	4.7
Public Admin & Defence	4.5	4.7	4.5	4.4	4.7	5.0
Education	6.5	7.3	7.4	7.1	7.6	8.1
Human Health & Social work	11.1	13.7	13.3	12.9	12.6	12.5
Other services	5.0	5.6	5.5	5.6	5.3	5.0

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Note: * CSO (2020a) Labour Force Survey- Table QLF 03

Table 22 Sectoral breakdown (% 'at work')

	2008	2012	2014	2016	2018
Agriculture, Forestry & Fishing	5.2	5.7	5.3	5.1	4.4
Industry	14.3	12.9	13.0	13.4	12.9
Construction	9.8	4.5	4.8	5.8	6.5
Wholesale/Retail	13.8	14.0	13.9	13.3	12.8
Transportation & Storage	4.3	4.6	4.4	4.5	4.5
Accommodation & Food	5.5	5.8	6.4	6.4	7.0
Information and Communication	4.1	5.2	5.1	5.3	5.4
Finance, Insurance, Real Estate	5.3	5.7	5.4	5.3	4.9
Professional, Scientific & Technical	5.9	5.8	6.6	6.5	6.2
Administrative & Support Service Activities	4.4	4.1	4.0	4.1	4.7
Public Admin & Defence	4.6	4.9	4.7	4.6	4.9
Education	6.7	7.5	7.5	7.3	7.7
Human Health & Social work	11.3	13.9	13.6	13.2	12.9
Other services	4.8	5.5	5.3	5.4	5.1

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

The share of under 35's at work in *Construction* was almost 50% lower in 2018 than in 2008 (6.1 compared to 11.6 per cent, representing the biggest sectoral decline for this group. The employment share of *Accommodation and Food* increased steadily in the same time from 7.4 to 10.9 per cent. This represents more than twice the employment share for over 35's (5.2 per cent). This group also experienced a two point growth in *Information and Communication* jobs, associated with some of the highest wages of any sector and a similar drop, in more recent years in *Finance, Insurance and Real Estate,* also one of higher earning sectors. The national decline in *Industry* jobs has affected both groups to more or less the same degree, falling nationally from 13.8 to 12.1 per cent between 2008 and 2018.

Table 23 Sectoral breakdown (% under 35's)

	2008	2012	2014	2016	2018
Agriculture, Forestry & Fishing	2.5	3.0	2.7	3.0	2.6
Industry	13.5	12.4	11.6	12.1	11.9
Construction	10.8	4.0	4.1	4.6	5.7
Wholesale/Retail	18.5	18.8	18.4	18.1	17.3
Transportation & Storage	2.6	2.7	2.6	2.7	2.6
Accommodation & Food	8.9	10.6	12.3	12.4	13.1
Information and Communication	4.3	5.4	5.6	5.7	6.1
Finance, Insurance, Real Estate	6.2	6.1	6.0	5.7	4.3
Professional, Scientific & Technical	6.1	6.1	6.8	6.2	6.2
Administrative & Support Service Activities	4.5	4.0	4.0	4.3	4.7
Public Admin & Defence	3.0	3.3	2.7	2.2	2.4
Education	5.0	6.2	6.3	6.0	6.1
Human Health & Social work	8.6	10.7	10.5	10.1	10.7
Other services	5.7	6.9	6.6	6.9	6.4

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Table 24 Sectoral breakdown (% 'at work' & under 35)

	2008	2012	2014	2016	2018
Agriculture, Forestry & Fishing	2.4	2.7	2.4	2.7	2.0
Industry	14.5	13.3	12.5	13.1	13.0
Construction	11.6	4.2	4.3	5.0	6.1
Wholesale/Retail	16.3	17.2	16.9	16.4	15.8
Transportation & Storage	2.8	2.9	2.7	2.9	2.8
Accommodation & Food	7.4	8.8	10.3	10.0	10.9
Information and Communication	4.6	5.8	5.9	6.2	6.6
Finance, Insurance, Real Estate	6.8	6.7	6.5	6.3	4.7
Professional, Scientific & Technical	6.4	6.5	7.3	6.8	6.6
Administrative & Support Service Activities	4.5	4.2	4.1	4.4	4.9
Public Admin & Defence	3.2	3.7	3.0	2.4	2.7
Education	5.2	6.5	6.6	6.5	6.5
Human Health & Social work	9.0	11.1	11.0	10.9	11.4
Other services	5.4	6.7	6.4	6.6	6.1

Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Table 25 Sectoral breakdown (% 35+)

	2008	2012	2014	2016	2018
Agriculture, Forestry & Fishing	7.6	7.5	7.0	6.5	5.8
Industry	14.0	12.6	13.1	13.4	12.7
Construction	8.4	4.7	5.1	6.1	6.7
Wholesale/Retail	11.9	12.2	12.3	11.8	11.5
Transportation & Storage	5.5	5.5	5.3	5.3	5.3
Accommodation & Food	4.0	4.2	4.5	4.7	5.2
Information and Communication	3.7	4.8	4.6	4.8	4.8
Finance, Insurance, Real Estate	4.1	5.1	4.8	4.8	4.9
Professional, Scientific & Technical	5.5	5.5	6.2	6.3	6.0
Administrative & Support Service Activities	4.3	4.1	4.0	3.9	4.6
Public Admin & Defence	5.7	5.5	5.5	5.6	5.8
Education	7.8	8.1	8.0	7.7	8.3
Human Health & Social work	13.1	15.5	14.8	14.3	13.5
Other services	4.5	4.8	4.8	4.9	4.8

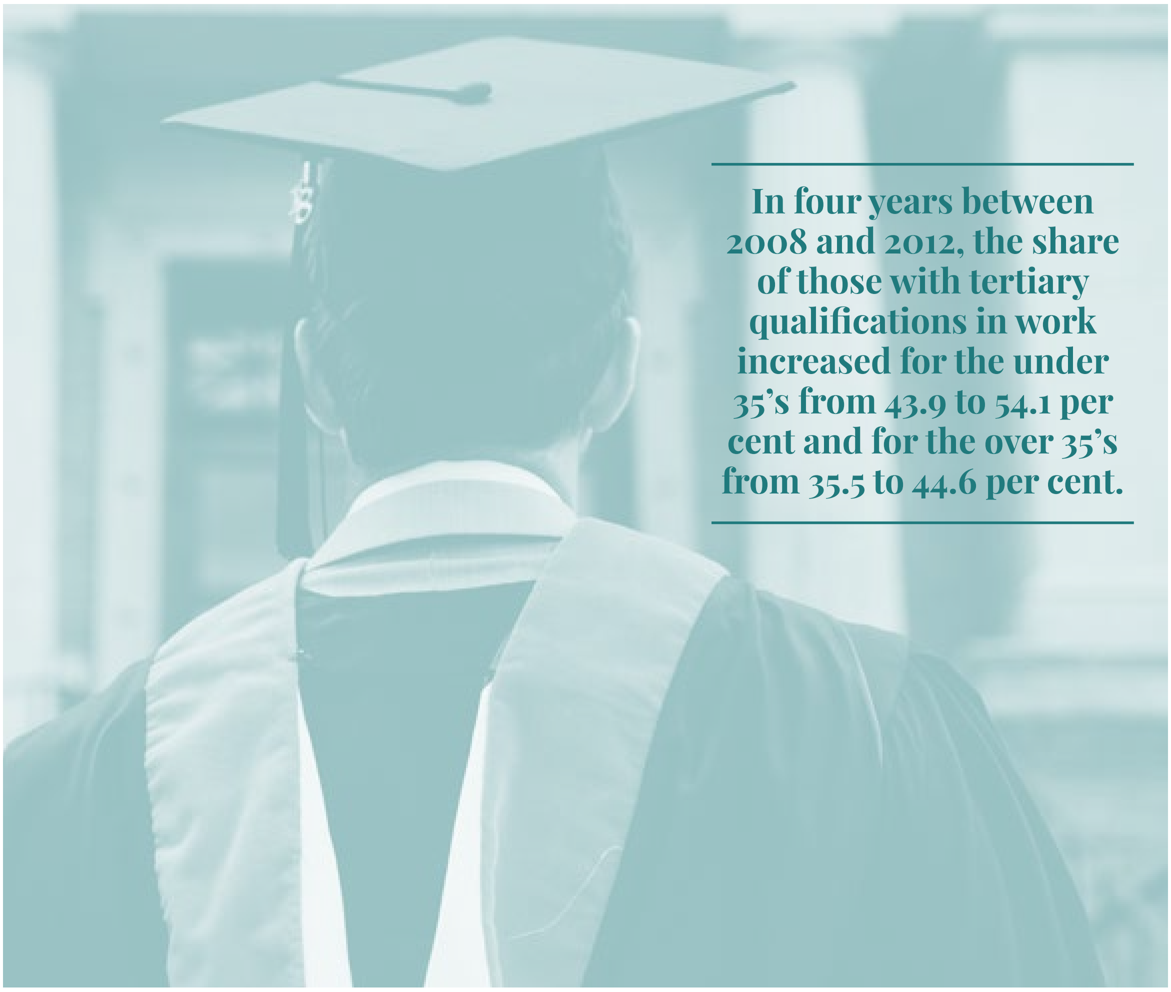
Source: CSO (2020b) Labour Force Survey AMF & author's calculations

