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THE GERMAN LABOR MARKET: TRENDS, EVIDENCE-BASED POLICIES, AND THE VET MARKET

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WHAT IS THE IAB?

- **Policy advice:** Institute for Employment Research (IAB) is the research institute of the Federal Employment Agency. Also advise **Federal Ministry of Labour and Social Affairs.**
- **Scientifically independent: Labor market research** in the fields of unemployment insurance (SGB III) and basic income support for job seekers (SGB II)
- **Multidisciplinary orientation: economics, sociology, survey statistics,** political science and other fields
- **Processing/compiling data**

ELMI: NETWORK OF EUROPEAN LABOUR MARKET RESEARCH INSTITUTES



Network of
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Research Institutes

- ELMI: a network of **European institutes** with the focus on **labour market research and policy advice**
- ELMI is a platform for cooperation
- Website:

www.elmi-network.eu



AGENDA

- Overview of the German labor market – current trends and outlook
 - Current situation on the German labor market
 - Outlook: IAB projections
 - AI and Tariffs: Impact on the German labor market
- Evidence-based policies – highlighting data- and research-supported policymaking wrt labor market programs
- School-to-work transitions – challenges in the VET market

PART 1

OVERVIEW OF THE GERMAN LABOR MARKET – CURRENT TRENDS AND OUTLOOK

IAB AND EUROPEAN LABOUR MARKET BAROMETER NEGATIVE

Values on a scale from 90 (very bad outlook) to 110 (very good outlook); 100=neutral

The IAB Labour Market Barometer until February 2026



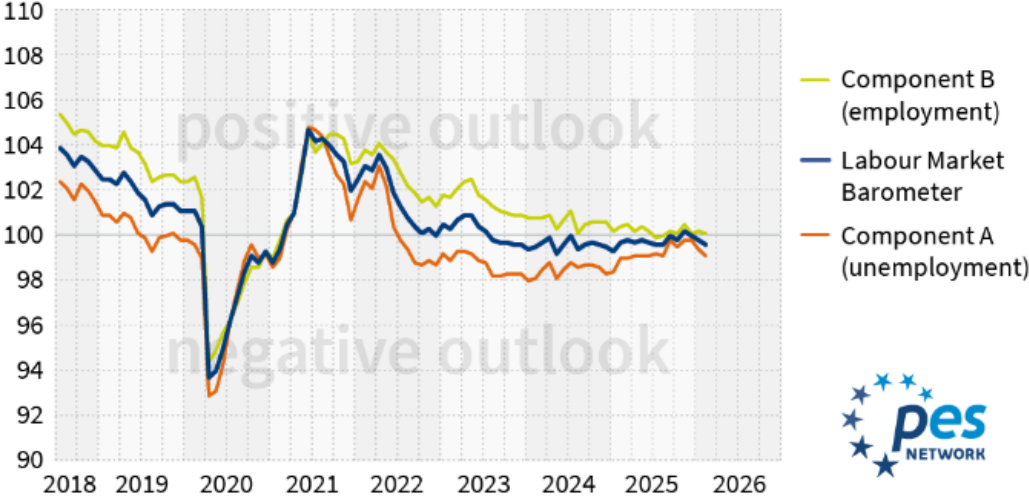
Point values on a scale from 90 (very bad outlook) to 110 (very good outlook); 100 = neutral



Source: Calculations of the IAB; Statistics Department & Labour Market Reporting Department of the Federal Employment Agency (BA). Graphic: IAB

European Labour Market Barometer until February 2026

Point values on a scale from 90 (very bad outlook) to 110 (very good outlook); 100 = neutral

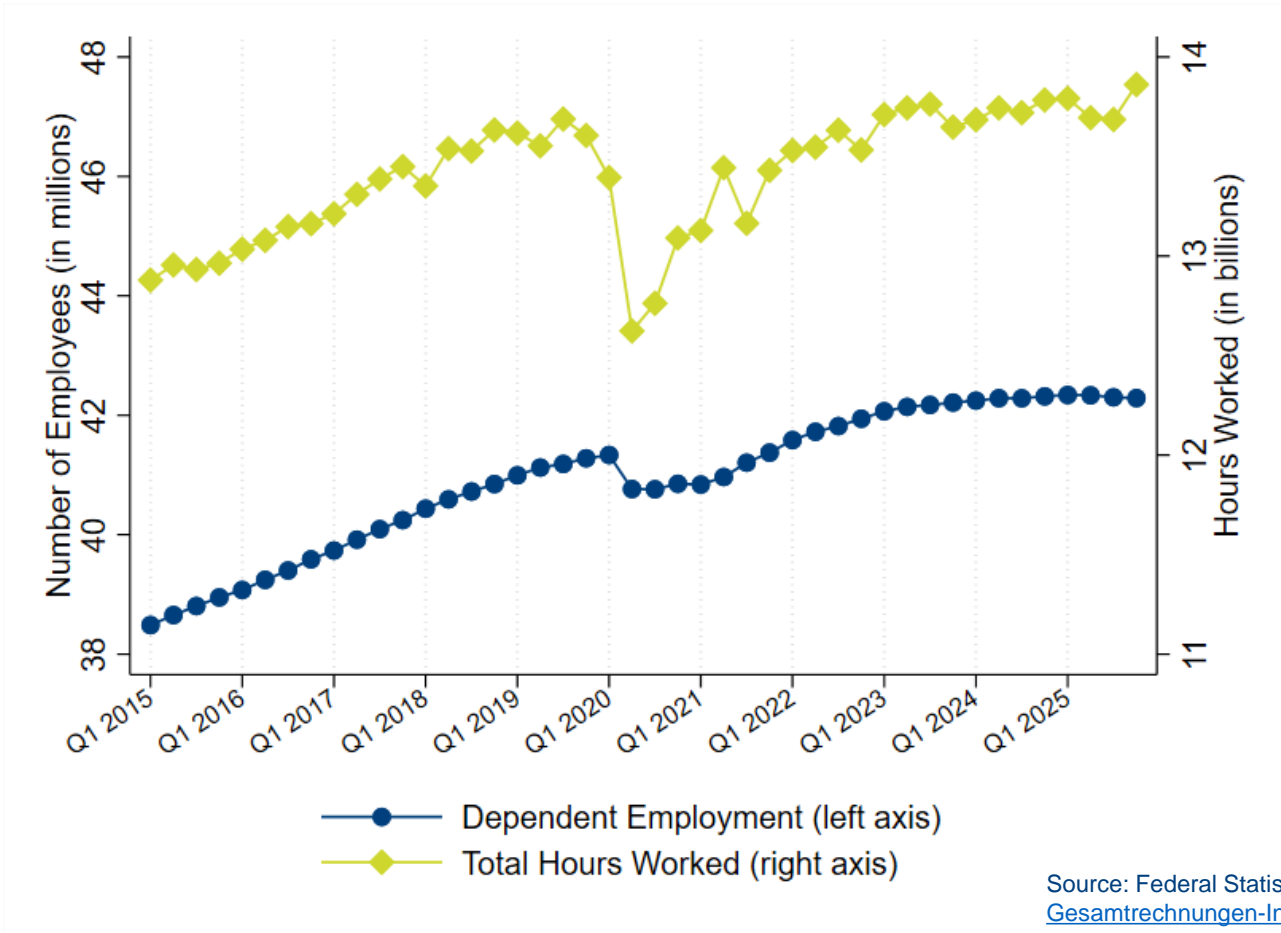


Source: European Network of Public Employment Services, Institute for Employment Research (IAB). Graphic: IAB



Source: Hutter, Christian, Weber, Enzo (2026): IAB Labour Market Barometer. Available at: <https://iab.de/en/daten/iab-labour-market-barometer/>

BETWEEN 2015 AND 2026: NUMBER OF EMPLOYEES GREW BY 9.1 PERCENT AND TOTAL HOURS WORKED BY 6.5 PERCENT



- More people than ever are working in Germany with around 42 million employees in 2025. However, **total hours of work** have so far only slightly exceeded pre-crisis levels. Between 2015 and 2025 there was a **significant increase** in employment of 9,3 percent, but **total hours of work** only increased by **6,4 percent**.
- An **extension of working hours** would therefore still offer considerable potential to overcome labour shortages.

Source: Federal Statistical Office, 2025, https://www.destatis.de/DE/Themen/Wirtschaft/Volkswirtschaftliche-Gesamtrechnungen-Inlandsprodukt/inhalt.html#_s2j5k807g.

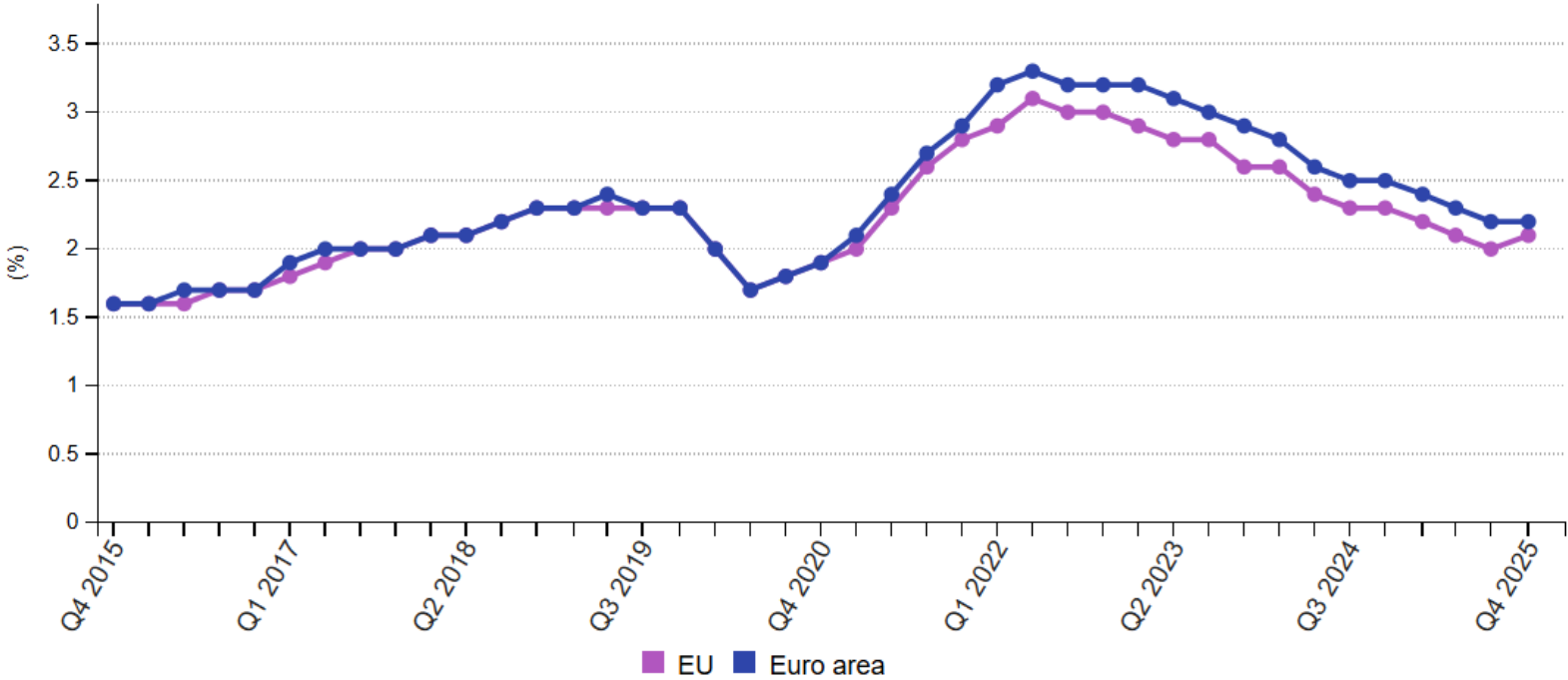
LABOUR MARKET TREND: LABOUR FORCE IS SHRINKING

Effects on (potential) labour force (in thousands)				
	Demographic effect	Labour force participation	Migration	Labour force potential
2026	- 470	+ 260	+ 170	- 40

- Demographic change is growing in importance
- Rising labour force participation rates among women and older people, though mainly in part-time work
- Immigration remains high but is on the decline

Source: Gartner, Hermann, Timon Hellwagner, Markus Hummel, Christian Hutter, Benjamin Lochner, Susanne Wanger, Enzo Weber & Gerd Zika (2025): Arbeitsmarktentwicklung 2026: Fiskalpolitischer Rückenwind trifft auf geopolitischen Gegenwind (IAB-Kurzbericht 05/2026).

