Unemployment

In Q4 2025, the ILO unemployment rate stood at 7.9% of the labour force (▶Figure 1). It rose by 0.2 percentage points over the quarter, bringing the year-on-year increase to +0.6 percentage points, reaching its highest level since Q3 2021. The sharp rise in unemployment year on year reflects sluggish growth in employment (25,000 net jobs were created over one year, after +181,000 a year earlier), while the labour force grew much more rapidly (249,000 additional workers over one year, after +110,000 a year earlier).

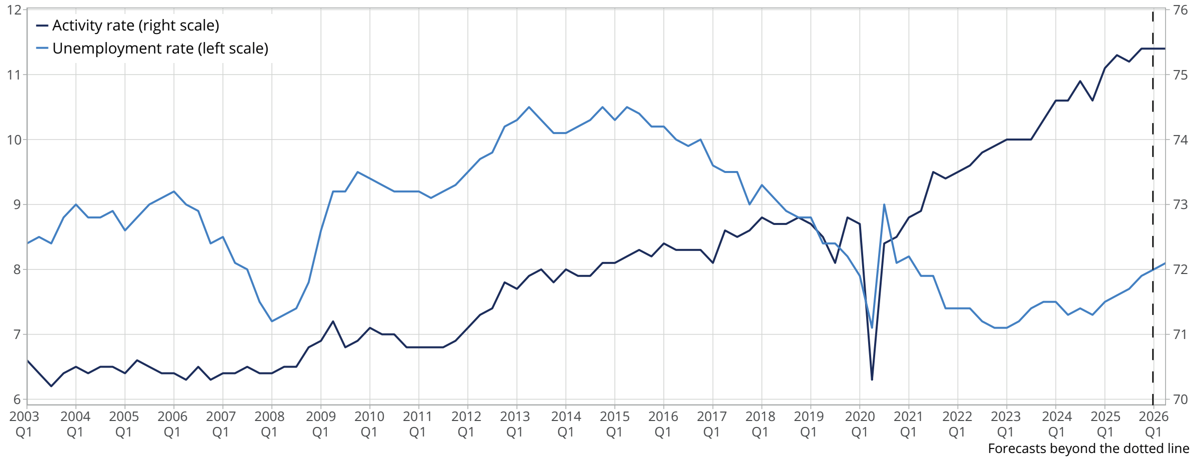
The rise in unemployment in Q4 2025 is entirely driven by young people aged 15 to 24, with their unemployment rate rising by 2.4 percentage points over the quarter, while the rate for 25–49-year-olds fell by 0.2 percentage points and the rate for people aged over 50 remained unchanged. This rise in youth unemployment is primarily due to an increase in the labour force participation rate for 15–24-year-olds, which rose 0.8 percentage points between Q3 and Q4 and by 1.9 percentage points year on year, to 43.6% (▶Figure 2). At the same time, the employment rate for 15–24-year-olds, which fell slightly over the quarter, remains up year on year and is still well above its pre-pandemic level, despite the recent fall in work-study employment.

This increase in activity among 15–24-year-olds is largely driven by young people in initial education, reflecting a growing desire among this group to combine work and study, despite the recent decrease in work-study positions. These young people looking for a contract are likely to remain active, at least for the time being, and the fall in employment is more likely to result in a rise in unemployment rather than a shift towards inactivity. Consequently, on an annual average basis between 2024 and 2025, the unemployment rate for 15–24-year-olds rose by 1.0 percentage points, and almost all of this increase (+0.8 percentage points, ▶Figure 3) was driven by young people still in initial education (who account for around 36% of the labour force in this age group).

In early 2026, the labour force is expected to continue growing significantly, particularly among older people, as a result of the 2023 pension reform. The suspension introduced by the 2026 Social Security Financing Act is only expected to slow this trend in the second half of the year. However, youth labour force participation is expected to decline somewhat over the forecasting period, particularly among young people in initial education, who are likely to become economically inactive after a few quarters of unemployment. All in all, in Q2 2026, the labour force is expected to increase by 178,000 year on year. At the same time, employment is expected to continue growing at a moderate rate (+6,000 in H1 2026, which is a year-on-year increase of +15,000 jobs in Q2 2026), and the unemployment rate is expected to rise slightly to 8.1% by mid-2026 (▶Figure 4).