Education

The LFS collects data on educational attainment using the International Standard Classification of Education (ISCED). In this section, we briefly examine the growth in the share of those with tertiary education in Ireland. This is a bigger group than some of the indicators we've examined so far, which only apply to those in employment. This indicator includes the entire adult population (15+). We control again for those 'at work' however, for comparison. The group includes anyone with a tertiary higher certificate, higher diploma, bachelor's degree or equivalent, Master's degree or equivalent to anyone with a PHD (ISCED level 5 and above).

Table 26 Educational Attainment (% with Tertiary Education)

	2004	2006	2008	2012	2014	2016	2018
Adult population	23.1	25.8	28.5	32.6	34.6	35.7	36.8
At work	32.2	35.0	39.1	48.0	49.0	49.6	50.5
Under 35's	27.9	30.3	32.4	34.1	35.7	35.7	34.9
Under 35's at work	37.0	39.6	43.9	54.1	55.4	53.9	54.0
35 +	19.8	22.8	26.0	31.7	34.0	35.7	37.7
35 + at work	28.4	31.5	35.5	44.6	45.7	47.5	49.0



In four years between 2008 and 2012, the share of those with tertiary qualifications in work increased for the under 35's from 43.9 to 54.1 per cent and for the over 35's from 35.5 to 44.6 per cent.

The share of the Irish adult population with a tertiary education has expanded considerably since 2004. Over a third of Irish adults (36.8 per cent) now have a higher certificate or more, compared to less than a quarter in 2004 (23.1 per cent). For under 35's, this share grew by about 8 percentage points between 2004 and 2014 to 35.7 per cent and levelled off, coming down slightly even, between 2016 and 2018 to 34.9 per cent. This share for the older group at an even quicker pace, almost doubling in 14 years from 19.8 to 37.7 per cent of the population. The growing importance of this level of education for individuals is borne out by the data when we consider the difference between the general population and those at work. Over half of under 35's at work have an ISCED level 5 or above (54 per cent) compared to 37.0 per cent in 2004. Just under half (49.0 per cent) of over 35's at work have at least an ISCED level 5 compared to just 28.4 per cent in 2004. The protection that third level education gave workers during the financial crisis is also clear from the data with large jumps for the 'at work' contingents of both age groups as occupations with lower skill requirements were hit disproportionately. In four years between 2008 and 2012, the share of those with tertiary qualifications in work increased for the under 35's from 43.9 to 54.1 per cent and for the over 35's from 35.5 to 44.6 per cent. These were relatively large jumps compared to increases in the education levels of the wider population. For under 35's for instance, the share with an ISCED level 5 and above only grew by 1.7 percentage points (32.4 to 34.1 per cent) and by 5.7 points for the over 35's (26.0 to 31.7 per cent).