QUARTERLY JOB VACANCY RATES (SEASONALLY ADJUSTED) ARE FALLING IN EU AREA



- 2.2% of jobs in the Euro area and 2.0% of jobs in the EU were vacant in Q4 2025.

Note: data for NACE Rev. 2 Sections B to S

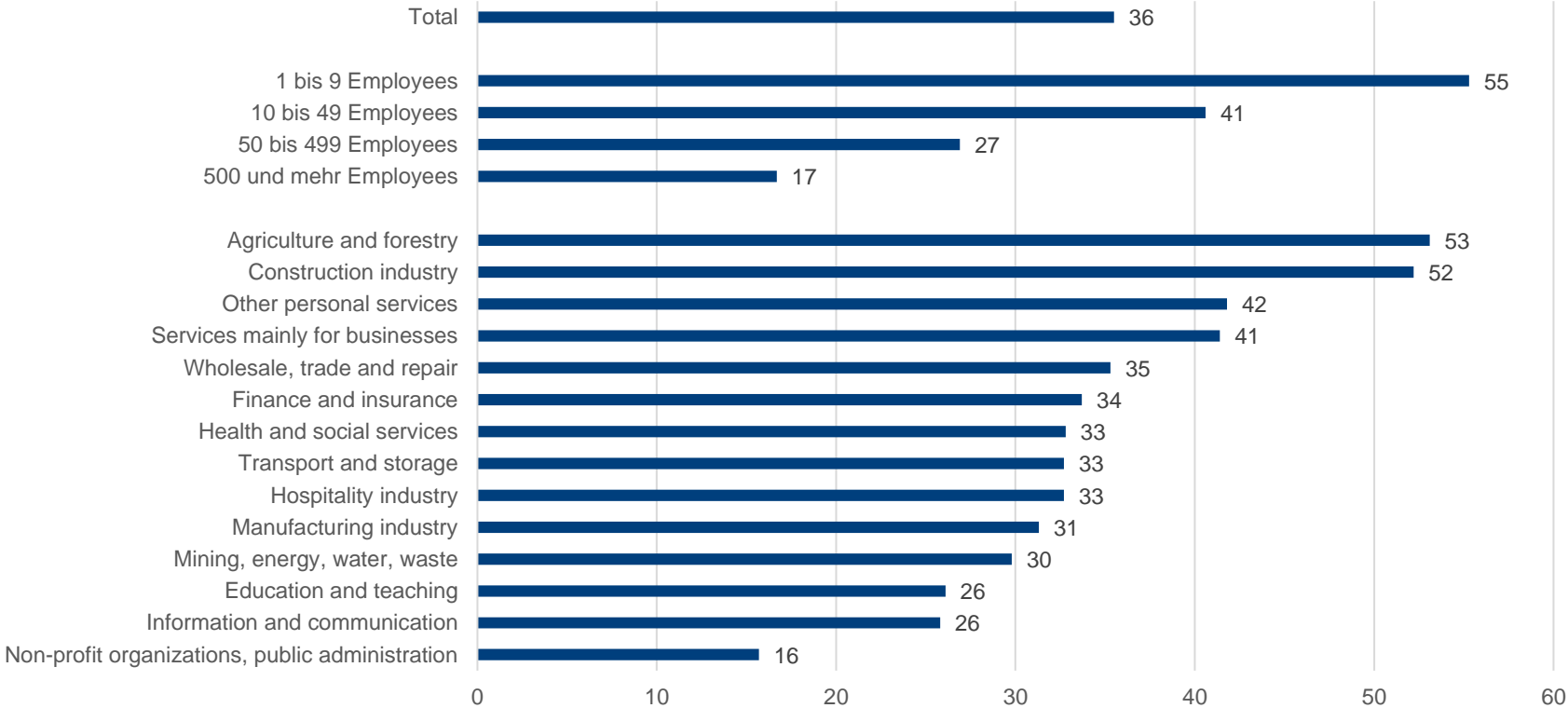
Source: Eurostat (online data code: jvs_q_nace2)



Graph available at:
https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Job_vacancy_statistics

DESPITE ECONOMIC WEAKNESS, A VERY HIGH VACANCY RATE FOR SKILLED WORKERS PERSISTS, PARTICULARLY IN AGRICULTURE AND FORESTRY, CONSTRUCTION, AND OTHER PERSONAL SERVICES, IN 2025

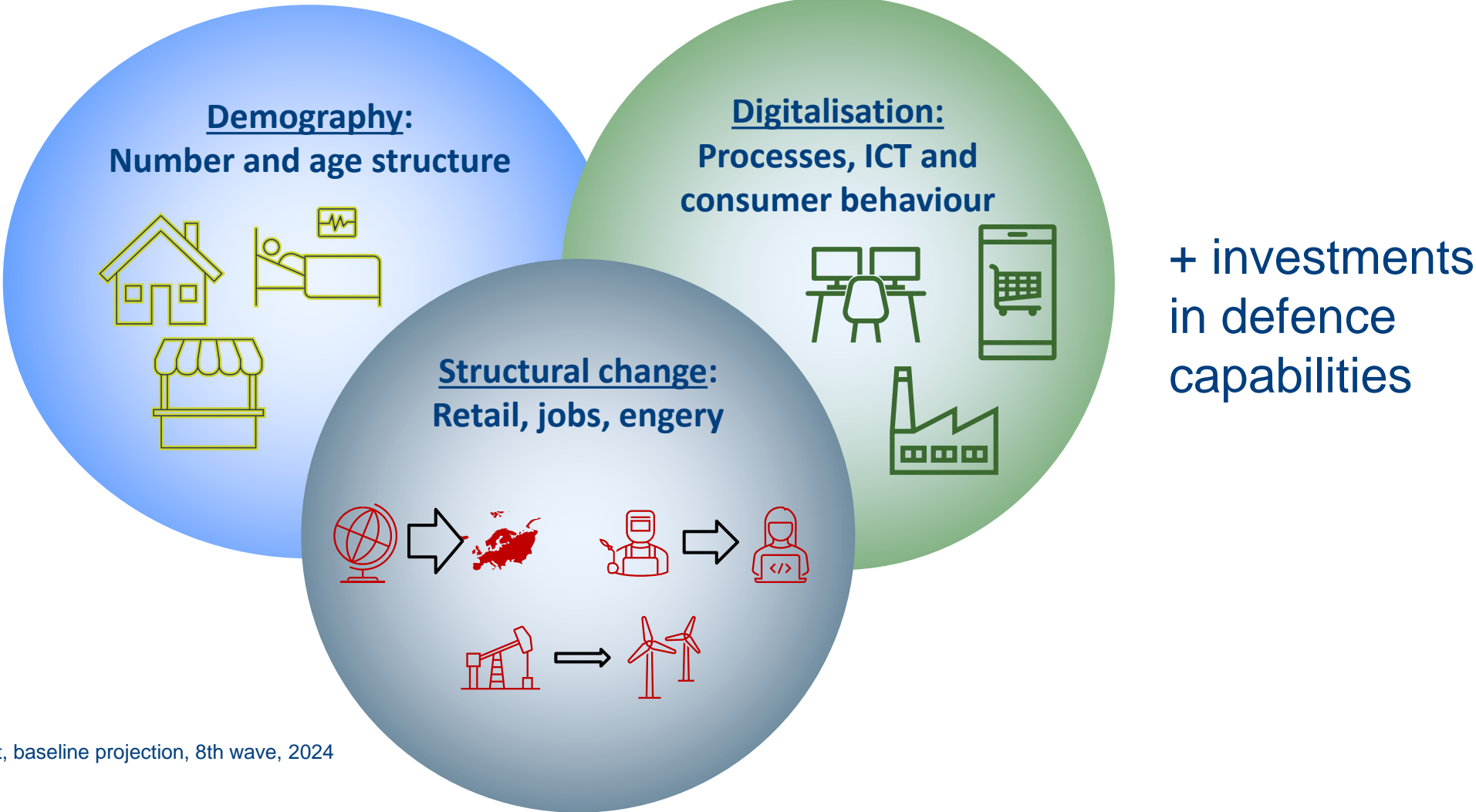
Vacancies in skilled worker positions 2025 (in percent)
 (Percentage of skilled worker positions that could not be filled in the first half of the year, out of all skilled worker positions in the first half of the year)



Source: IAB Establishment Panel 2025; Basis: Establishments with a need for skilled workers

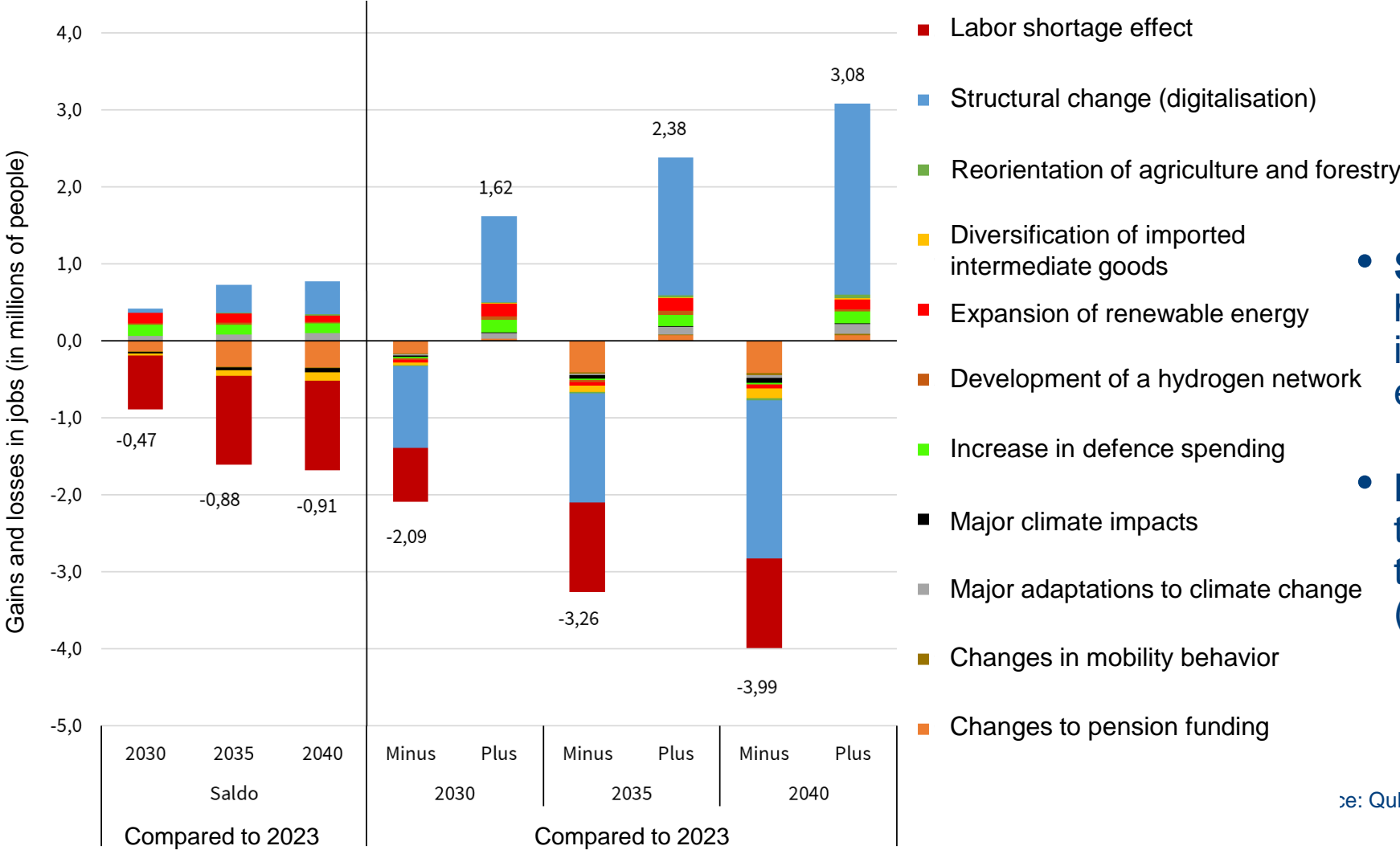
OUTLOOK: IAB PROJECTIONS

MEGATRENDS



Source: QuBe-Project, baseline projection, 8th wave, 2024

BASELINE PROJECTION: 8TH WAVE, 2024: WORKPLACE TRANSFORMATION



- **Structural change** has the greatest impact on changes in employment
- **Labor shortage** has the greatest impact on the number of jobs (net figure)

Source: QuBe-Project, Base projection, 8th Wave, 2024.

