Employment

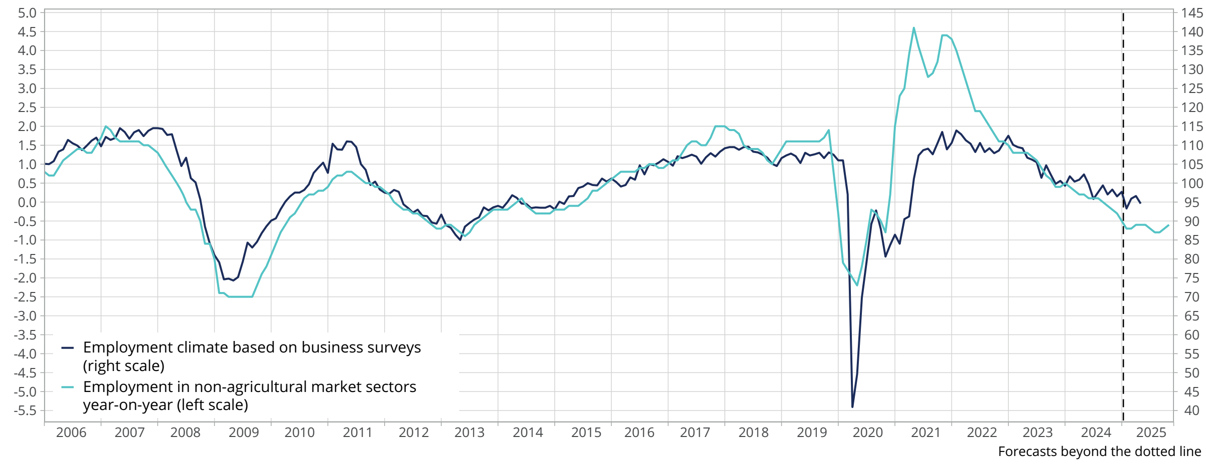
In 2024, payroll employment slowed markedly, levelling off year on year at the end of the year after rising by 0.6% twelve months earlier. It has actually been in decline for two quarters: in Q1 2025, 20,900 payroll jobs were destroyed (-0.1%), following a reduction of 98,600 in Q4 2024 (-0.4%). Year on year, payroll employment fell by 0.3%. This decline mainly concerned the private sector (-0.6%), while employment in the civil service continued to rise (+0.5%).

Business leaders' responses to business tendency surveys point towards a continued decline in their workforce in Q2 2025. The mood summarising their responses on employment has dropped below its long-term average (► **Figure 1**): at 95, it remains close to its lowest level since the end of the pandemic, reached last February. In addition, employment in work-study programmes (apprenticeships and professional training contracts), which has contributed significantly to the increase in total employment in the past (approximately one third between the end of 2019 and the end of 2022), and which had stabilised at a high level in 2024, is expected to fall in 2025, mainly as a result of the reduction in the subsidy for hiring an apprentice: 85,000 jobs on work-study programmes are likely to be lost between the end of 2024 and the end of 2025, most of them in H2 2025 (► **Box**). Private-sector employment is therefore set to fall back sharply (-105,000) in 2025, with a moderate decline expected in market tertiary employment excluding temporary employment, and an eventual stabilisation in temporary employment likely over the forecasting period. After years of uninterrupted increases since 2019, public-sector employment is set to contract very slightly starting in Q2 2025, meanwhile, due to the decline in subsidised employment contracts and the drop in apprenticeships, which had been growing in the civil service. All in all, by the end of 2025, total payroll employment is likely to have declined year on year (-0.4%, or -112,000 jobs), mainly in the private sector.