Over-qualification

The over qualification rate reflects the share of those with ISCED 5 or more who work in an occupational category with lower skills requirements (ISCO 4-9). Ireland has ongoing issues with over-qualification and skills mismatch with a 29.5 percent rate (2018). This has remained relatively steady for a decade but is high in an EU context (22.7 percent on average) and way behind top performers such as Denmark where the over qualification rate is just 15.2 per cent (Eurostat 2020a).[2]

Table 27 Over-qualification rate (% with Tertiary Education working in occupations ISCO 4-9)

	2004	2006	2008	2012	2014	2016	2018
All employment	29.0	30.6	30.2	28.8	29.7	28.4	29.4
under 35	36.7	37.5	37.0	36.3	37.9	35.2	35.5

Table 27 displays the over-qualification rate over time and for under 35's. The share of over qualified workers in Ireland in 2018 (29.4 per cent) has actually increased since the economy turned the corner in 2012 (28.8 per cent) and is actually worse than in 2004 (29.0 per cent). Given what the analysis demonstrated earlier in terms of the growing share of third level graduates, this represents significant growth in the share of over-qualified workers in overall employment.

2 This data published by Eurostat controls for age (20-64). Data in Table 27 does not, explaining the slight difference in the 2018 estimate.

Wages

Estimates from the Earnings, Hours and Employments Costs Survey in the year up to the final quarter of 2019, have average weekly earnings growth at 3.5 per cent or 2.4 per cent in real terms[3] (Table 28). The consumer price index tracks the cost of a typical 'basket' of goods, or inflation in living costs and as standard practice, it is used here to calculate 'real' changes in income. It's important to note at this stage however, that the typical basket of goods is different for different groups in society. Growth in rental costs for instance have far exceeded increases in CPI over the past decade and thus controlling for CPI overestimates the 'real' gains in living standards for renters. Average hourly earnings grew at a similar pace (3.6 per cent or 2.5 in real terms). There was considerable divergence in earnings growth by sector however, both in 2019, and since 2008.

Table 28 Average Weekly Earnings (Euro)

	2008 Q4	2013 Q4	2018 Q4	2019 Q4	%Δ 08-19	%Δ 08-19 (real)	%Δ 18-19	%Δ 18-19 (real)
All NACE sectors	721	694	757	783	8.6%	7.9%	3.5%	2.4%
Industry (B to E)	818	831	899	919	12.3%	11.6%	2.2%	1.1%
Construction (F)	788	731	800	821	4.2%	3.5%	2.7%	1.6%
Wholesale and retail trade; ..(G)	518	533	594	604	16.4%	15.7%	1.7%	0.6%
Transportation and storage (H)	796	755	844	810	1.7%	1.0%	-4.1%	-5.2%
Accommodation and food (I)	348	314	354	381	9.6%	8.9%	7.5%	6.4%
Information and communication (J)	959	1002	1168	1241	29.3%	28.6%	6.2%	5.1%
Financial and insurance act... (K)	1022	1035	1154	1160	13.5%	12.8%	0.5%	-0.6%
Real estate activities (L)	678	540	741	741	9.3%	8.6%	0.0%	-1.1%
Professional, scientific and tech.... (M)	822	817	924	973	18.3%	17.6%	5.3%	4.2%
Administrative and support ser.. (N)	496	496	597	616	24.2%	23.5%	3.2%	2.1%
Public administration and defence;. (O)	982	925	953	971	-1.1%	-1.8%	2.0%	0.9%
Education (P)	890	816	855	873	-1.9%	-2.6%	2.1%	1.0%
Human health and social work activities (Q)	772	672	723	758	-1.8%	-2.5%	4.8%	3.7%
Arts, entertainment & rec.. (R)	495	513	532	541	9.4%	8.7%	1.8%	0.7%
Other service act...(S)	522	464	459	485	-7.2%	-7.9%	5.6%	4.5%

Source: CSO (2020b) Earnings, Hours, Employment Costs Survey –Table EHQ03

3 Consumer Price Index, Nov 18-Nov19 of 1.1 per cent (CSO 2020c)

Table 29 Average Hourly Earnings (Euro)

