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The Decline in Average Hours Worked in Ireland

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Abstract

The decline in average actual hours worked has become a salient feature of labour market developments in many advanced economies. Ireland is no exception, with average hours falling by 6.5 per cent between 2019 and 2024 despite record employment growth in the pandemic-recovery period. This analysis aims to address two questions: which demographic groups are driving this decline and what are the contributing factors among these groups. Using Labour Force Survey microdata, a combination of decomposition and regression approaches outline that behavioural changes are the dominant driver of aggregate decline in recent years. This contrasts with the greater role of compositional factors in the aftermath of the global financial crisis which led to higher average hours worked. Lower average hours reported amongst men and parents in recent years is in line with international findings for middle-to-high income economies. Factors such as labour hoarding, work absences and increased secondary employment are estimated to have contributed marginally to the aggregate decline in hours worked in recent years. These limited contributions are in part coincidentally driven by more fundamental behavioural and compositional factors explaining the longer-run decline in average hours worked and the related changing patterns of labour supply.

JEL classification: J21, J22, J16

Keywords: Hours of Work, Labour Supply, Work Week, Gender, Employment

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Non-Technical Summary

Average hours worked per worker in Ireland have declined notably in recent years, falling by 6.5 per cent between 2019 and 2024 despite strong employment growth. This paper examines which groups of workers have driven this decline and the underlying factors shaping it. Using Labour Force Survey microdata, I decompose changes in average hours into compositional effects (reflecting changes in workforce structure) and behavioural effects (reflecting changes in labour contribution). The results show that the decline in average hours has been primarily behavioural in nature with workers driving the change through altered preferences and working patterns. Behavioural factors account for almost 90 per cent of the overall decline since 2019, compared with a greater role for compositional effects during earlier periods of rising hours following the global financial crisis.

Factors observed in international analysis such as labour hoarding, work absences and multiple job holding are estimated to account for less than half of the observed fall. After adjusting for these effects, average hours still declined by close to 3.6 per cent, indicating other causes. Further decompositions reveal that while decreasing average hours are broad-based across demographic groups, the aggregate decline is driven by men and parents, especially fathers of young children (5 years and under). In contrast, mothers of older children have experienced an increase in average working hours in recent years which corresponds to higher labour force participation rates. These findings suggest changing intra-household labour patterns, possibly reflecting evolving childcare responsibilities, increased access to flexible work, or shifting work-life balance preferences.

Regression analysis confirms that declines in average hours are not explained by changes in the composition of the workforce such as age, gender or sector, but rather by changes in the relationship between these characteristics and hours worked. Full-time employees, in particular, report fewer hours than before the pandemic, and higher-income workers have reduced hours the most, consistent with a reallocation of time from market work to non-market activities including including household duties, caring responsibilities and leisure time among many others.

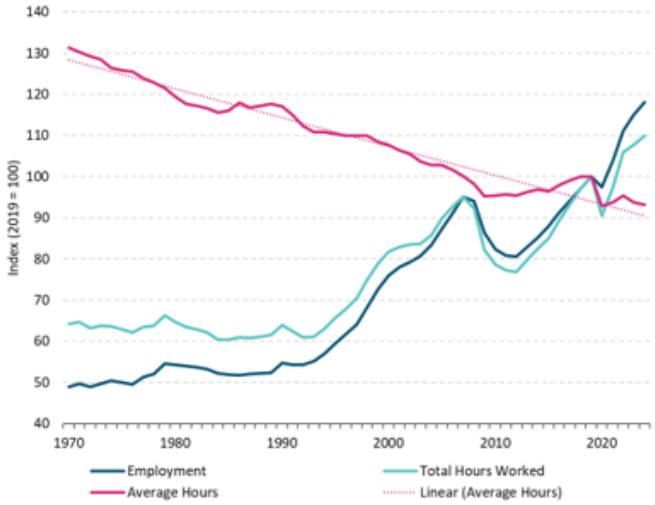
Overall, the evidence points to a re-alignment of Ireland's labour market with the longer-term downward trend in working hours observed across advanced economies. As the workforce ages, total labour input per worker may continue to moderate even amid strong employment growth which then places greater focus on productivity developments to support economic growth. Since economic growth depends on total hours worked and productivity per hour, policies that alleviate childcare-related constraints on working time across ages and gender can help sustain growth by ensuring people remain in the labour force and preserving total actual hours supplied to the economy.