ARTIFICIAL INTELLIGENCE: DIFFUSION AND POTENTIAL IMPACTS ON THE GERMAN LABOUR MARKET

Arntz, Melanie, Myriam Baum, Eduard Brüll, Ralf Dorau, Matthias Hartwig, Britta Matthes, Sophie-Charlotte Meyer, Oliver Schlenker, Anita Tisch & Sascha Wischniewski (2025): Low Barriers, High Stakes: Formal and Informal Diffusion of AI in the Workplace. (Ifo working papers 422), München.

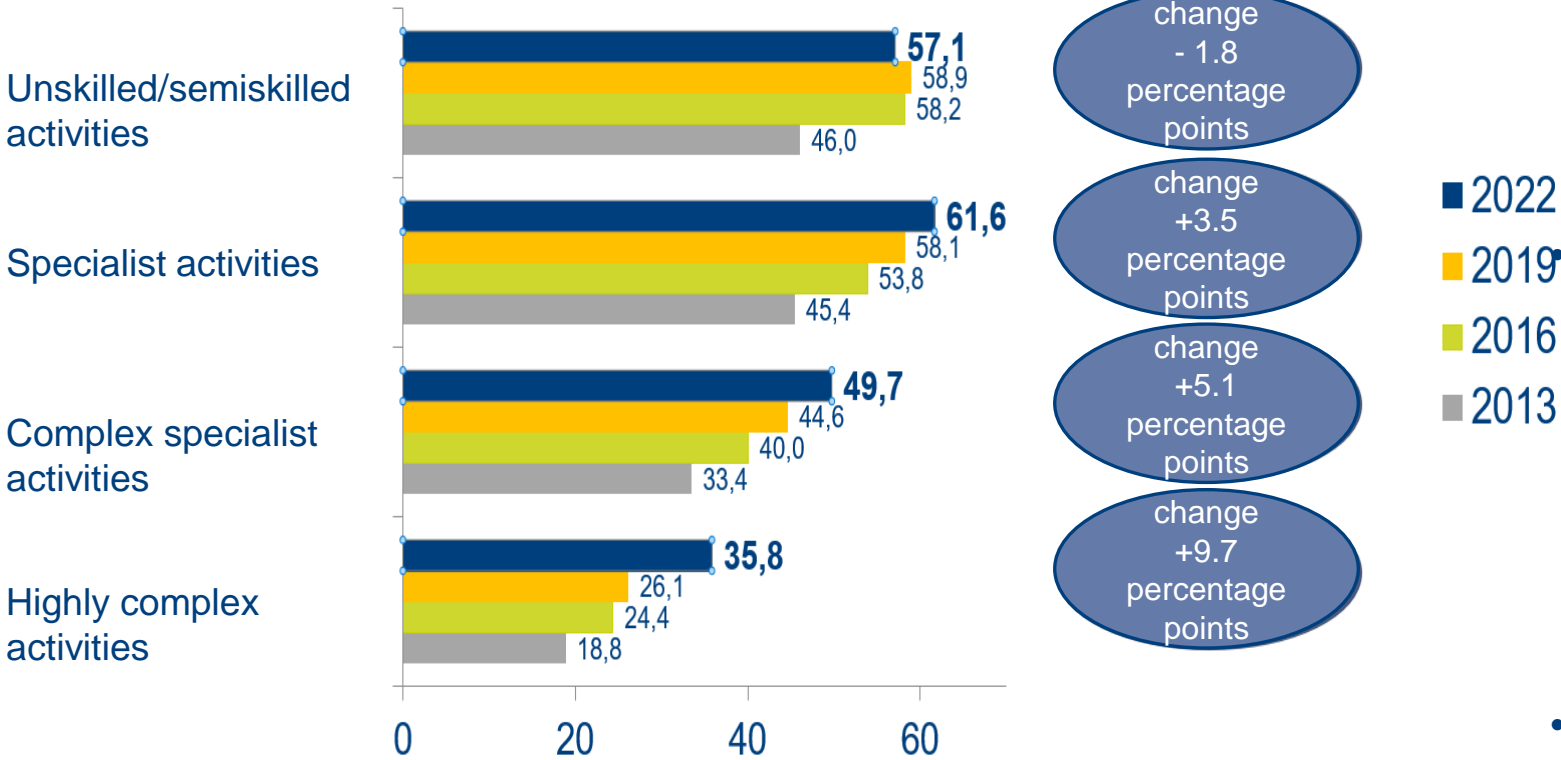
Grienberger, Katharina, Britta Matthes & Wiebke Paulus (2024): Folgen des technologischen Wandels für den Arbeitsmarkt: Vor allem Hochqualifizierte bekommen die Digitalisierung verstärkt zu spüren. (IAB-Kurzbericht 05/2024), Nürnberg.

Zika, Gerd, Theresa-Marie Hassemer, Markus Hummel, Bennet Krebs, Tobias Maier, Anke Mönnig, Christian Schneemann, Enzo Weber & Johanna Zenk (2025): Künstliche Intelligenz: Potenzielle Effekte für den deutschen Arbeitsmarkt. (IAB-Forschungsbericht 23/2025), Nürnberg.

DIGITAL TRANSFORMATION: EVEN MORE COMPLEX ACTIVITIES COULD BE INCREASINGLY AUTOMATED

Substitutability potential according to requirement level

Proportion of activities that could potentially be performed by computers today could potentially be performed by computers (in percent) -



- Substitutability potential:** To what extent can professional activities be **performed fully automatically** by computers or computer-controlled machines.

Whether potential is **actually exploited** depends on many factors: **Human Labour can be more economical, more flexible or of better quality;** legal or ethical hurdles stand in the way of substitution

- IAB Job Futuromat:** <https://job-futuromat.iab.de>

Source: Grienberger, Katharina, Britta Matthes & Wiebke Paulus (2024): Folgen des technologischen Wandels für den Arbeitsmarkt: Vor allem Hochqualifizierte bekommen die Digitalisierung verstärkt zu spüren. (IAB-Kurzbericht 05/2024), Nürnberg, 8 S. DOI:10.48720/IAB.KB.2405

DIFFUSION OF AI IN THE WORKPLACE

- While 64 per cent of employees use AI tools in 2024, only **20 per cent used them frequently**.
- This diffusion is **strongly skill-biased**.
- Only **one third** use AI introduced by their employer; **two-thirds use AI** on their **own initiative**.
- Formality is associated with higher perceived productivity gains and training, but also with more AI-based monitoring.

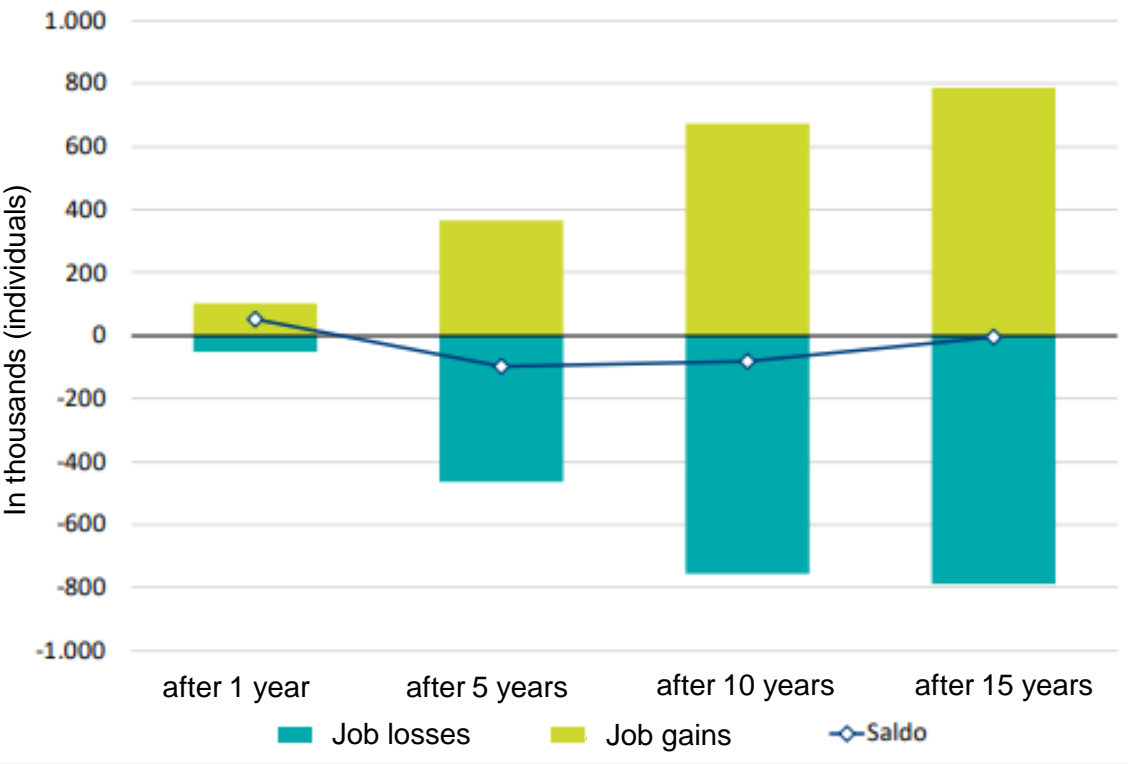
IAB SCENARIO ANALYSIS: HOW IS THE GERMAN ECONOMY CHANGING DUE TO THE INCREASED USE OF AI?

- AI scenario:
 - On average, annual economic growth is 0.8 percentage points higher.
 - Cumulative over 15 years, this equates to €4.5 trillion in additional value added.
- Number of jobs in the AI scenario
 - The total number of job remains at a similar level to that in the reference scenario after 15 years.
 - There is rising labor demand, particularly among IT and information service providers (+110,000) and falling labor demand in the business services sector (-120,000).
- Changing labor demand by job requirements:
 - Medium term: fewer specialists required
 - Long term: fewer experts required
 - Least affected: unskilled, semi-skilled and skilled workers

Source: Zika, Gerd, Theresa-Marie Hassemer, Markus Hummel, Bennet Krebs, Tobias Maier, Anke Mönnig, Christian Schneemann, Enzo Weber & Johanna Zenk (2025): Künstliche Intelligenz: Potenzielle Effekte für den deutschen Arbeitsmarkt. (IAB-Forschungsbericht 23/2025), Nürnberg, 58 S.

STRUCTURAL CHANGE: SMALL NET CHANGE IN JOBS MASKS LARGE NUMBER OF JOB LOSSES AND JOB GAINS

Impact on the number of jobs created and lost Difference from the reference scenario (in thousand)



Quelle: QuBe-Projekt, 8. Welle.

Source: Gerd Zika, Theresa-Marie Hassemer, Markus Hummel, Bennet Krebs, Tobias Maier, Anke Mönning, Christian Schneemann, Enzo Weber, Johanna Zenk (2025): Künstliche Intelligenz: Potenzielle Effekte für den deutschen Arbeitsmarkt (IAB-Forschungsbericht 23/2025).