	2008 Q4	2013 Q4	2018 Q4	2019 Q4	%Δ 08-19	%Δ 08-19 (real)	%Δ 18-19	%Δ 18-19 (real)
All NACE sectors	22	22	23	24	8.7%	8.0%	3.6%	2.5%
Industry (B to E)	21	22	23	24	12.7%	12.0%	3.3%	2.2%
Construction (F)	21	20	22	22	5.0%	4.3%	3.0%	1.9%
Wholesale and retail trade; (G)	17	17	19	20	17.7%	17.0%	3.8%	2.7%
Transportation and storage (H)	21	21	23	23	9.1%	8.4%	-0.2%	-1.3%
Accommodation and food service activities (I)	13	12	13	14	6.4%	5.7%	3.9%	2.8%
Information and communication (J)	27	28	32	34	27.2%	26.5%	4.9%	3.8%
Financial and insurance activities (K)	30	30	32	33	9.9%	9.2%	2.2%	1.1%
Real estate activities (L)	21	18	24	24	11.3%	10.6%	-3.2%	-4.3%
Professional, scientific and tech.....(M)	25	25	27	28	13.0%	12.3%	4.1%	3.0%
Administrative and support ...(N)	16	17	19	19	18.9%	18.2%	3.9%	2.8%
Public administration and defence; ... (O)	28	25	26	26	-4.9%	-5.6%	1.4%	0.3%
Education (P)	35	34	36	37	3.8%	3.1%	1.9%	0.8%
Human health and social work activities (Q)	25	22	23	24	-4.8%	-5.5%	3.2%	2.1%
Arts, entertainment and recreation (R)	17	18	18	20	17.8%	17.1%	9.4%	8.3%
Other service activities (S)	17	17	17	17	0.4%	-0.3%	0.8%	-0.3%

Source: CSO (2020b) Earnings, Hours, Employment Costs Survey –Table EHQ03

Average weekly earnings were highest in the *Information and Communications* sector at €1,241. Over 11 years (the maximum time frame available) this sector also experienced the highest wage growth at 28.5 per cent in real terms and the second highest annual growth up to the end of 2019, at 6.2 per cent or 5.1 in real terms. Weekly earnings were second highest in *Financial and Insurance activities* at €1,160, though nominal growth in the year up to Q4 2019 lagged inflation such that real earnings fell by 0.6 per cent on average. Average weekly earnings in *Accommodation and Food* were just €381 and far behind even the next lowest sector *Arts, entertainment and recreation* at €541, a difference of 42 per cent. The sector experienced decent real wage growth in 2019, for the first time since the financial crisis, driven by the most part by higher average weekly hours. Strong weekly earnings growth was also recorded in 2019 in *Professional, Scientific and Technical Activities* (5.3 and 4.2 per cent in real terms) and *Human Health and Social work activities* (4.8 and 3.7 per cent in real terms). Weekly earnings fell on average by 4.1 per cent or 5.2 in real terms in *Transportation and Storage,* the only sector to experience a nominal decline. Nominal earnings stagnated in *Real Estate activities* in 2019, translating to a real term decrease of 1.1 per cent.

National average hourly earnings increased by slightly more than weekly earnings in 2019 at 3.6 per cent or 2.5 per cent in real terms (Table 29). The strongest growth in hourly earnings was in one of the lowest paid sectors, *Arts, entertainment and recreation* at 9.4 per cent or 8.3 per cent in real terms. As already mentioned, this compares to much slower weekly earnings growth in the sector, suggesting average working hours fell in the same period. The second best performing sector was in *Information and Communications*, the sector with the highest average hourly earnings at 4.9 per cent in 2019, or 3.8 per cent in real terms, followed by a 3.0 per cent real term increase in *Professional, Scientific and Technical activities*. Some lower earnings sectors experienced strong gains also. *Accommodation and Food* saw a nominal increase of 3.9 per cent per hour on average (2.8 per cent in real terms), while *Wholesale/Retail* saw a 3.8 per cent gain (2.7 per cent in real terms). These two sectors have the highest shares of minimum wage workers[4] and a minimum wage increase of 2.6 per cent in January 2019 drove a considerable proportion of this. In 2019, real terms hourly earnings fell in both *Real Estate Activities and Transportation and Storage* by 4.3 and 1.3 per cent respectively.