1. Introduction

The total number of actual hours worked in an economy is a key labour market indicator. When averaged across workers, it captures how intensively labour is being used rather than just how many people are employed. Changes in average hours can have broad macroeconomic implications affecting, for example, analysis of productivity, wages and potential output (Arce and Sondermann, 2024; Cette et al, 2023). Average working hours across developed economies have followed a long-term declining trend since the 19th century (Messenger et al., 2007). This decline is attributed to a combination of structural and behavioural factors including changes in the sectoral composition of employment, increased part-time employment, changing worker preferences, and demographic transitions (Bick et al., 2022; Boppart and Krusell, 2020). In Ireland, average weekly hours worked have similarly declined in line with the broader global trend since 1970 with both cyclical fluctuations and structural transitions influencing this development (Figure 1).[1] Initially, the decline followed similar patterns to many advanced economies, with the transition from labour-intensive employment in agriculture and industry towards services-based growth. Ireland was affected by a number of idiosyncratic factors following the global financial crisis that gave rise to diverging developments relative to other euro area economies, with an increase in average hours. Recent developments suggest that the decline in average hours has been a realignment to the long-run downward trend. Given the interplay between policy changes, the structure of the workforce and behavioural preferences of workers, it is important to assess the driving factors in each given period.

[1] Periods of heightened unemployment can result in an increase in average hours as disproportionate job loss amongst part-time workers or certain sectors can produce compositional changes with full-time workers constituting a greater share of employment and raising the average number of hours. This can be observed in both the 1980s and early-2010s.

Figure 1: Developments in employment and total actual hours worked (1970-2024)



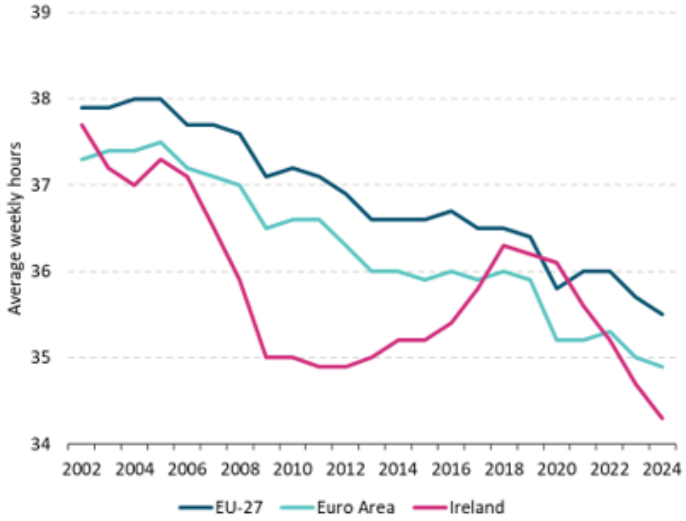
Source: CSO, Extended Penn World Tables and author's calculations
Note: Labour Force Survey data on employment and hours worked are available from 1998 onwards. Data prior to this year is generated by backcasting using the EPWT data series and is consistent with long-term analysis of the Irish economy outlined in Conefrey et al (2024).

The relationship between hours worked and economic growth at varying stages of development is particularly important as Gethin and Saez (2025) outline that average hours are non-linear relative to GDP per capita. As economies develop, hours of work in industry and services decline while the share of government workers, who tend to have lower hours, grows further. Astinova et al (2024) suggest that the post-pandemic decline in average hours reflects a continuation of long-term structural changes as the decline across the euro area has been largely structural, driven by behavioural effects rather than compositional shifts. Men with young children are among the key demographic groups driving the decline. Similarly, Botelho et al (2021) show that over the period, 1995-2019, behavioural or within-group effects account for approximately 80 per cent of the decline in average hours in the euro area, with compositional effects from rising services employment attributable for the remaining 20 per cent.