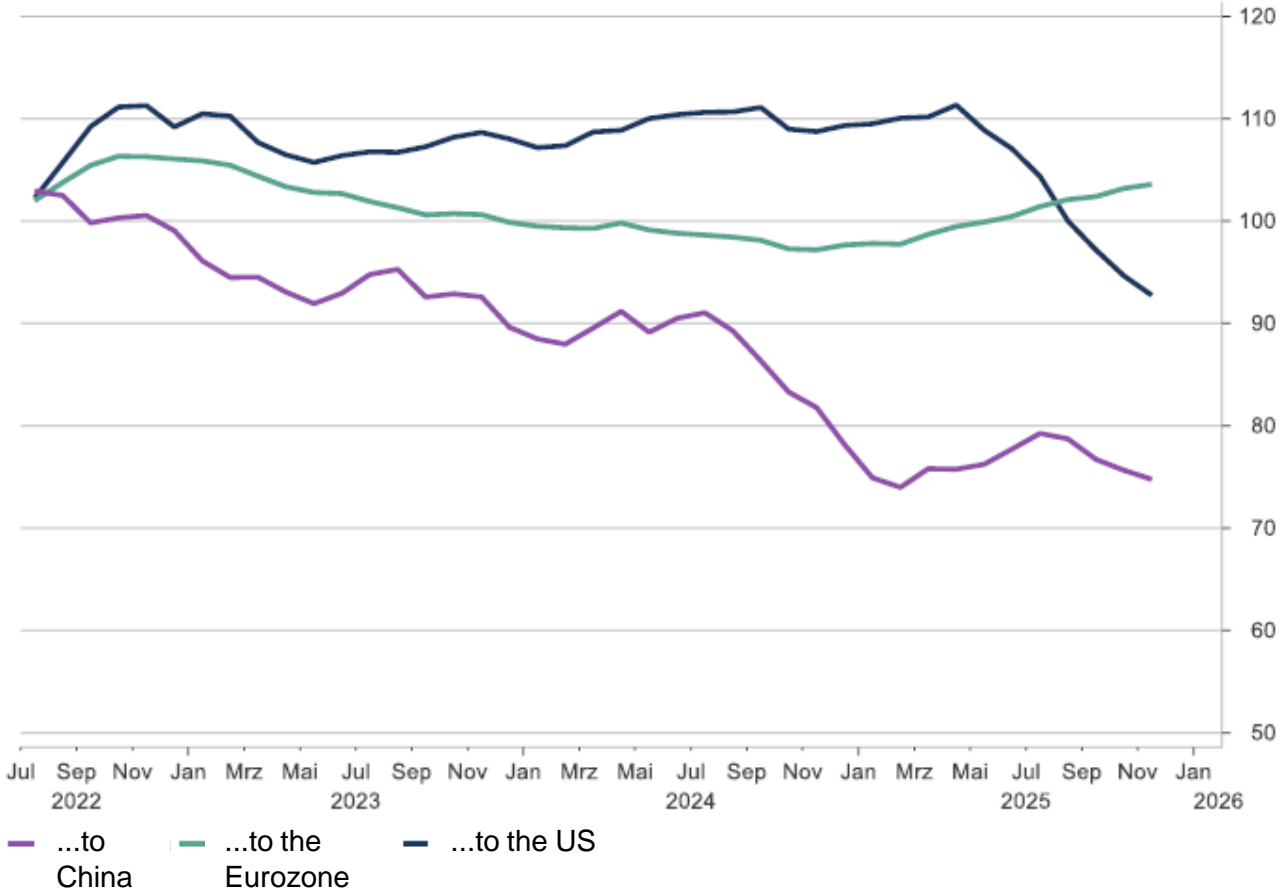
SIMULATION OF TARIFFS: IMPACT ON THE ECONOMY AND THE LABOUR MARKET IN GERMANY

Schneemann, Christian, Anke Mönnig, Tobias Maier, Enzo Weber, Johanna Zenk & Gerd Zika (2025): Die Auswirkungen von Zöllen der USA auf Wirtschaft und Arbeitsmarkt in Deutschland. (IAB-Forschungsbericht 09/2025), Nürnberg, 28 S. [DOI:10.48720/IAB.FB.2509](https://doi.org/10.48720/IAB.FB.2509).

GERMAN EXPORTS TO THREE KEY MARKETS

- German **exports** are **falling** particularly to **China** and the **US**
- Reason: Aggressive **trade and industrial policies**

German exports, nominal, 6-month intervals, 2022=100



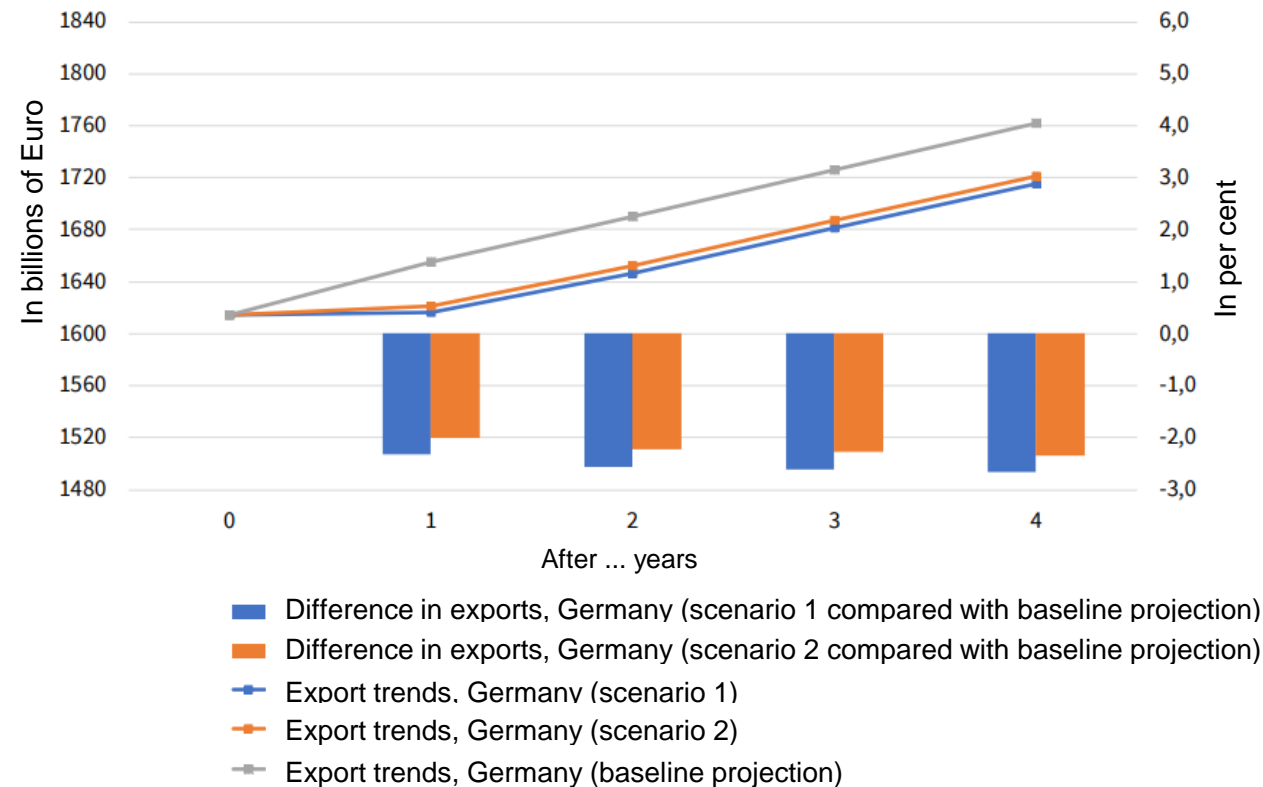
QUBE PROJECTION

- The QUBE baseline projection is based on **existing trends** (until 2024).
- **Scenario 1** involves 25% tariffs on Chinese, Mexican, Canadian and European imports to the US.
- **Scenario 2** involves the tariffs in Scenario 1, plus retaliatory tariffs of 25% on US imports to China, Mexico, Canada and the EU.
- Tax revenues used to reduce production costs in the respective countries.

Source: Schneemann, Christian, Anke Mönnig, Tobias Maier, Enzo Weber, Johanna Zenk & Gerd Zika (2025): Die Auswirkungen von Zöllen der USA auf Wirtschaft und Arbeitsmarkt in Deutschland. (IAB-Forschungsbericht 09/2025), Nürnberg, 28 S. [DOI:10.48720/IAB.FB.2509](https://doi.org/10.48720/IAB.FB.2509).

IMPACT OF TARIFF INCREASES ON GERMAN EXPORTS

Impact of tariff increases on German exports (price-adjusted) in billions of euros, and as the difference between alternative scenarios and the QuBe baseline projection in per cent



Source: Schneemann, Christian, Anke Mönig, Tobias Maier, Enzo Weber, Johanna Zenk & Gerd Zika (2025): Die Auswirkungen von Zöllen der USA auf Wirtschaft und Arbeitsmarkt in Deutschland. (IAB-Forschungsbericht 09/2025), Nürnberg, 28 S. [DOI:10.48720/IAB.FB.2509](https://doi.org/10.48720/IAB.FB.2509).

Quelle: Eigene Darstellung, QuBe-Projekt 8. Welle.

CONCLUSIONS I: CURRENT AND FUTURE TRENDS IN THE GERMAN LABOUR MARKET

- The German labour market faces **significant challenges** due to demographic change, structural transformation and digitalization
- In addition, there has been an increase in **defence spending**, as well as an uncertain impact from **US tariffs**
- The employment of **older people**, **women** (high proportion of part-time workers) and **immigration of skilled workers** are key areas for **addressing skills shortages** and mitigating negative economic effects

PART 2

EVIDENCE-BASED POLICIES

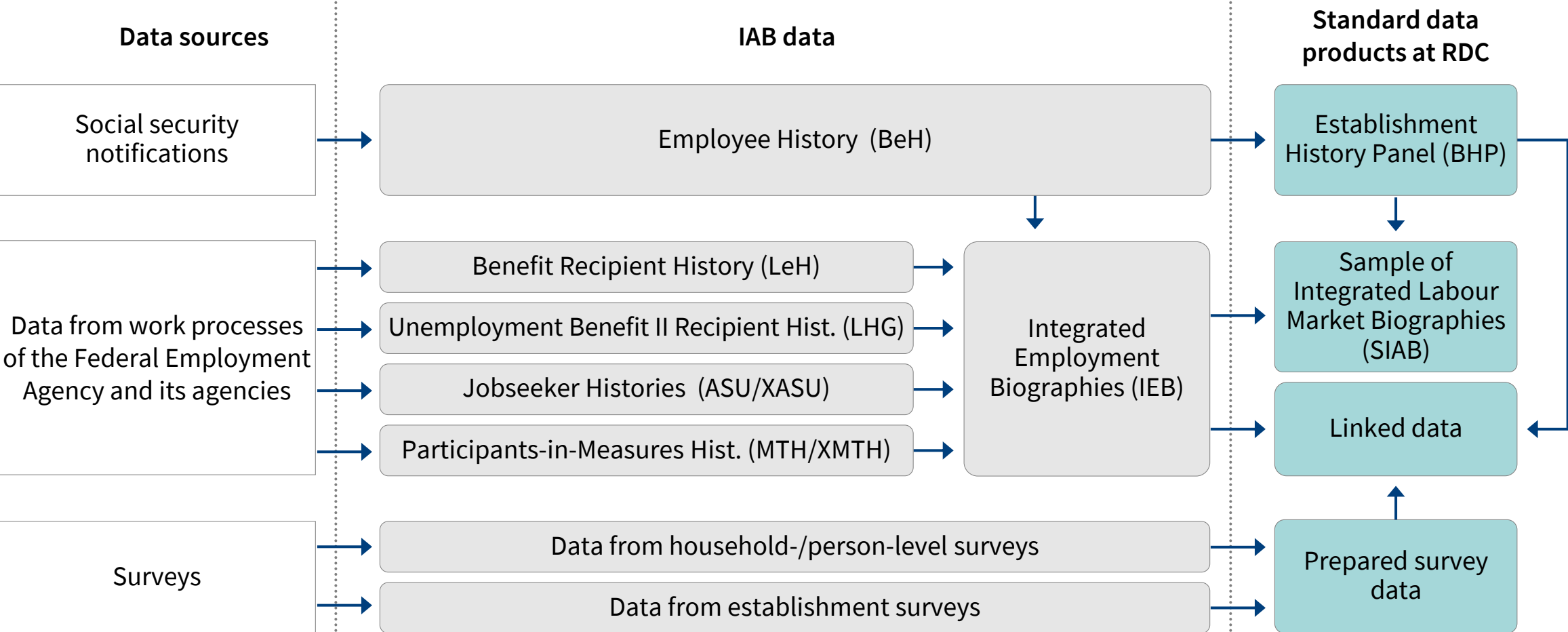
Fitzenberger, Bernd & Karolin Hiesinger (2025): Politikevaluation als gesetzlicher Auftrag: das Teilhabechancengesetz als Fallbeispiel. In: Wirtschaftsdienst, Jg. 105, H. 6, S. 450-455. [DOI:10.2478/wd-2025-0114](https://doi.org/10.2478/wd-2025-0114)

Achatz, Juliane, Frank Bauer, Jenny Bennett, Nadja Bömmel, Mustafa Coban, Martin Dietz, Kathrin Englert, Philipp Fuchs, Jan Frederik Carl Gellermann, Claudia Globisch, Sebastian Hülle, Zein Kasrin, Peter Kupka, Anton Nivorozhkin, Christopher Osiander, Laura Pohlan, Markus Promberger, Miriam Raab, Philipp Ramos Lobato, Brigitte Schels, Maximilian Schiele, Mark Trappmann, Stefan Tübbicke, Claudia Wenzig, Joachim Wolff, Stefan Zins & Cordula Zabel (2024): Subsidised jobs for the long-term unemployed: An evaluation of the German Participation Opportunities Act. In: IAB-Forum H. 23.12.2024.