4 https://www.cso.ie/en/releasesandpublications/er/lfsnmw/lfsnationalminimumwageestimatesq42019/

Table 30 Average Hourly total Labour Costs (Euro)

	2008 Q4	2013 Q4	2018 Q4	2019 Q4	%Δ 08-19	%Δ 08-19 (real)	%Δ 18-19	%Δ 18-19 (real)
All NACE sectors	26	26	27	28	8.7%	8.0%	4.1%	3.0%
Industry (B to E)	26	27	28	30	15.4%	14.7%	5.7%	4.6%
Construction (F)	25	23	24	25	-1.3%	-2.0%	3.0%	1.9%
Wholesale and retail trade; ..(G)	20	20	22	23	15.0%	14.3%	4.2%	3.1%
Transportation and storage (H)	25	26	27	27	7.1%	6.4%	-0.1%	-1.2%
Accommodation and food... (I)	14	13	15	15	4.7%	4.0%	3.9%	2.8%
Information and communication (J)	32	38	39	41	28.1%	27.4%	3.1%	2.0%
Financial and insurance (K)	39	39	42	43	11.4%	10.7%	4.1%	3.0%
Real estate acti (L)	24	20	28	27	15.0%	14.3%	-1.8%	-2.9%
Professional, scientific and technical...(M)	29	29	31	33	11.9%	11.2%	4.7%	3.6%
Administrative and support service activities (N)	19	19	21	22	19.0%	18.3%	3.5%	2.4%
Public administration and defence;..(O)	30	28	28	29	-3.4%	-4.1%	1.7%	0.6%
Education (P)	38	38	40	41	6.1%	5.4%	2.2%	1.1%
Human health and social work act...(Q)	28	25	26	27	-4.1%	-4.8%	3.2%	2.1%
Arts, entertainment and recreation (R)	19	20	21	23	22.6%	21.9%	10.7%	9.6%
Other service activities (S)	20	19	19	19	-0.9%	-1.6%	1.1%	0.0%

Source: CSO (2020b) Earnings, Hours, Employment Costs Survey –Table EHQ03

Average hourly labour costs (which also include employers social contributions) over 11 years were 8.0 percent higher in 2019 in real terms, identical to the progress of hourly earnings over the same period (Table 30). Between 2018 and 2019, labour costs grew slightly faster however, at 4.1 per cent or 3.0 per cent in real terms. Nominal growth of rates of 10.7 and 4.6 per cent were recorded in *Arts, entertainment and recreation and Industry* in 2019 respectively, while costs fell by 1.8 and 0.1 per cent in *Real Estate Activities and Transportation and Storage.*

Table 31 Average weekly earnings by occupation

	2010 Q3	2013 Q3	2016 Q3	2018 Q3	2019 Q3	Δ 10-19	Δ 10-19 real	Δ 18-19	Δ 18-19 real
Managers, professionals and associated professionals									
Business and services (B to N,R,S)	1152	1240	1298	1361	1400	21.6%	15.0%	2.9%	2.2%
Public admin, education and health (O to Q)	997	1065	1156	1218	1231	23.5%	16.9%	1.0%	0.3%
NACE sectors (B to S)	1073	1153	1213	1274	1297	20.9%	14.3%	1.8%	1.1%
Clerical, sales and service employees									
Business and services (B to N,R,S)	447	441	473	505	520	16.4%	9.8%	3.0%	2.3%
Public admin, education and health (O to Q)	547	518	547	575	574	4.9%	-1.7%	-0.2%	-0.9%
NACE sectors (B to S)	476	468	482	514	523	9.9%	3.3%	1.9%	1.2%
Production, transport, craft and other manual workers									
Business and services (B to N,R,S)	504	495	527	578	584	15.9%	9.3%	1.1%	0.4%
Public admin, education and health (O to Q)	506	427	449	476	490	-3.2%	-9.8%	2.9%	2.2%
NACE sectors (B to S)	501	485	503	550	557	11.2%	4.6%	1.3%	0.6%