▶1. Unemployment rate (ILO definition)

(quarterly average as % of the labour force for the unemployment rate, and as a percentage of the population aged 15–64 for the labour force participation rate; SA data)

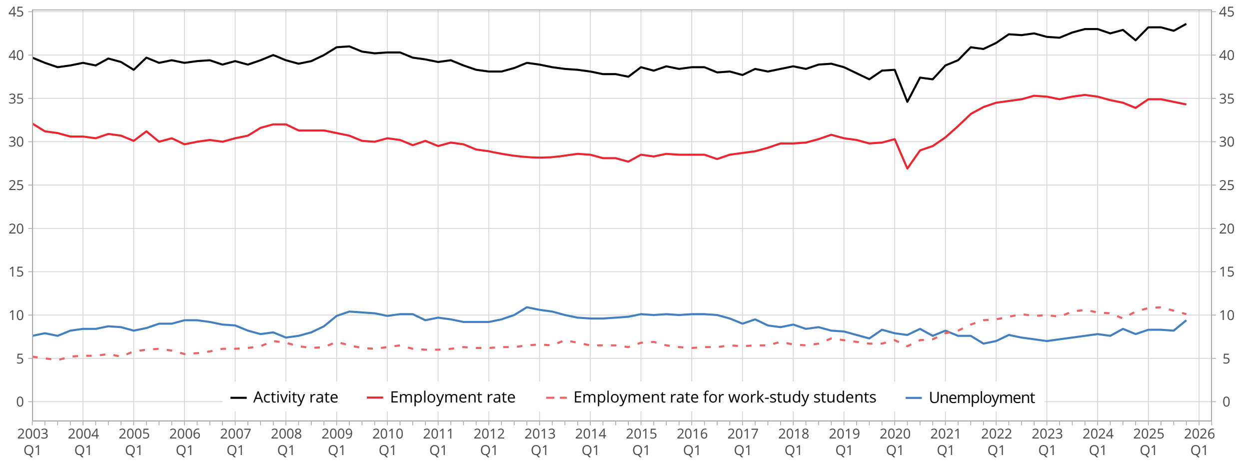


Scope: France (excluding Mayotte), people aged 15 or over living in ordinary housing for the unemployment rate; people aged 15 to 64 for the labour force participation rate.
Source: INSEE, Labour Force Survey.

This forecast is shrouded in uncertainty due to the effects of the law on full employment, which provides since early 2025 for the automatic registration with France Travail (French employment agency) of "all persons without employment", especially those receiving the earned income supplement (RSA). The ultimate aim of this reform is to bring these people back into employment and hence increase their labour force participation rate, as a large proportion of the target population is currently inactive (▶ ***Insee analyses* n°108, April 2025**). However, the effects of this reform on the indicators within the meaning of the ILO are both indirect and uncertain, and may also take a long time to be felt in significant proportions (▶ **Box** Unemployment in the sheet, *Economic outlook*, December 2024). Finally, after the first year of implementation in 2025, the contribution made by people receiving the earned income supplement (RSA) and young people registered with France Travail is expected to have a slight upward effect on the unemployment and labour force participation rates, amounting to around +20,000 people year on year (▶ ***Informations Rapides* n°34, February 2025**). ●

▶ 2. Key labour market indicators for 15–24-year-olds

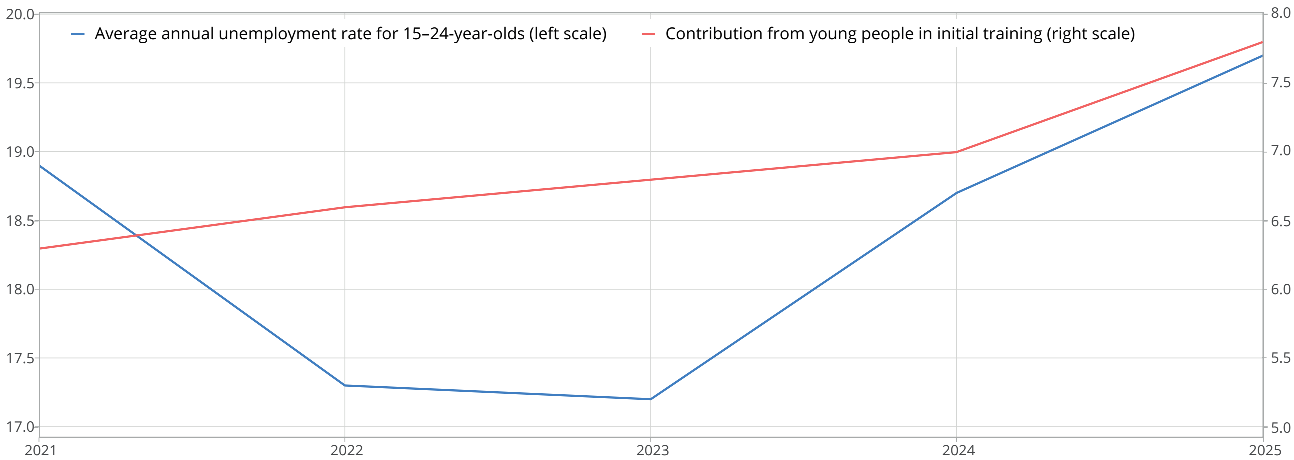
(quarterly average as % of labour force, SA data)