Average hours worked across the euro area had been on a steady downward trajectory prior to the pandemic (Figure 2). In contrast, Ireland had experienced a gradual uptick in average hours in the years following the global financial crisis due to a combination of legislated changes to public sector working hours, compositional changes in the workforce and idiosyncratic factors that are outlined in more detail in the next section.[2] The pandemic induced an abrupt and uneven contraction in working hours by sector across Europe, with many governments implementing furlough schemes that preserved employment relationships while reducing hours worked. These schemes are estimated to have contributed to labour hoarding in the pandemic recovery period as firms retained workers at reduced hours to avoid rehiring costs in an economic upturn (Arce et al, 2023).

[2]Dept of Finance (2025) analysis also highlights the diverging trend during this period between Ireland and other euro area countries such as France, Germany, Italy and Spain.

Figure 2: International comparison of average actual hours worked (2002-2024)



Source: CSO and Eurostat

ECB analysis also identifies a fall in the share of persons working over 49 hours per week as one reason for the aggregate decline (Berson and Weissler, 2025). Additionally, increases in health-related absences, caregiving responsibilities, and flexible working arrangements are considered to have contributed to the moderation in average hours (Lalinsky et al, 2024).[3] The analysis in this paper aims to identify to extent to which compositional or behavioural changes are driving the aggregate decline in average hours worked in Ireland with a particular focus on the 2019-2024 phase.

The paper is structured as follows: Section 2 outlines the economic factors contributing to changing levels of average hours worked in recent decades alongside demographic analysis using Labour Force Survey (LFS) microdata. Section 3 compares the Irish experience with that of other countries. Section 4 presents various decomposition techniques to assess whether the decline is compositional or behavioural in nature and which demographic groups drive this decline. Section 5 reflects on the economic significance of these findings and what they may mean for future developments in average hours worked.

[3]The Spanish government have recently proposed a bill to reduce the maximum workweek from 40 hours to 37.5 hours. If enacted, this would apply to 12 million people with no change to salaries.

2. Historic developments in Ireland

From Figure 1, three distinct phases in average hours worked in Ireland:

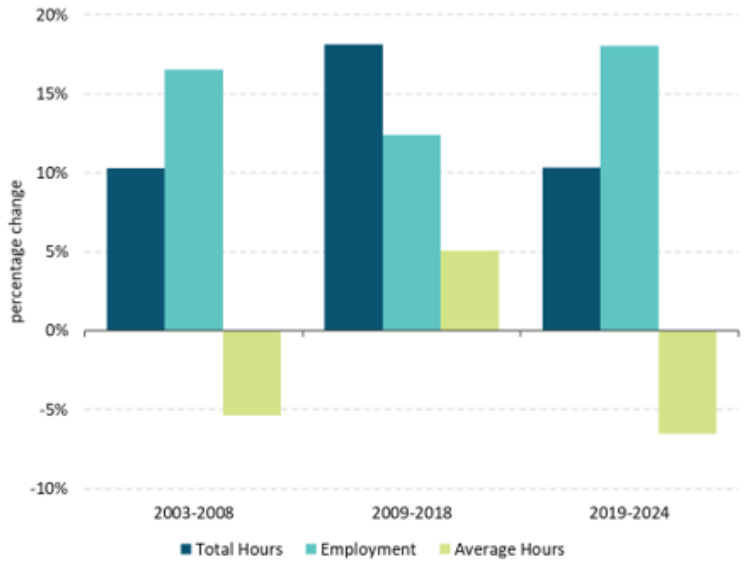
1)1970-2008 exhibited a continuous downward trend in average hours worked.

2) 2009-2018 saw stabilisation and a subsequent increase in average hours to levels not seen since before the financial crisis.

3) 2019-2024 saw a sharp decline during the pandemic with a limited recovery thereafter.

Due to data availability, analysis of the earlier period is limited to 2003-2008 given the availability of the same demographic variables in the microdata which underpin the decomposition analysis across each period (Figure 3).