Source: CSO (2020b) Earnings, Hours, Employment Costs Survey –Table EHQ03

EHECS also publishes data on wide occupational grouping (Table 31). As we have seen, this is collected by nine occupational categories separated by skills requirement. The earnings data has been further grouped into three broader categories; 1) *Managers, professionals and associated professionals,* 2) *Clerical, sales and service employees* and 3) *Production, Transport, craft and other manual workers.* The first category includes workers whose jobs require the highest skills level or most training where the bottom category require least. This grouping is less than ideal however, as the bottom category includes a mix of skills levels 1 and 2. Thus, the bottom two categories look very similar in their average earnings, and in fact in 2019, the grouping has meant that earnings in what is supposed to be the lowest skills category is slightly higher than the middle group. Unfortunately, this data is only available back to 2010, which is again not ideal for getting a handle on the effects of the financial crisis on wages for different groups. Average wages dropped in the two years leading up to 2010. The data is also one quarter behind the LFS data presented earlier. This data does allow us however, to examine in broad terms, private versus public sector earnings for these broad groups (*Business and Services* vs *Public Admin, Education and Health*).

There is a clear pattern since 2010. Earnings have increased by far more at the top of the distribution, although growth has been very slow across the board. The average weekly wage increased for *Managers, Professionals and associated professionals* by 20.9 per cent in nine years or 14.3 per cent in real terms, with 1.8 per cent growth in the year up to Q3 2019 (1.1 per cent in real terms).[5] This group earn 13.7 per cent more per week in the private sector than in the public sector (€1,400 compared to €1,231). Though the public sector group have made slightly higher gains since 2010 (23.5 per cent compared to 21.6 or 16.9 to 15.0 per cent in real terms), growth in the final year has favoured the top income earning group in the private sector (2.9 per cent compared to 1.0 or 2.2 per cent and 0.3 in real terms).

For the 'middle' group of *Clerical, sales and service employees*, average earnings have grown just 9.9 per cent in nine years, a 3.3 per cent real increase. In Q3 2019, average weekly earnings were €523. In the year between Q3 2018 and Q3 2019, average earnings grew by 1.9 per cent (1.2 per cent in real terms) for this group. Public sector workers in this skill level earned 10.4 per cent more on average per week in 2019 than in the private sector (€574 compared to €520). However, the gap has narrowed considerably since 2010 as real earnings in the public sector have actually fallen by 1.7 per cent while private sector workers have seen a real term increase of 9.8 per cent. Nominal growth in those nine years were 4.9 per cent and 16.4 per cent respectively. While there was strong growth for the private sector in the last year of 3.0 per cent (2.3 per cent in real terms), earnings fell by 0.2 per cent for this group in the public sector. This represents a 0.9 per cent decrease in real earnings over the year.

Trends in the 'bottom' group mirror closely those of the middle. An average weekly gain of 11.2 per cent or 4.6 per cent in real terms over nine years, masks a significant decrease for those in the public sector and an increase in the private sector. Average weekly earnings were €557 in Q3 2019, €584 in the private sector and €490 in the public sector (a 19.2 per cent difference). Earnings were almost identical in public and private in 2010 (€504 and €506). Public sector weekly earnings fell by 9.8 per cent in real terms over nine years (-3.2 per cent in nominal terms) for this 'lowest skilled' group. At the same time, they increased by 15.9 or 9.3 per cent in real terms in the private sector. In the last year of data, this trend was reversed with public sector earnings increasing by 2.9 compared to 1.1 per cent (2.2 and 0.4 per cent in real terms respectively).

The Earnings using Administrative Data Survey is also collected and published by the CSO and gives an insight into the earnings of other groups and the distribution of earnings in the Irish labour market. Unfortunately again, the data are only available back to 2011 and the most recent data is for 2018 and can't really give us a feel for the effect of the financial crisis on earnings.