MOTIVATION: THE BENEFITS OF LINKED DATA FOR EVIDENCE-BASED POLICY ADVICE

- Researchers and policymakers need **high-quality up-to-date data** for state-of-the-art empirical research and evidence-based policy advice
→ credible **causal effect estimates** using quasi-experimental variation often require **large data sets**
- But: **Linking administrative data from different sources** (IAB, Statistical Office, Pension Insurance) is very difficult (often impossible) without consent
- The IAB has a long-standing history of **linking individual administrative data**, making it one of the largest producers of labor market research data worldwide:
 - Process data from **various administrative processes** (e.g., social security employment, receipt of unemployment benefit, participation in active labor market programmes), sometimes combined with other admin data (e.g., German Pension Insurance)
 - Process data and **survey data**: IAB combines several surveys conducted by IAB with administrative data, provided consent is given (e.g., PASS-AdIAB, IAB Establishment Survey (LIAB), ...)

GENERAL OVERVIEW ABOUT SOURCES AND DATA SETS



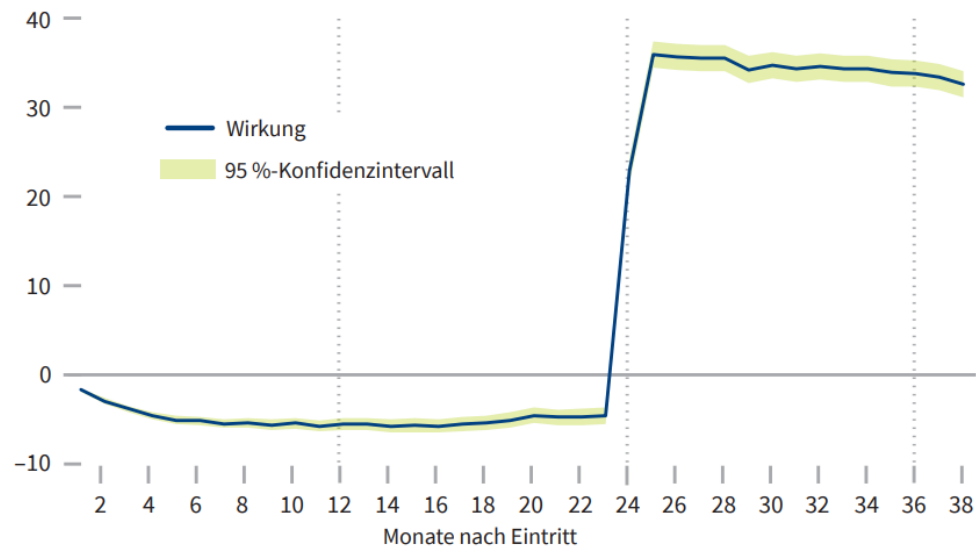
SHOW CASE: EVALUATION OF THE PARTICIPATION OPPORTUNITIES ACT

- **Long-term unemployment** has a negative impact on employment prospects and various aspects of social participation (e.g., Brand 2015; Gundert/Pohlan 2022)
- The participation opportunities act aims to enable **employment and social participation** for people who would have little chance of finding work without support – through wage subsidies and accompanying coaching:
 - **‘Integration of the long-term unemployed (EvL)’**: 75 per cent of wage costs in the first year and 50 per cent in the second year.
 - **‘Participation in the labour market (TaAM)’**: Wage subsidy over a period of up to five years: The subsidy covers wage costs in full in the first and second years of support; from the third year onwards, the subsidy is reduced by 10 percentage points annually.
- IAB has been investigating whether and to what extent this is successful – both qualitatively and quantitatively.

ANALYSIS OF EMPLOYMENT EFFECTS USING ADMINISTRATIVE DATA

Teilnahmewirkung der EvL-Förderung auf die Quote in regulärer Beschäftigung im Zeitverlauf

Effekt in Prozentpunkten



EvL = Instrument des Teilhabechancengesetzes „Eingliederung von Langzeitarbeitslosen“ (§ 16e SGB II).

Lesebeispiel: 24 Monate nach Eintritt in die EvL-Förderung haben die Geförderten eine um etwa 23 Prozentpunkte höhere Quote in regulärer Beschäftigung als ihre statistischen Zwillinge.

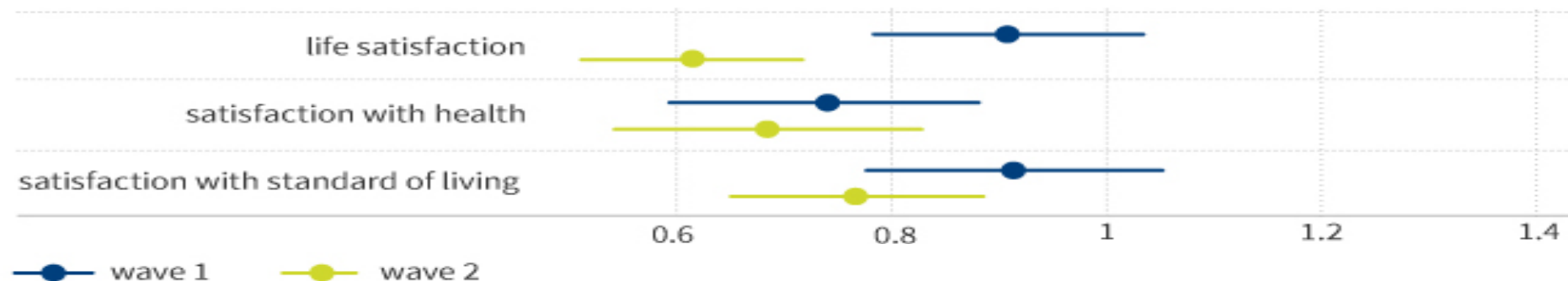
Quelle: Integrierte Erwerbsbiografien (IEB) und Leistungshistorik Grundversicherung (LHG), eigene Berechnungen. © IAB

- Method: Statistical twins as control-group based on **rich administrative data**
- **Transitions into unsubsidised** employment under EvL are **often successful**
- The support is particularly beneficial to the long-term unemployed without vocational training and those with a poor employment history

ANALYSIS OF EFFECTS ON SOCIAL PARTICIPATION USING LINKED SURVEY-ADMINISTRATIVE DATA

- Key aim: improvement of participants' **social participation** and employability.
- Results: Subsidised employment has a **significant positive effect** on participants' individual assessment **on life satisfaction** and other subjective indicators compared to the control group of non-participants

Fig. 3: Participation effects on indicators of social participation by wave – 'Integration of the Long-Term Unemployed'



Note: Bars show the 90% confidence interval.

Source: Panel dataset 'Quality of Life and Social Participation', wave 1 (2020/2021) and wave 2 (2021/2022), balanced panel; own calculations. © IAB

CONCLUSIONS II: EVIDENCE-BASED POLICIES

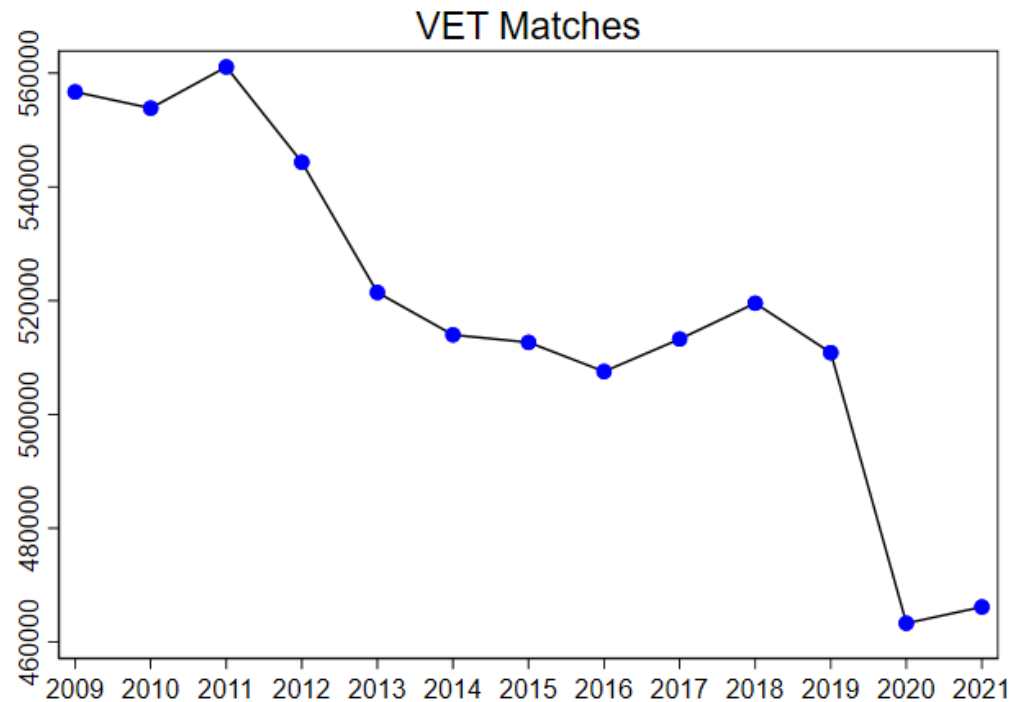
- **IAB: Show Case** in the field of labor market and occupational research: Innovation through close links between research, policy advice and operational practice
- Evaluation of the participation opportunities act: use of administrative data, accompanying surveys for further outcomes, qualitative research
→ Results are **communicated to policymakers** in a timely manner (Inside-Advisor)
- **Linked datasets: great potential** for research and policy advice (field experiments: long term outcomes)
- **Ex-post evaluation** of active labor market policy measures

PART 3

SCHOOL-TO-WORK TRANSITIONS – CHALLENGES IN THE GERMAN VET MARKET

Fitzenberger, Bernd, Anna Heusler, Anna Houštická & Leonie Wicht (2025): The composition of applicants, mismatch, and matching efficiency in the German VET market. In: Labour Economics, 95, p. 1-28. DOI:10.1016/j.labeco.2025.102755