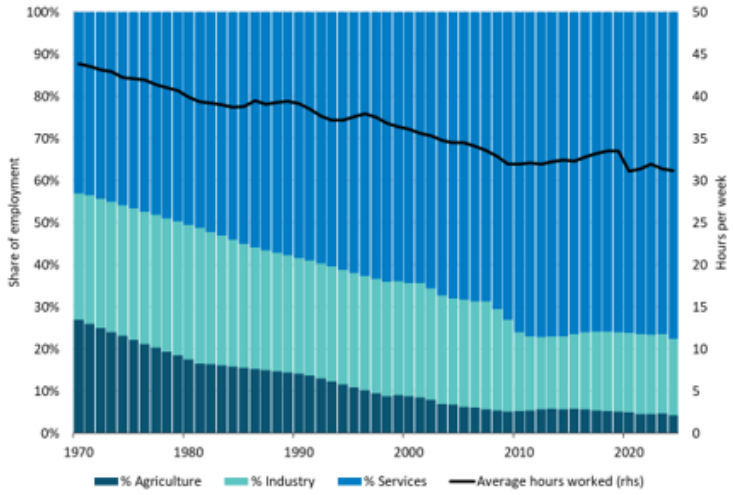
Figure 3: Change in Employment, Total Hours Worked and Average Hours Worked



Source: CSO; LFS

In 1970, employed persons in Ireland worked an average of 43.9 hours per week. At the time, over 27 per cent of employment was in agriculture, which is typically associated with longer working hours (Figure 4). In subsequent decades, the Irish economy experienced a rapid transformation, with growth increasingly driven by the services sector. Services-based employment tends to involve greater incidence of part-time work, flexible scheduling and more stringent working time regulations (Wickham, 1997). Services employment increased from 43 per cent in 1970 to 64 per cent in 2000.

Figure 4: Sectoral employment share and decline in average hours worked



Source: CSO; LFS and Census

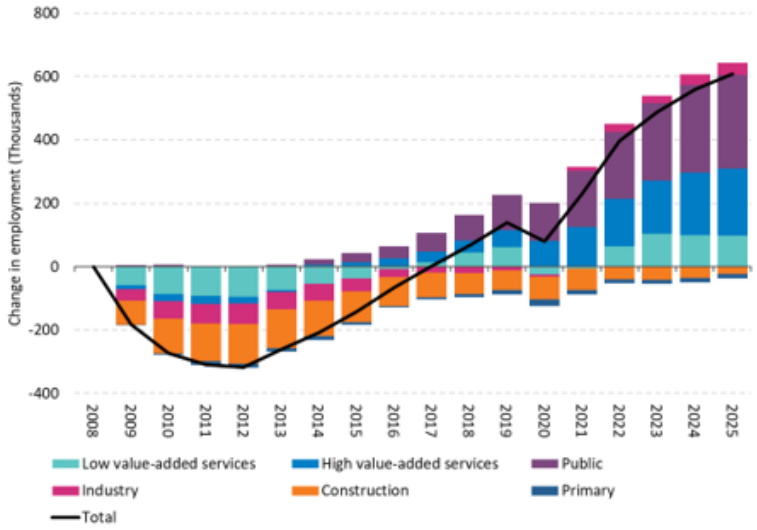
Labour regulations across the EU, supported by trade unions, contributed to a downward adjustment in maximum full-time working hours (O'Connell et al, 2003). At the same time, technological progress and automation enabled productivity gains that allowed capital to substitute labour input across several sectors. Furthermore, increased capital-labour complementarities can result in declining average hours through intensive margin adjustment to efficiency gains rather than labour displacement. These adjustments can co-exist with stable or rising employment, wages , and profitability. Rising national income levels likely influenced societal preferences, with individuals in high-income economies increasingly substituting income for leisure time. This pattern is consistent with the backward-bending labour supply curve, whereby workers on lower wages seek to increase hours to achieve higher incomes, though at higher wage levels workers start to value leisure time more and may choose to contribute fewer hours as they can maintain their relative standard of living with less work (Blundell, 2014). Developed economies often have stronger social safety nets and stricter labour regulations, which can facilitate better work-life balance and reduced working hours (DoF, 2025). From the 1970s onwards, higher female labour force participation and an increase in part-time working arrangements contributed to the decline in average hours through compositional changes in the workforce (Wickham, 2000).