Considering the anticipated increase in its non-payroll component, employment should stabilise in Q2 2025, and then fall by around -0.1% per quarter during H2. Year on year, total employment is expected to be at a standstill at the end of 2025 (-0.1%, or -42,000 jobs) following an increase of 0.3% year on year at the end of 2024. At the same time, economic activity is set to slow very slightly (+0.8% over the 12-month period to the end of 2025, after +0.9% at the end of 2024), which should facilitate the continued recovery of apparent labour productivity. As a result, in the non-agricultural market sector, excluding employees on work-study programmes, per capita productivity has been above its pre-health-crisis level since mid-2023 and should exceed this level by 3.6% at the end of the year (► **Figure 3**). It has exceeded its pre-crisis level in the market tertiary sector since the end of 2021, while conversely, productivity remains well below its pre-health-crisis level in industry and construction, a situation that is unlikely to change in 2025. ●

► 1. Employment climate and change in market payroll employment

(year-on-year change in % and standard climate with mean 100 and standard deviation 10)



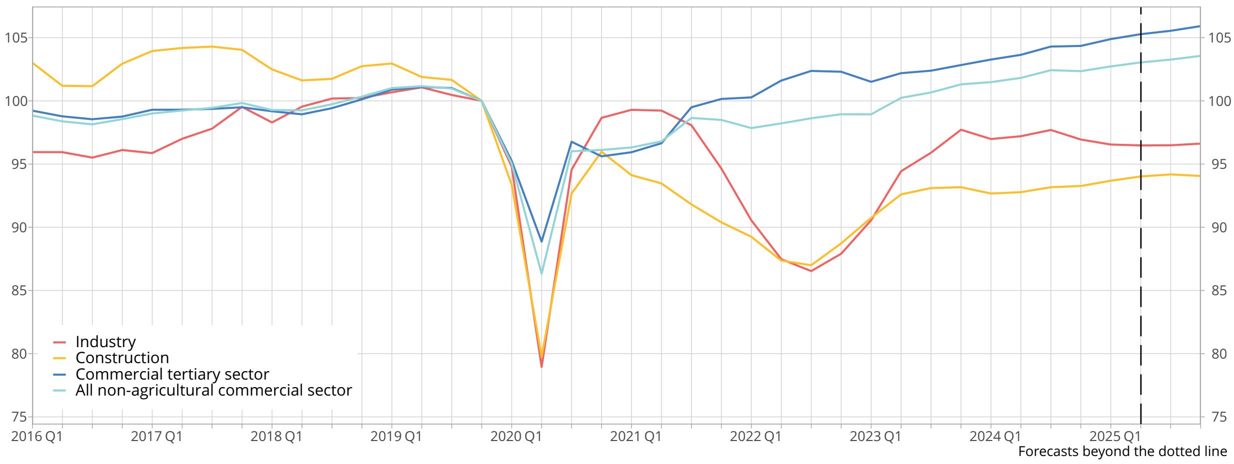
Last point: May 2025 for the employment climate, Q1 2025 for the year-on-year change in employment in the non-agricultural market sectors (forecast for the last three points).
How to read it: in May 2025, , the employment climate stands at 95 points, at the level of its long-period average; in Q4 2025, non-farm payroll employment was 0.6% lower than a year earlier.
Source: INSEE, business surveys and DARES-INSEE-URSSAF, quarterly employment estimates, INSEE forecast.

►2. Change in payroll employment
(in thousand, SA, at the end of the period)