ENTRIES INTO VET IN GERMANY

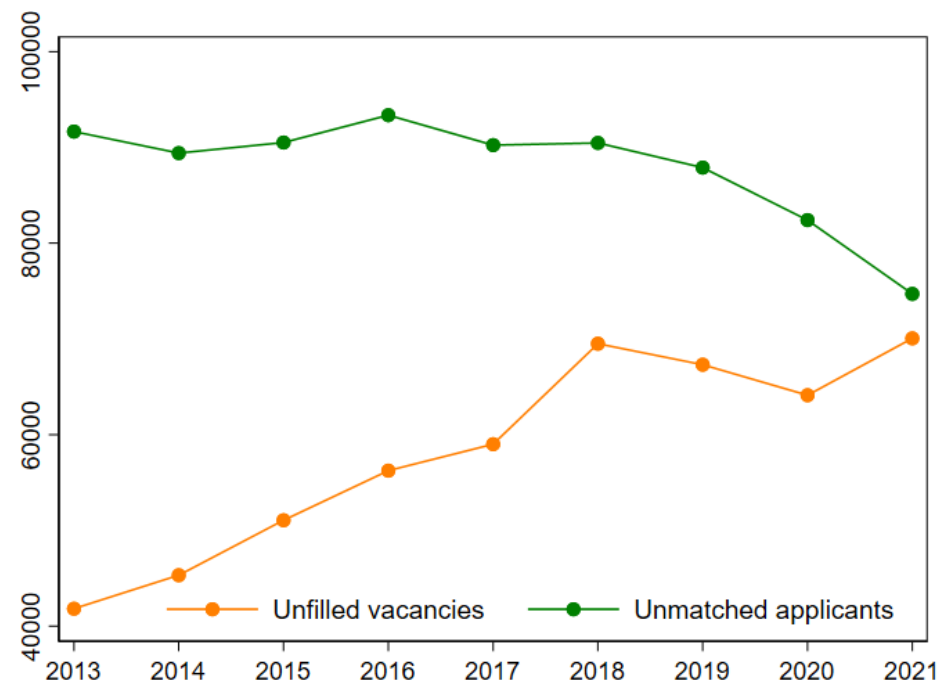
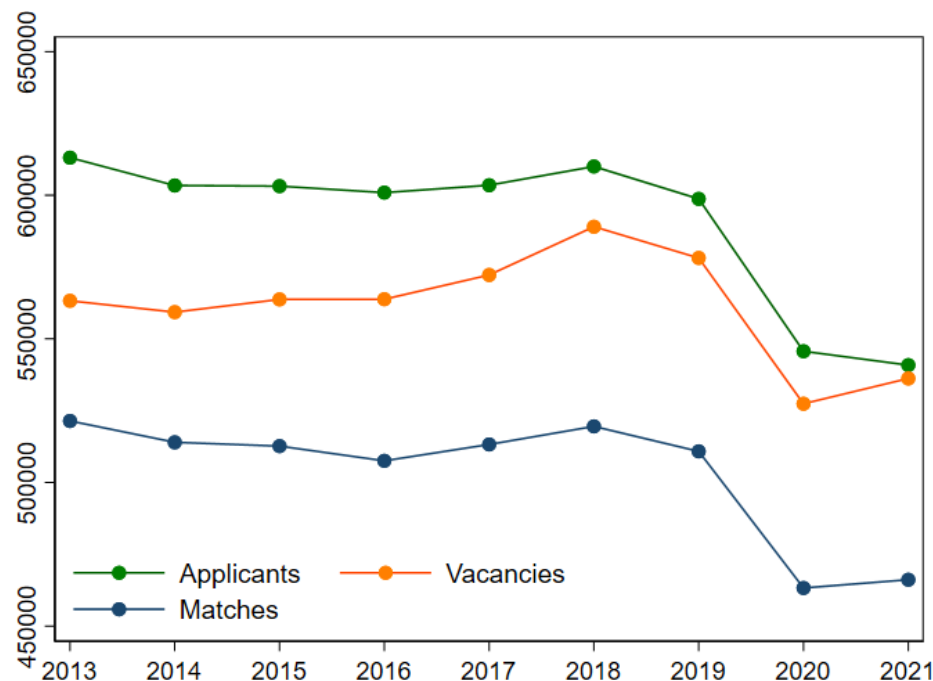


- Decrease in new contracts signed by 11% from 2009 to 2021
 - Strong decline during Covid
- Why?

DUAL VET IN GERMANY

- Combines on-the-job training at a training firm with general education at vocational schools
 - Training for one specific occupation (324 in total)
 - Training duration: 2 – 3.5 years
 - Most important pillar in the post-school educational system: entry rates around 50%
 - A majority of apprentices remain at the training firm afterwards (2025: 79%)
- Widely regarded as a benchmark for a smooth school-to-work transition internationally
- VET market operates similarly to a standard labor market: firms post VET positions and young adults can apply
 - Hiring and application process over the course of the counseling year from October to September in the following year

APPLICANTS, VACANCIES, AND SIGNED CONTRACTS



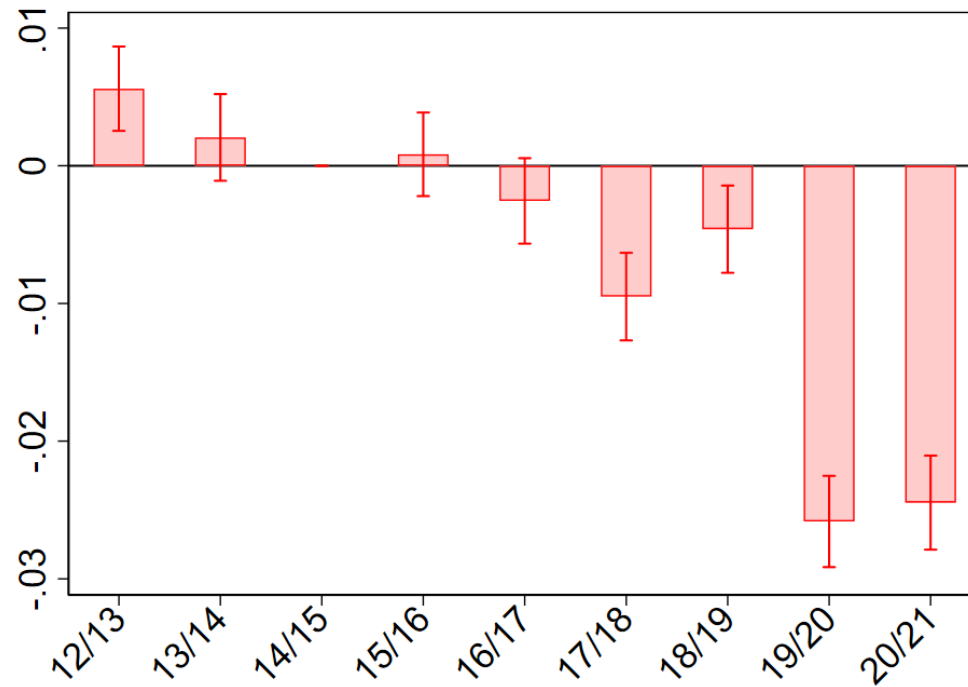
- Decline in number of applicants
- Vacancies increased before Covid
- Signed contracts lower than applicants / vacancies: Substantial mismatch
- Changes in applicants' composition: fewer applicants coming from school, increasing numbers of recent migrants

MATCHING FUNCTION

- Date Dimension: Region x Occupation 2013 to 2021
- Empirical matching function decomposes matching process into different parts:
 - The number of vacancies posted (demand) and individuals applying (supply)
 - How matches increase when applicants and vacancies change
 - How smoothly the matching process works (matching efficiency)

RESULTS ESTIMATION MATCHING FUNCTION

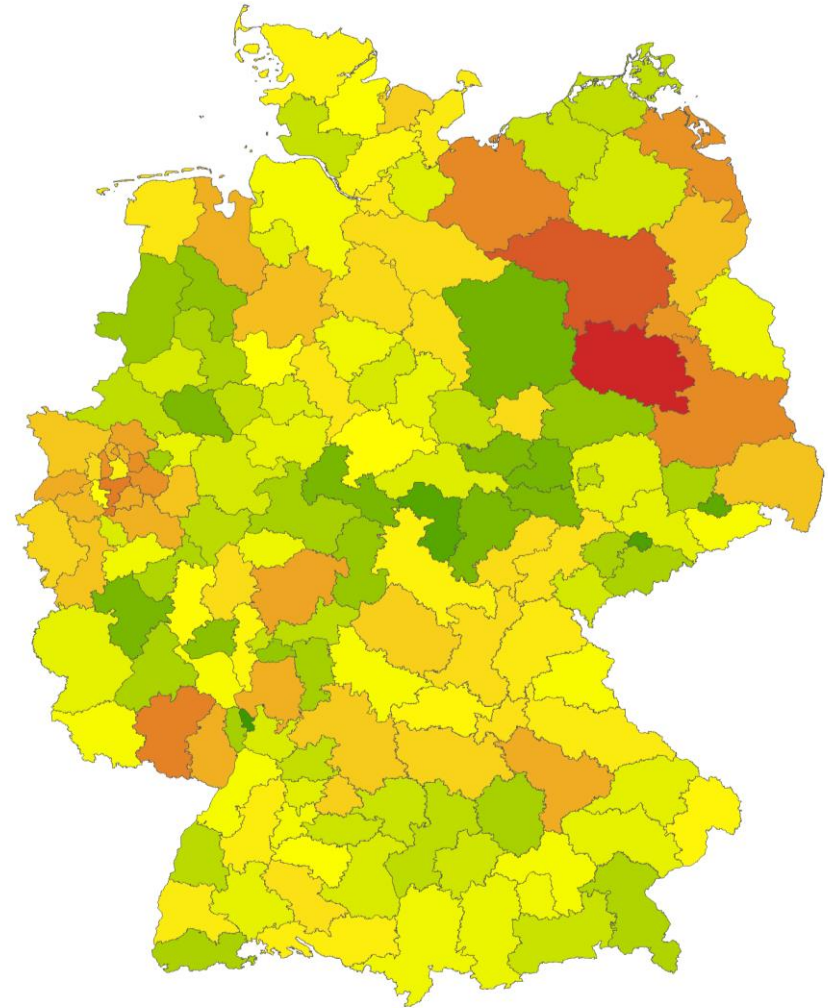
Matching efficiency over time



- Matching frictions increase over time, especially during Covid

MATCHING ACROSS REGIONS

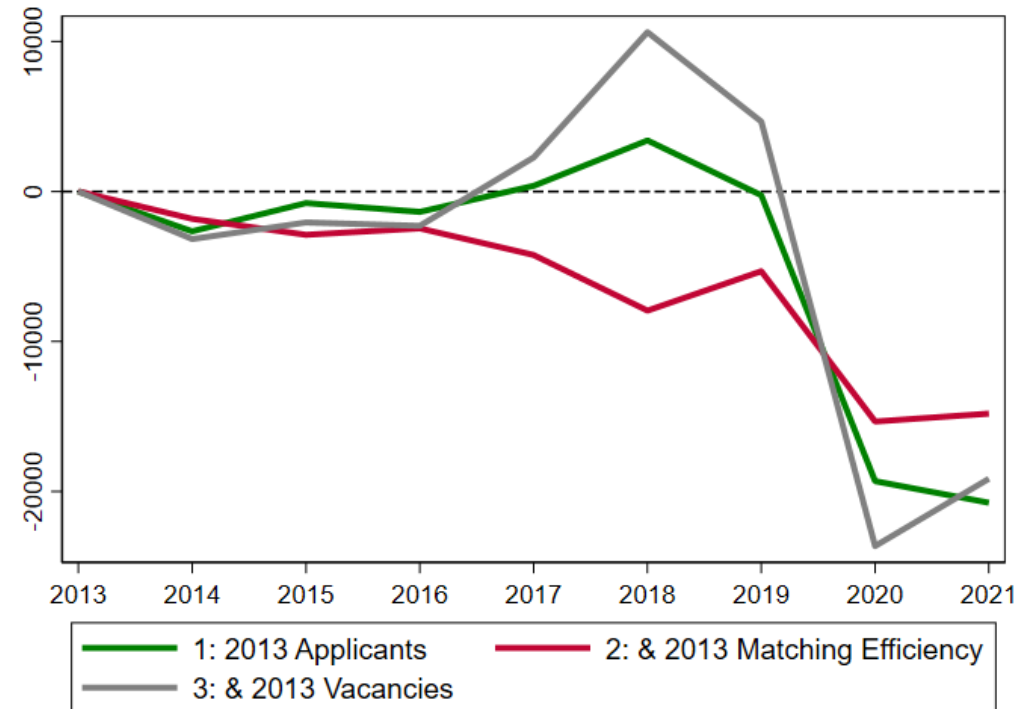
- Substantial variation across regions
- Crucial as a majority of apprentices still live with their parents



COUNTERFACTUAL ANALYSIS I

How would the number of new VET contracts would have evolved without changes in (1) applicants, (2) matching efficiency and (3) vacancies ?