The post-GFC period (2009-2018) is particularly interesting as not only is there a deviation from a long-run downwards trend over several decades, but also there is a marked separation of average hours worked developments in Ireland and at the euro area level. Between 2009 and 2018 average hours increased by 5.1 per cent in Ireland, compared to a 2.7 per cent decrease in average hours in the euro area. Several factors contributed to this increase including the relative impact of the global financial crisis on the Irish labour market, related sectoral composition changes, and contractual increases to public sector working hours.[4] Firstly, changes to public sector working arrangements

[4]Sectoral issues also play a role during economic downturns whereby if job losses are disproportionately

under the Haddington Road Agreement (2013) increased contractual working hours by 2-3 hours per week.[5] Given relatively strong employment losses elsewhere in the economy, the public sector then accounted for a larger share of employment and began to lead total employment growth in 2013 (Figure 5). A structural increase in standard contractual hours across this workforce directly lifted the economy-wide average hours worked.

Figure 5: Cumulative change in aggregate employment by sector (Base year = 2008)



Source: CSO; LFS
Note: Low value-added services sectors include Admin, Retail, Accommodation, Transport and Other. High value-added services sectors include ICT, Professional and Finance.

Secondly, given the scale of the economic downturn there was a sharp contraction in full-time employment in construction, industry and other male-dominated sectors. This contraction was partly offset by an increase in part-time employment led by female-dominated sectors such as hospitality and health. Firms facing weak demand and economic uncertainty opted to retain flexibility by offering part-time positions with a growing number of workers accepting due to a lack of full-time roles leading to a rise in involuntary part-time work. The post-2009 rise in average hours amongst part-time workers reflected firms restoring hours before expanding headcount, with a structural shift toward full-time employment expansion becoming more evident in 2013 as the economy began to record positive domestic demand growth. Thirdly, as Ireland transitioned from recession to recovery, full-time employment growth was concentrated in high value-added services sectors such as ICT and Finance. Roles in these sectors have higher than average weekly working hours, further increasing the average level of hours out to 2019. Finally, a combination of labour hoarding and job retention schemes in many euro area countries limited the increase in unemployment. Short-time work support

concentrated in part-time or lower-hour roles; the remaining employed population is skewed towards full-time jobs, which then increases average hours per worker.

[5] See IGEES (2017) for further details.

schemes such as the Kurzarbeit (Germany) or Chomage Partiel (France) allowed firms to reduce worker hours rather than reduce headcounts. The absence of such schemes in Ireland contributed to this observed divergence in hours developments. These schemes, in combination with a rise in part-time and temporary roles, as well as a reduction in self-employment even as economies recovered, saw a continued reduction in average hours across Europe in the years following the global financial crisis (Botelho et al, 2021).

Average hours worked continued to increase up to 2019, though the onset of the pandemic reduced hours relative to employment levels. The introduction of a job retention scheme (Employment Wage Subsidy Scheme) curtailed job losses by maintaining formal employer-employee links, with many workers, particularly those in retail and hospitality, working significantly fewer hours (Keenan and McIndoe-Calder, 2023). As health restrictions were lifted, the labour market rebounded strongly. Compositional shifts occurred with cumulative employment growth driven predominantly by public and high value-added services sectors (Figure 5). During this period, there was a structural change to public sector working arrangements, which reversed the increase in working hours introduced in the Haddington Road Agreement.[6] Employment levels in labour-intensive sectors, such as agriculture and hospitality, fell and remained below pre-pandemic levels. Despite limited change in the share of part-time employment between 2019 and 2024, average weekly hours fell to 31.2 hours per week against the backdrop of relatively low unemployment and elevated labour demand.[7]

3. Contributory factors to declining hours

The developments outlined in Section 2 suggest that compositonal factors play a major role in average hours developments in Ireland in recent decades, though the quantitative extent of this is measured in Section 4 using various methods. International analysis on developments in average actual hours at the euro area level suggest that declines in both pre- and post-pandemic periods have predominantly been the result of behavioural changes compared to compositional factors. The behavioural component captures changes in the labour contribution of each group i.e. how many hours they choose to or are able to work given their characteristics, while the compositional component reflects changes in the size or employment share of each group within the workforce. Before investigating the relative importance of these contributions at an individual-worker level for Ireland, I first consider the potential role played by a range of factors identified in the

[6]Changes to existing working arrangements within the public sector occurred via Building Momentum public sector pay deal (2021-2022) with a restoration of pre-Haddington Road contractual hours as of 1st July 2022. This applied to more than 300,000 workers and resulted in a reduction in contractual hours to a maximum of 35 hours per week.