	Evolution over 3 months												Evolution over 1 year		
	2023				2024				2025				2022	2024	2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Payroll employment	**61**	**36**	**28**	**34**	**79**	**-18**	**44**	**-99**	**-21**	**-18**	**-39**	**-34**	**159**	**6**	**-112**
	0.2%	***0.1%***	***0.1%***	***0.1%***	***0.3%***	***-0.1%***	***0.2%***	***-0.4%***	***-0.1%***	***-0.1%***	***-0.1%***	***-0.1%***	***0.6%***	***0.0%***	***-0.4%***
By sector of activity															
Agriculture	2	9	6	-15	7	-4	5	3	-3	0	0	0	2	11	-3
Industry	6	7	9	10	8	4	1	-2	-2	-3	-5	-5	31	11	-15
Construction	-2	-2	-3	-2	-7	-9	-3	-8	-10	-10	-5	-2	-9	-27	-27
Market tertiary	31	4	4	1	41	-28	11	-57	-26	-5	-19	-17	41	-33	-67
of which: temporary work	-20	-6	-17	-10	-5	-18	-6	-17	-3	-5	-2	0	-53	-46	-10
of which: excl. temporary work	51	10	22	12	46	-10	17	-40	-23	0	-17	-17	95	13	-57
Non-market tertiary	25	19	11	40	30	20	30	-35	21	0	-10	-10	94	45	1
By type of employer															
Private	37	25	21	0	65	-34	21	-81	-29	-13	-34	-29	83	-30	-105
Public	24	12	6	35	15	17	23	-17	8	-5	-5	-5	77	36	-7
Self-employment	**19**	**19**	**19**	**19**	**23**	**23**	**23**	**23**	**18**	**18**	**18**	**18**	**74**	**90**	**70**
All	**80**	**55**	**46**	**53**	**102**	**5**	**66**	**-76**	**-3**	**-1**	**-22**	**-17**	**233**	**96**	**-42**
	0.3%	***0.2%***	***0.2%***	***0.2%***	***0.3%***	***0.0%***	***0.2%***	***-0.2%***	***0.0%***	***0.0%***	***-0.1%***	***-0.1%***	***0.8%***	***0.3%***	***-0.1%***

Forecast
Note: in this table, temporary workers are counted in the commercial tertiary sector.
How to read it: in Q4 2025, payroll employment fall by 0.1%.
Scope: France (excluding Mayotte).
Source: INSEE.

►3. Apparent per capita productivity, excluding work-study
(base 100 = Q4 2019)



Note: apparent per capita productivity is measured here using the ratio of the value added of each branch to payroll employment excluding work-study in the corresponding sector.
How to read it: in Q4 2025, apparent per capita productivity excluding work-study in the industry sector was 3.4% lower than its Q4 2019 level.
Source: INSEE, National accounts and quarterly employment estimates.

The number of young people employed on work-study programmes is set to fall sharply in 2025

After a surge in work-study programmes between 2017 and 2022, the momentum has slowed since then

Since 2017, the number of people on work-study contracts (apprenticeships or "professionalisation" contracts) has almost doubled, rising from 550,000 at the start of 2017 to 1,040,000 at the end of 2024 in the private sector (▶**Figure**). This surge was in response to the 2018 Law "on the freedom to choose one's professional future", which reformed apprenticeships, and the introduction in 2020 of an exceptional subsidy for employers during the health crisis (▶**Jounin and al., 2025**). Since 2022, however, the momentum of work-study programmes has been waning: after an increase in 2023 (+41,000 in the private sector), which was much less vigorous than between 2020 and 2022 (+114,000 on average per year), the number of employees on work-study programmes had almost stabilised in 2024 (+16,000). For apprentices, this loss of momentum has been mainly due to the reduction in the hiring subsidy for adult students at the start of 2023 (from €8,000 to €6,000, with the subsidy for non-adult students increasing from €5,000 to €6,000), and, for people on professionalisation contracts, to the abolition of the hiring subsidy for contracts signed after 30 April 2024.