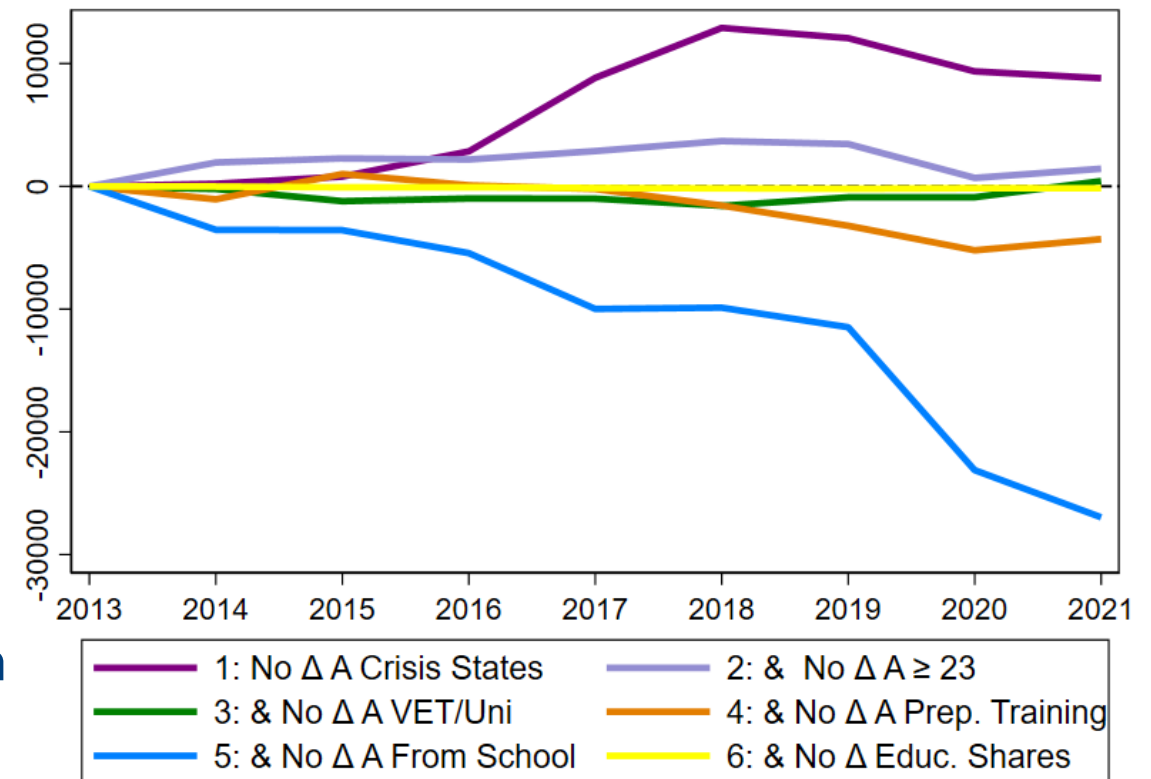
- Hold each of them constant successively and compute the **difference between** the number of actual matches and counterfactual matches
 - Positive value → observed changes lead to more matches
 - Negative value → observed changes lead to fewer matches
- Before Covid, increase in vacancies stabilizes the VET market
- During Covid, both applicants, vacancies and matching efficiency contribute negatively



COUNTERFACTUAL ANALYSIS II

How would the number of new VET contracts would have evolved without changes in the composition of applicants?

- Around 10,000 new contracts per year gained through increasing shares of applicants from Crisis States (refugees)
- Also slightly older applicants (23 years and above) contribute positively
- The overall decrease stems to a large extent from the decrease in applicants from recent school leavers



CONCLUSIONS III: CHALLENGES IN THE GERMAN VET MARKET

- VET market in Germany role model for other countries, but under substantial pressure: Long-term decline in applicants, growing mismatch
=> scarcity of skilled labor when baby boomers retire
- Matching efficiency and number of applicants have dropped in the Covid crisis - and not improved much since
- Number of vacancies increased again 2024, still high rate of unfilled vacancies (30% in 2025) despite recession
- Current economic crisis: Number of vacancies has declined in 25/26, number of applicants has increased due to deteriorating job chances

THANK YOU FOR YOUR ATTENTION!

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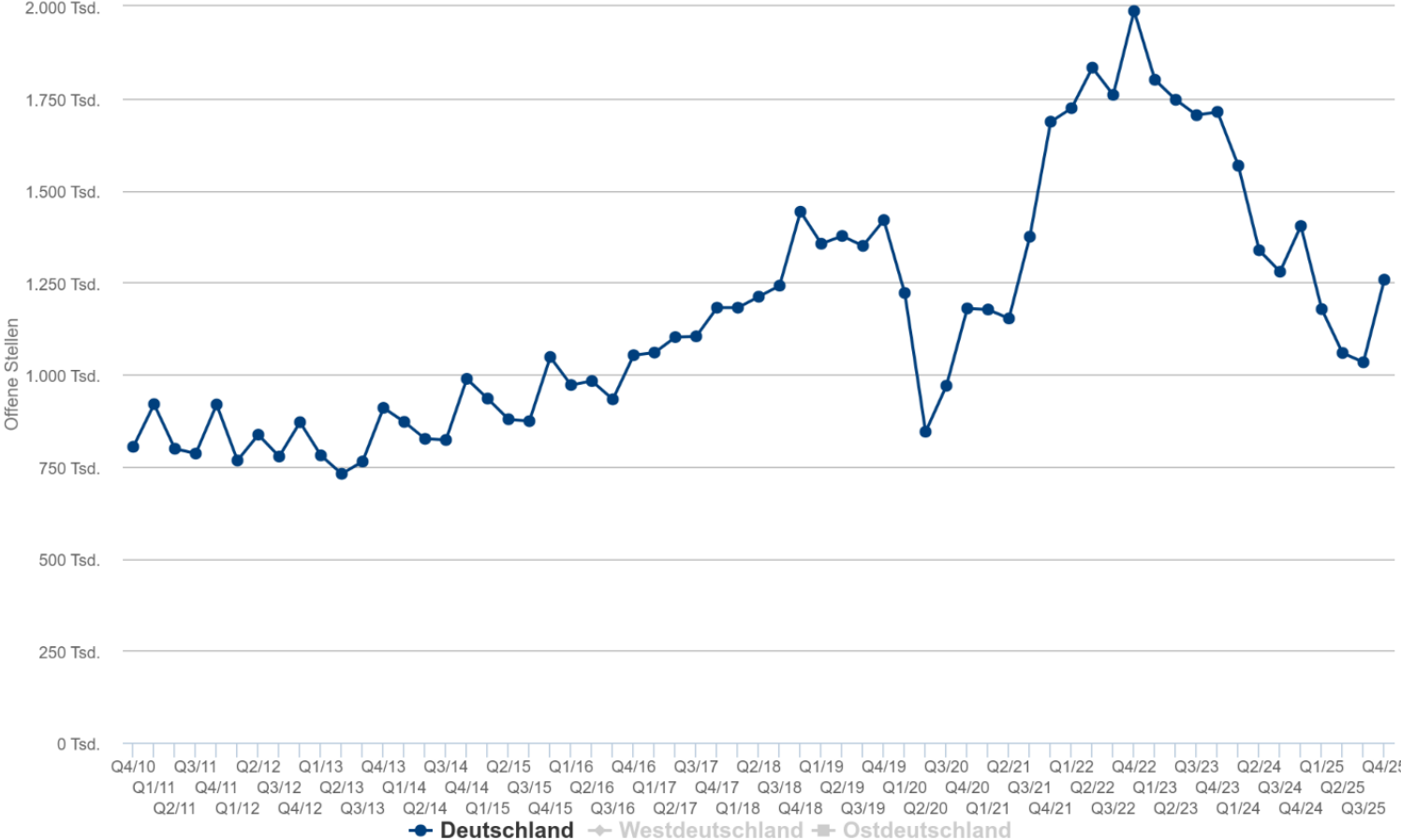


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BACK-UP

CURRENTLY AROUND 1.26 MILLION VACANCIES IN GERMANY

Number of vacancies in Germany

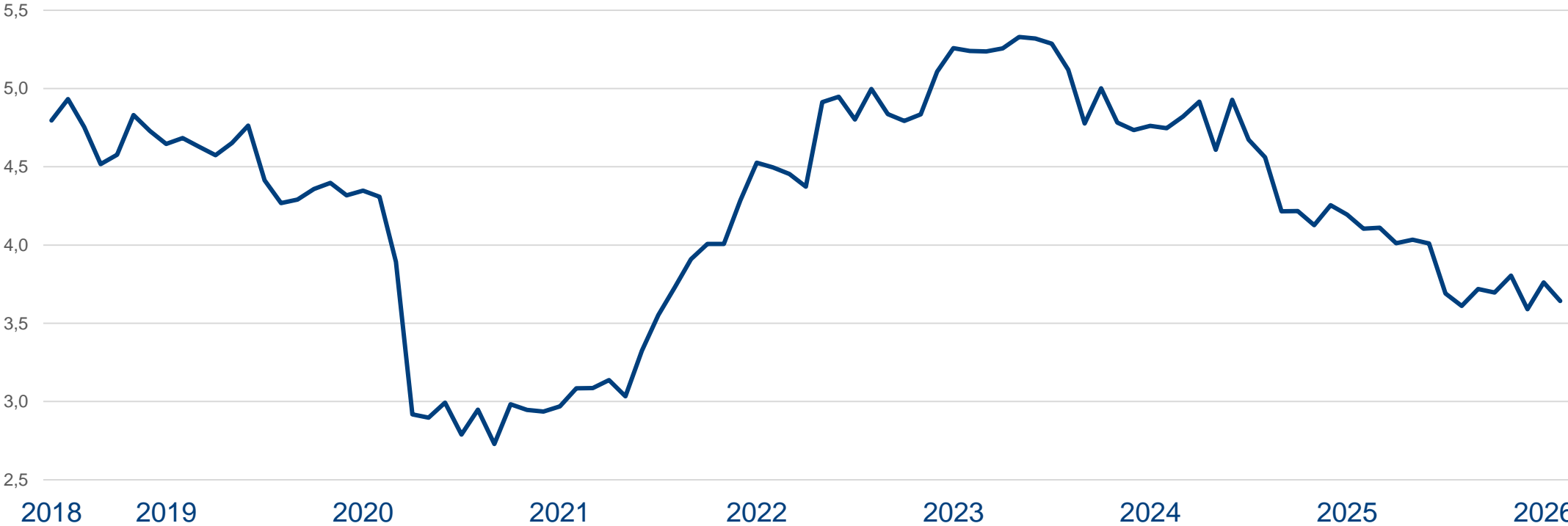


- In the fourth quarter of 2025, there were **1.26 million job vacancies in Germany**, which was a 22 per cent increase on the previous quarter. Around half of this increase can be attributed to **seasonal trends**.
- Compared to the fourth quarter of 2024, the number was around 10 per cent lower.

Source: <https://iab-forum.de/zahl-der-offenen-stellen-steigt-staerker-als-saisonueblich/>
 Graph available at: <https://www.iab.de/de/befragungen/stellenangebot/aktuelle-ergebnisse.aspx>

IAB LABOUR SHORTAGE INDEX IS FALLING

Employment agencies estimate the extent to which limited available labour makes it difficult to fill job openings in their agency district; Scale 0 to 10 with higher values signalling greater labour shortages in the job filling process.



Source: Hutter, C. & Weber, E. (2024): IAB Labour Shortage Index. Available at: <https://iab.de/en/daten/iab-labour-shortage-index/>

CURRENT US TARIFFS ON IMPORTS FROM TRADE PARTNERS (20.03.2026)

