

ifo Employment Barometer Down

Munich, December 23, 2020 – German companies are becoming more cautious on the labor market. The ifo Employment Barometer fell to 95.5 points in December after measuring 96.7 points in November. The hard lockdown is making companies more reluctant to hire new people.

Although the barometer rose in manufacturing, the number of employees is not expected to grow. The same applies to trade: the indicator rose slightly here as well, but for the time being, companies are not planning any major changes to headcount. Service providers have cut back their hiring plans. There is caution especially among architectural and engineering firms and companies in real estate. Both the IT sector and construction continue to seek out new hires, but the latter is doing so with less vigor than in the previous month.

Contact: Klaus Wohlrabe – 0049 89 9224-1229 – Wohlrabe@ifo.de

ifo Employment Barometer Germany^a

Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.

Source: ifo Business Survey, December 2020

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ifo Employment Barometer Germany (Index, 2015 = 100, seasonally adjusted)

Month/year	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20
Barometer	98.6	99.3	97.8	93.5	86.8	88.7	92.5	93.3	95.4	96.3	96.4	96.7	95.5

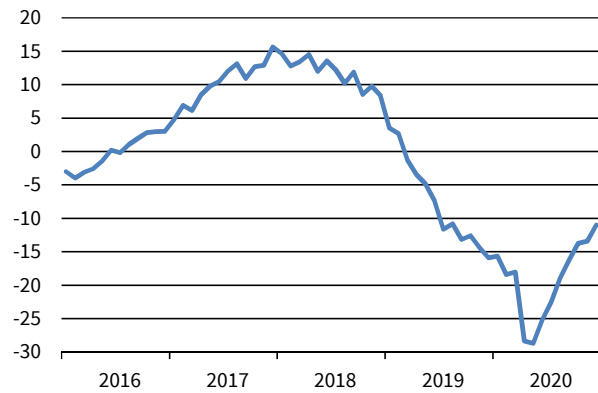
Source: ifo Business Survey

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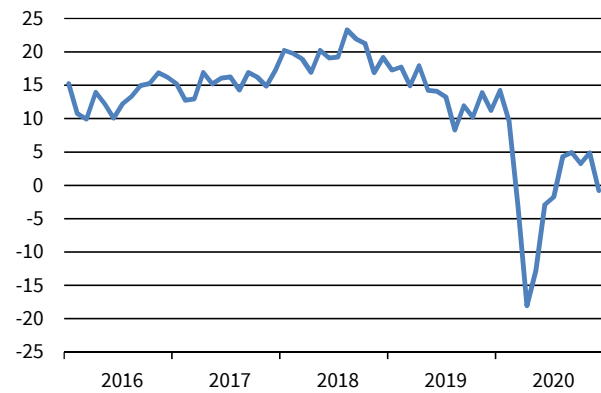
ifo Employment Barometer by Sector

Balances, seasonally adjusted

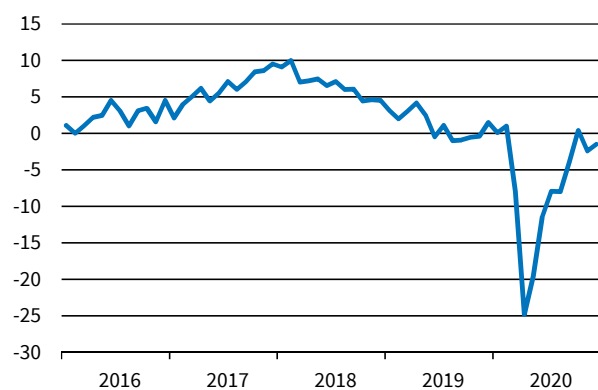
Manufacturing



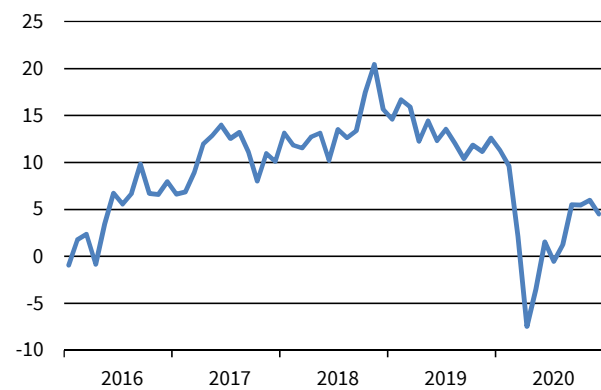
Service sector



Trade



Construction



Source: ifo Business Survey, December 2020

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ifo Employment Barometer by Sector (Balances, seasonally adjusted)

Month/year	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20
Manufacturing	-15.9	-15.7	-18.4	-18.1	-28.4	-28.7	-25.2	-22.5	-18.9	-16.2	-13.7	-13.4	-11.0
Service sector	11.2	14.3	9.8	-3.1	-18.1	-12.8	-2.9	-1.8	4.3	4.9	3.2	4.9	-0.8
Trade	1.5	0.1	1.0	-8.0	-24.8	-19.6	-11.5	-7.9	-8.0	-3.9	0.4	-2.4	-1.5
Construction	12.6	11.3	9.6	2.1	-7.5	-3.5	1.6	-0.5	1.2	5.5	5.5	6.0	4.5

Source: ifo Business Survey

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For long time series in Excel format, please see www.ifo.de/en/umfragen/time-series.

The ifo Employment Barometer is based on around 9,000 monthly responses from businesses in manufacturing, construction, wholesaling, retailing, and the service sector. The companies are asked to report on their **employment plans** for the coming three months. They can describe their plans for the number of employees for the coming six months as “increasing,” “stable,” or “decreasing.” The **balance** value of their projections is the difference in the percentage shares of the responses “increasing” and “decreasing.” To calculate the **index value** the balances are normalized to the average for the year 2015.

The ifo Employment Barometer is calculated exclusively for *Handelsblatt*.