[7]In 2019, part-time employment constituted 20.5 per cent of total employment. In 2024, this share increased slightly to 21 per cent. At a sectoral level, some sectors have seen a reduction in their respective part-time shares as well as a reduction in average hours implying recent developments are not entirely due to changes in part-time working arrangements.

literature as having contributed to the decline in hours worked observed internationally. These include labour hoarding, work absences and multiple employments.[8]

Labour Hoarding

Labour hoarding refers to when employers retain more workers than are currently required given prevailing levels of output. This can manifest as a reduction in average hours worked without a corresponding decline in employment. It is typically driven by firms' expectations of future economic recovery and their desire to avoid the costs associated with dismissing and subsequently rehiring workers, particularly where employees possess firm-specific skills. Labour hoarding can go hand-in-hand with short-time work schemes such as those implemented in euro area economies during the pandemic. Labour hoarding may also be more prevalent in tight labour markets, characterised by low unemployment rates and elevated job vacancy levels, where firms face recruitment challenges. The ECB labour hoarding indicator, a survey based measure of the share of firms that have maintained workforce levels despite a worsening of their specific economic outlook, measured 30 per cent in Q3 2022, nearly double its pre-pandemic average.[9] Despite falling more recently, levels for 2025 remain elevated and labour hoarding may persist as demographic trends constrain hiring and preferences shift towards shorter hours, firms may find it harder to increase labour input during upswings.[10]

While most part-time working arrangements are entered into on a voluntary basis, a subset of the workforce are employed part-time involuntarily —i.e., they would prefer to work full-time but are unable to find suitable employment.[11] This form of underemployment highlights the role of labour demand constraints in shaping observed working hours. In the Irish context, involuntary part-time employment accounted for 4.7 per cent of total employment in 2019, a figure that remained relatively unchanged in 2024. This suggests that involuntary part-time work has not significantly contributed to the decline in average hours worked over the period. However, when the definition of underemployment is broadened to include full-time workers who express a desire to work

[8]Some imputation of the underlying data since 2021 are required for this analysis. According to ILO guidelines, individuals who are employed and not absent from work in the labour force survey reference week must report at least one hour of work to be included in aggregate employment figures. From Q1 2021, a small subset of respondents (<1%) report zero actual hours despite not being absent, which conflicts with this definition. To correct for this, these respondents are assigned an imputed hour value based on average hours worked by individuals within the same age category, gender, working time status (full-time or part-time) and NACE sector of employment. This imputation has been cross-checked by the CSO statisticians to account for missing data. Incorporating imputed values increases aggregate actual hours worked levels by approximately 0.7 per cent. Adjusting for missing hours worked sees the estimated decline in average hours per worker over the period 2019-2024 fall from -6.9 per cent to -6.5 per cent.

[9]See ECB (2024): Higher profit margins have helped firms hoard labour

[10]See "Beyond hysteresis: resilience in Europe's labour market". Jackson Hole Speech by Christine Lagarde. 23 August 2025

[11]Part-time work is defined as employment where an individual's normal working hours are lower than comparative full-time workers and typically fewer than than 30-35 hours per week depending on the country standard.

additional hours, a different picture emerges. Under this expanded measure, the underemployment rate increased from 12.2 per cent in 2019 to 15.6 per cent in 2024 (Figure 6). This rise is evident across all economic sectors, with relatively high levels in accommodation and food services, where over one in four workers consider themselves underemployed.

Figure 6: Underemployment share of total employment

Source: CSO; LFS
Note: Underemployment refers to persons working both full-time and part-time who state that they wish to work more hours and are available to do more hours.