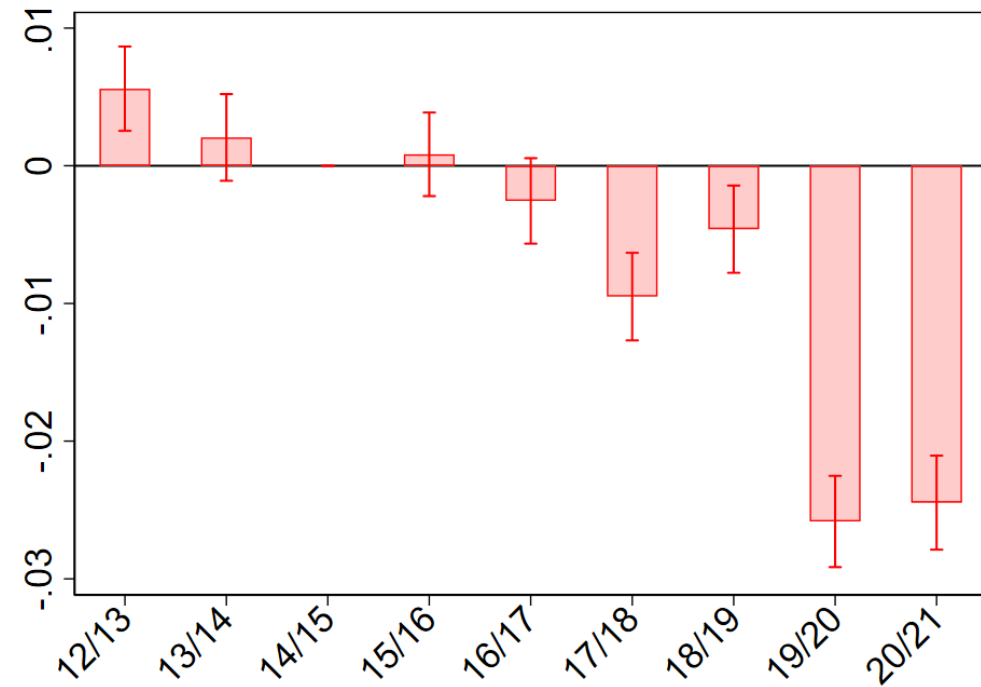
- Effective tariff rate on imports from China at 33.9% in January 2026 (UPenn Budget Model), the highest effective rate among all major trading partners.
- US tariffs on imports from the EU under Section 122 at 10 % (valid until July 2026, prolongation conditional on congressional approval), for cars and car parts 15 %. Tariffs on steel, aluminium and derivative products are at 50 %. Exceptions for pharmaceuticals, aircraft and aircraft parts.
- Exports from Mexico to the USA under the USMCA agreement (87 % of the total volume of exports in November 2025) are duty-free or charged the MFN rate. The rest of the exports are charged a 10 % tariff under Section 122 (valid until July 2026). The tariffs on steel, aluminium and derivative products are at 50 %, on automobiles and automobile parts at 25%.
- Exports from Canada to the USA under the USMCA agreement (78.8 % of the total volume of exports in July 2025) are duty-free or charged the MFN rate. The rest of the exports are charged a 10 % tariff under Section 122 (valid until July 2026). The tariffs on steel, aluminium and derivative products are at 50 %, on automobiles and automobile parts at 25%.
- A 10 % Tariff applies to most exports from the UK to the US, this is valid also for automobiles and automobile parts. Steel and aluminium are charged a 25 % rate, aircraft and aircraft parts are tariff-free.
- Some of the new tariffs (for steel and aluminium for instance) apply potentially on top of pre-existing MFN rates.

RESULTS ESTIMATION MATCHING FUNCTION

Estimation Results

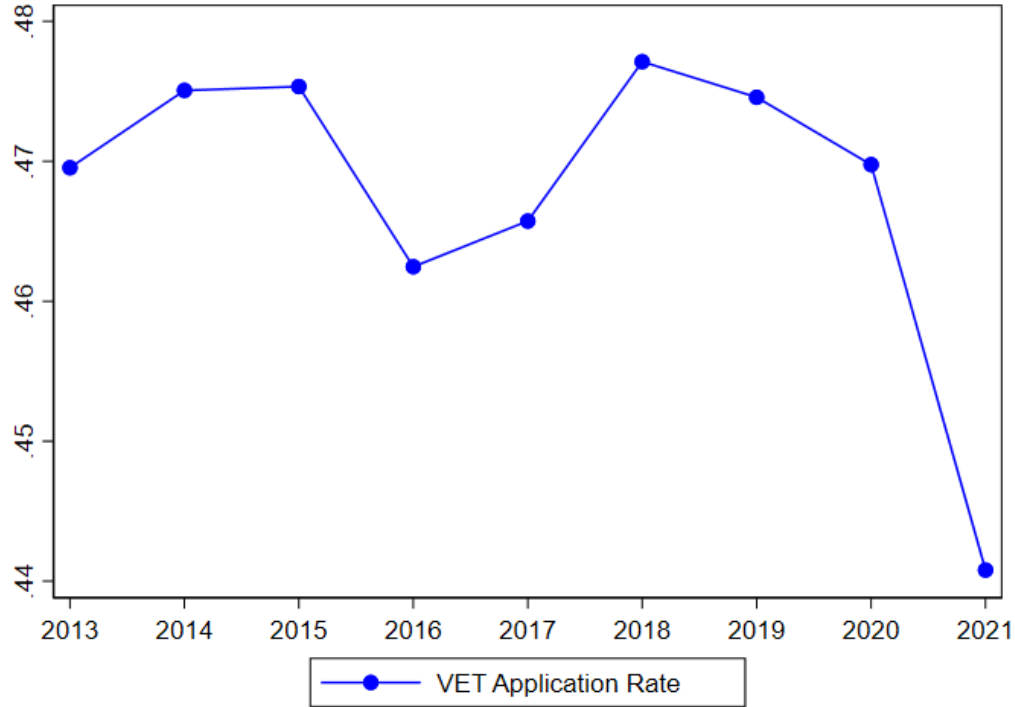
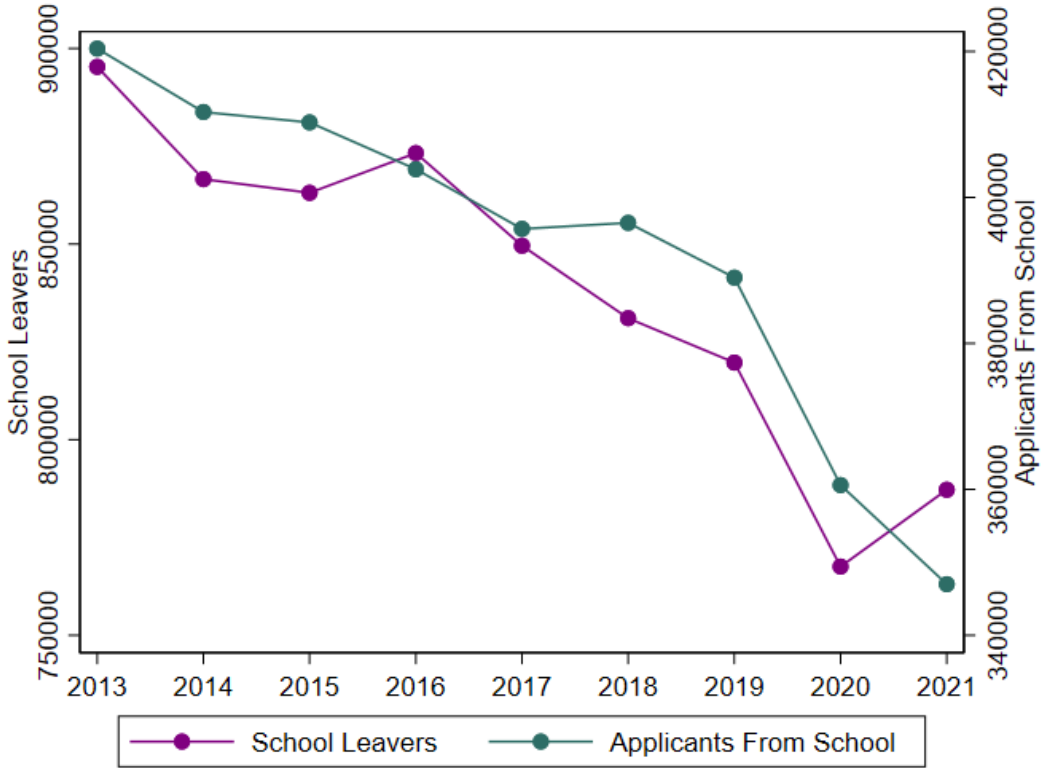
	Log Signed Contracts
Log Applicants	0.492***
Log Vacancies	0.541***
Constant	-0.350***
R Squared	0.997
Observations	34,927

Matching efficiency over time



- Larger matching frictions on the side of applicants
- Matching frictions increase over time, especially during Covid

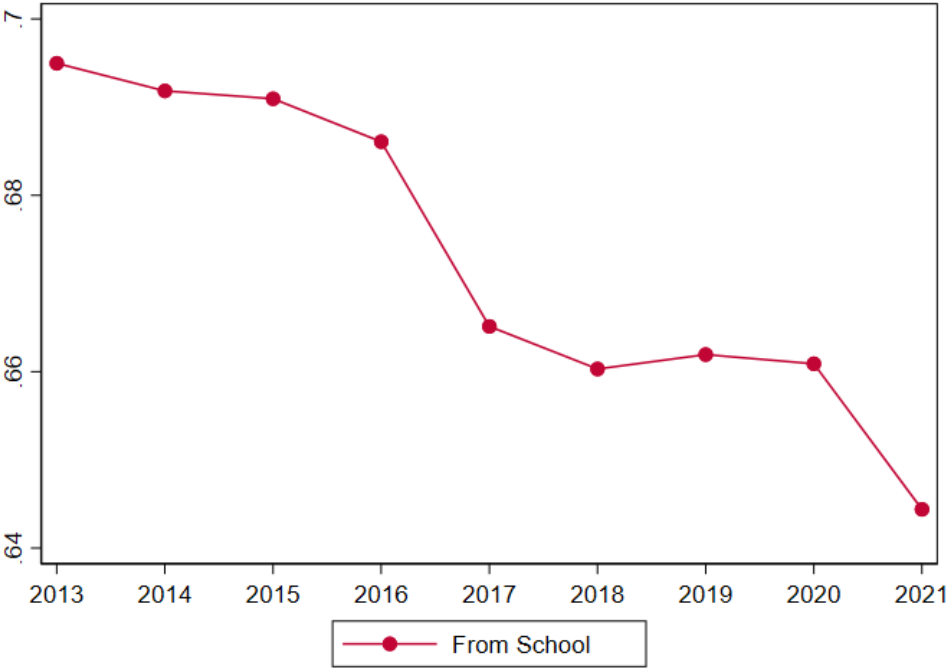
CHANGES IN THE COMPOSITION OF APPLICANTS



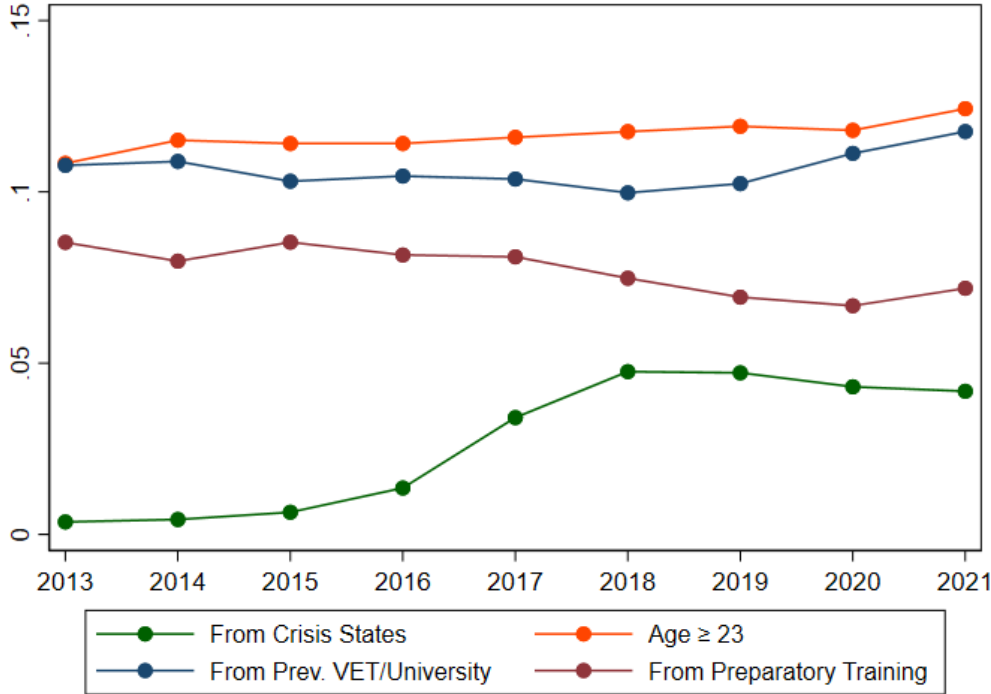
- Demographic change in school leavers is an important factor behind the decline in VET matches
- Before 2019, the share of school leavers applying for VET was stable, with a sharp decline in Covid

APPLICANTS FROM OTHER GROUPS

Share applicants from recent school leavers



Share applicants from other groups



- The main target group of school leavers loses importance over time
- The share of VET entrants from other groups increases – in particular from the group of recent migrants from Crisis states (Afghanistan, Eritrea, Iraq, Iran, Nigeria, Pakistan, Somalia, and Syria)

COUNTERFACTUAL ANALYSES

How would the number of VET contracts change without changes in the numbers recent school leavers and their application behavior?

- Declining numbers of school leavers drive VET matches down
- But: increasing interest in VET until 2019 contributes positively
 - With constant interest in VET, matches would decline stronger even before Covid
- Changes in educational attainment – which determines the set of alternative educational pathways – do not play a role