The CSO published a report for 2018 with many of the same indicators as just examined in EHECS. Rather than repeating those findings, I've picked a few interesting estimates that further our understanding of the distribution of Irish earnings. 63.5 per cent of Irish

5 Consumer Price Index between August 2010 and August 2019 was 0.7 per cent (CSO 2020c)

workers earn less than the average (€740 a week), 28.7 per cent earn less than €400 a week, 68.1 per cent in Accommodation and Food earn less than €400, 43.9 per cent in Wholesale/Retail earn less than €400, 25.7 per cent of women earn less than €300 a week and 34.1% of 25-29 year olds earn less than €450.

Table 32 and 33 shows the available data by age group. The median, marks the middle point in the distribution i.e. fifty per cent earn more and fifty per cent less than the median. Median earnings for all Irish workers was €593 a week, up just 5.7 per cent in real terms in seven years or 8.8 in nominal terms. Of the age groups considered here, the highest gains were for the eldest group, 60 plus at 14.8 per cent or 11.6 per in real terms. This was followed by 8.5, 6.6 and 6.3 per cent real term increases in the 25-29, 15-24 and 40-49 per cent age brackets (or 11.6, 9.7 and 9.4 per cent nominal increases). A significant portion of the gains for the 25-29 year old group happened in the final year of the data 2017-2018, where earnings grew by 4.8 and 4.4 per cent in real terms. Half of this grouped earned less than €544 per week in 2018. Over half the improvement for the 30-39 year old group over seven years occurred in the final year (3.5 per cent or 3.1 per cent in real terms) as earnings for this group did not turn around until after 2015.

Table 32 Median Weekly Earnings by age group

	2011	2013	2015	2017	2018	2011-18	2011-18 real	2017-18	2017-18 real
15 - 24	268	259	270	287	294	9.7%	6.6%	2.6%	2.2%
25 - 29	488	475	484	520	544	11.6%	8.5%	4.8%	4.4%
30 - 39	633	621	620	645	667	5.3%	2.2%	3.5%	3.1%
40 - 49	657	667	677	698	718	9.4%	6.3%	3.0%	2.6%
50 - 59	640	649	648	664	680	6.3%	3.2%	2.5%	2.1%
60+	444	454	469	497	510	14.8%	11.7%	2.5%	2.1%
15+	545	547	551	576	593	8.8%	5.7%	2.9%	2.5%

Source: CSO (2020c) Earnings Analysis Using Administrative Data Sources –Table NSA87

For every group other than the youngest, mean average earnings increased by more, reflecting stronger gains in the top half of the distribution than the bottom for the respective groups. Mean real term earnings were 6.5 per cent higher in 2018 than in 2011, 9.6 per cent in nominal terms. Over seven years, the highest mean growth was in the 25-29 year old group at 12.6 per cent or 9.5 in real terms. This group also recorded the highest gains in the year up to 2018, earning €602 on average (up 4.7 per cent or 4.3 in real terms). Growth for the 40-49 year old group was also above average over seven years at 9.9 per cent (6.8 in real terms).

Table 33 Mean Weekly Earnings by age group

	2011	2013	2015	2017	2018	2011-18	2011-18 real	2017-18	2017-18 real
15 - 24	302	291	298	318	329	8.9%	5.8%	3.2%	2.8%
25 - 29	535	524	535	575	602	12.6%	9.5%	4.7%	4.3%
30 - 39	726	713	720	754	783	7.8%	4.7%	3.8%	3.4%
40 - 49	826	835	852	880	908	9.9%	6.8%	3.2%	2.8%
50 - 59	799	802	814	841	869	8.7%	5.6%	3.3%	2.9%
60+	606	603	610	641	662	9.2%	6.1%	3.3%	2.9%
15+	676	677	687	716	741	9.6%	6.5%	3.4%	3.0%

Source: CSO (2020c) Earnings Analysis Using Administrative Data Sources –Table NSA87

For every group other than the youngest, mean average earnings increased by more, reflecting stronger gains in the top half of the distribution than the bottom for the respective groups.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