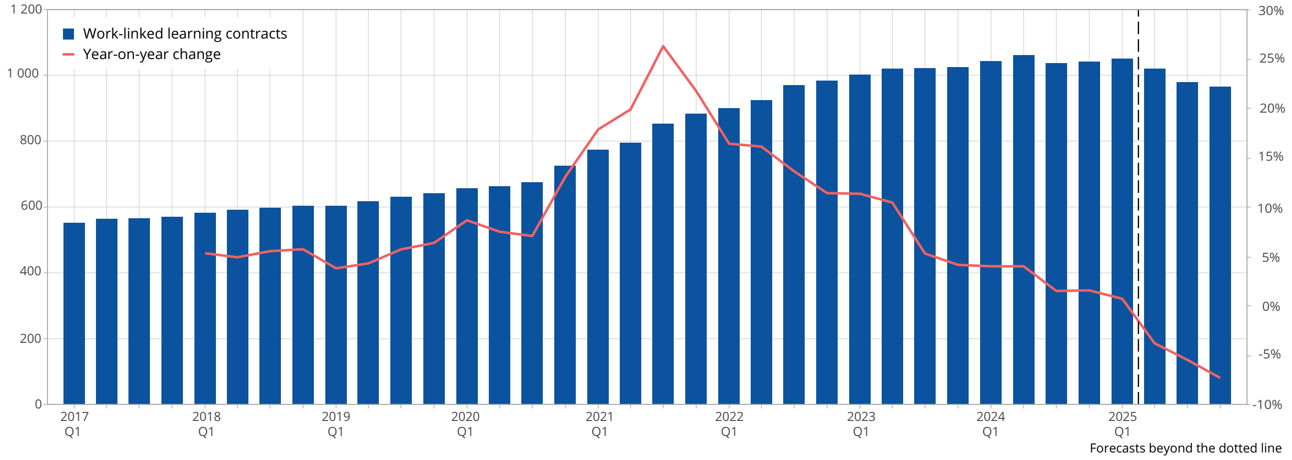
In 2025, the number of apprentices should fall sharply as a result of the reduction in hiring subsidies

Since the end of February 2025 (contract signature date), hiring subsidies for apprentices have once again fallen sharply: in enterprises with fewer than 250 employees (employing more than three out of every four apprentices at the end of 2024), these subsidies have been cut from €6,000 to €5,000, and in enterprises with 250 or more employees, they have been divided by three (to €2,000).

Means of conducting *ex ante* assessments of the effect on employment include the traditional analytical framework describing how labour cost reductions may promote employment, using median elasticities amongst those proposed by the literature (▶**Bock and al. 2015** and ▶**Bozio and al. 2024**), and direct elasticity studies focusing specifically on apprenticeships. In its *ex post* assessment of the "one young person, one solution" plan, ▶**Institut des politiques publiques** (IPP) estimates that a €1,000 increase in the subsidy leads to a 7% increase in apprenticeship starts. In the light of these elasticities, and taking account of the current subsidy take-up rate, the revision of apprenticeship subsidies is likely to reduce the number of apprentices in the private sector by 62,000 over the year (between the end of 2024 and the end of 2025), with a more pronounced decline in H2 2025. This would be compounded by a downturn in the number of employees on work-study programmes in the public sector (-9,000) and a further decline in the number of professionalisation contracts (-14,000). This would ultimately lead to a year-on-year reduction of 85,000 employees on work-study programmes between the end of 2024 and the end of 2025, with the majority of these losses occurring in H2 2025 (-64,000).

▶Number of people on work-study contracts in the private sector

(work-study contracts in thousands; % year-on-year change)



Source: INSEE DARES, quarterly employment estimates/ INSEE forecast.

The surge in apprenticeships has hampered wage dynamics, and conversely, their decline should boost wages slightly by the end of 2025.

Apprentices under 26 years of age are paid at between 27% and 78% of the minimum wage, depending on their age and the length of their contract. Insofar as apprentices are paid significantly less than other employees, the sharp rise in the number of apprentices has automatically held back the average wage. Between 2019 and 2024, based on individual wage data, the effect of the rapid growth in work-study programmes on the growth of the average wage per capita is estimated at -1.8 points in the national accounts in the non-agricultural market sectors. This estimate is consistent with the difference observed between the growth of the basic monthly wage over the period, which, by design, excludes such compositional effects, and the growth of the average wage per capita. Symmetrically, the anticipated fall in 2025 should have an upward effect of +0.2 points on the year-on-year change in the average wage per capita at the end of 2025. ●

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