How to read it: among 15–24-year-olds, 43.6% are economically active, of whom 34.3% are in employment (including 10.1% on work-study programmes) and 9.4% are unemployed.
Scope: France (excluding Mayotte), people aged 15 or over living in ordinary housing for the unemployment rate.
Source: INSEE, Labour Force Survey.

▶ 3. Contribution of those in initial education to the unemployment rate among 15–24-year-olds

(quarterly average as % of labour force, SA data)



How to read it: on an average annual basis, in 2025, the unemployment rate for 15–24-year-olds stood at 19.7%, with a contribution of 7.8% from 15–24-year-olds in initial education. This contribution is calculated as the number of unemployed 15–24-year-olds in initial education as a proportion of the labour force aged 15 to 24.
Scope: France (excluding Mayotte), people aged 15 or over living in ordinary housing for the unemployment rate.
Source: INSEE, Labour Force Survey.

►4. Change in employment, unemployment and the active population

(variation in quaterly average in thousands, SA data)

	Évolution sur un trimestre														Évolution sur un an			
	2023				2024				2025				2026		2023	2024	2025	2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q4	Q4	Q4	Q2
Employment (1)	**101**	**67**	**51**	**59**	**82**	**47**	**31**	**21**	**-1**	**17**	**14**	**-5**	**-6**	**12**	**278**	**181**	**25**	**15**
reminder: employment at the end of the period	80	54	47	70	*95*	*-1*	*63*	*-21*	*19*	*16*	*13*	*-23*	*12*	*12*	251	*135*	*24*	*13*
Unemployment (2)	**-1**	**42**	**48**	**64**	**-9**	**-41**	**23**	**-44**	**83**	**37**	**48**	**56**	**37**	**22**	**153**	**-71**	**224**	**163**
Active population = (1) + (2)	**100**	**109**	**99**	**122**	**74**	**5**	**54**	**-23**	**82**	**54**	**63**	**51**	**32**	**34**	**431**	**110**	**249**	**178**
Trend labour force (a)	37	37	52	69	*69*	*60*	*51*	*41*	*35*	*36*	*37*	*39*	*40*	*39*	196	*221*	*148*	*155*
"Pre-crisis" cyclical bending effect (b)	10	7	5	6	*8*	*5*	*3*	*2*	*0*	*2*	*1*	*-1*	*-1*	*1*	28	*18*	*2*	*1*
Effect of work-linked training on youth activity (c)	14	7	7	9	*12*	*9*	*4*	*5*	*11*	*10*	*-5*	*8*	*-8*	*-7*	37	*30*	*24*	*-11*
Residue	39	58	35	39	*-16*	*-68*	*-4*	*-72*	*36*	*6*	*28*	*5*	*0*	*0*	170	*-160*	*75*	*33*
Variation in unemployment rate	**0.0**	**0.1**	**0.2**	**0.1**	**0.0**	**-0.2**	**0.1**	**-0.1**	**0.2**	**0.1**	**0.1**	**0.2**	**0.1**	**0.1**	**0.4**	**-0.2**	**0.6**	**0.5**
Unemployment rate	7.1	7.2	7.4	7.5	7.5	7.3	7.4	7.3	7.5	7.6	7.7	7.9	8.0	8.1				

■ Forecast.

(a) Trend based on adjusted 2022 active population projections.

(b) This flexibility effect represents the fact that new workers enter the labour market when the employment situation improves.

(c) Effect based on sandwich contract numbers from DARES, calculations by INSEE.

Note: employment here corresponds to total employment (payroll workers and self-employed), measured as a quarterly average.
How to read it: between Q32025 and Q4 2025, employment fell by an average of 5,000 people, unemployment rose by 56,000 and the labour force increased by 51,000. The unemployment rate rose (+0.2 points) to 7.9%, an increase of +0.6 points year-on-year.
Scope: France (excluding Mayotte), people aged 15 or over.
Source: INSEE, Labour Force Survey, Quarterly employment estimates.