To quantify the potential labour supply embedded within this group, we assess the gap between actual and desired hours worked (the number of hours the respondent selects as their preferred working week). Firstly, average hours worked for this cohort increased in the 2019-24 analysis period. Secondly, the gap between actual and desired hours has remained stable over time at slightly below 10 hours per week. If each additional underemployed worker in 2024 was able to work their preferred number of hours, total hours worked would increase by approximately 0.9 million hours. This would reduce the observed decline in average hours worked from 6.5 per cent to 5.5 per cent. While this suggests that labour hoarding and underemployment may be contributing factors to the aggregate decline in average hours worked, the relative size of that contribution is limited.

Work Absences

Recent analysis by both the ECB and Bank of England highlighted that increased work absence in the post-pandemic period have contributed to a decline in average hours worked (Berson and Weissler, 2025; Reuschke et al, 2024). In the UK, the data specifically points to a rise in the share of worker absent due to sick leave. While similar trends in hours are observable in Ireland, the contributions of sick leave to overall work absences remains relatively modest when assessing data by reason for absence. Nonetheless, the proportion of persons absent from work increased from 7.3 per cent of total employment in 2019 to 8.8 per cent in 2024.

A closer examination of the Irish data reveals that the main driver of this increase has been holiday leave, which accounts for approximately 75 per cent of the rise in absences over the period, with sick leave contributing a more modest 18 per cent. To quantify the impact of these absences on average hours worked, we hold the 2019 absence rate constant, which implies that there is a shortfall of 1.1 per cent of employment, or approximately 41,000 workers in 2024. If this group had worked the aggregate average number of hours recorded in 2024, it would have added an estimated 1.3 million hours per week (up 1.5 per cent). This adjustment would reduce the overall decline in average hours from -6.5 per cent to -5.1 per cent. It is unknown if this factor will unravel over time as firstly, there is one additional public holiday more than in 2024 than in 2019; and secondly, the increased level of workers in the public sector may have resulted in annual leave days increasing for the average worker given the higher allocation in this sector relative to the private sector.

Multiple Employments

An additional factor contributing to the observed decline in aggregate average hours is the rising incidence of multiple jobholding as hours worked in secondary employments are not included in headline data for Ireland. Williamson and Coates (2023) document a steady increase in the share of individuals with two or more jobs in Ireland, rising from 1.9 per cent in 2002 to 4 per cent in 2024. There is also a relatively higher prevalence of multiple employments amongst workers in the agriculture (8 per cent) and education (7 per cent) sectors where activity can fluctuate depending on production cycles or academic calendars. The share of multiple employments amongst self-employed workers (7.1 per cent) is also double that relative to employees (3.3 per cent).

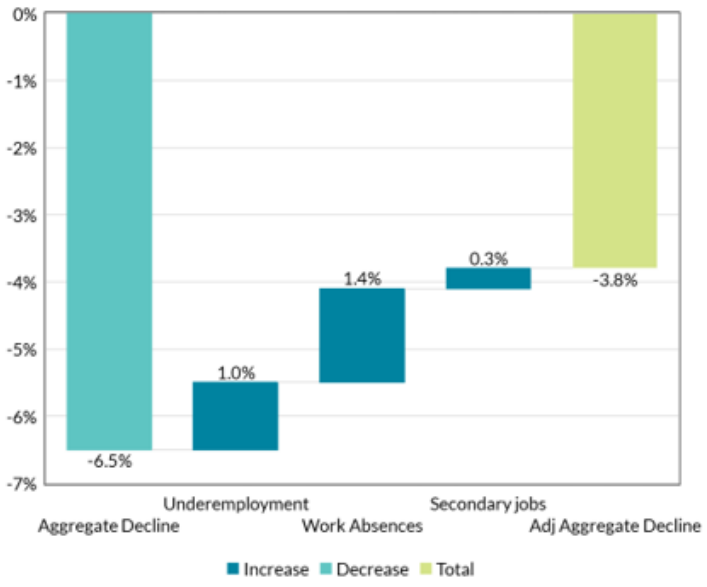
According to ILO guidelines, only hours in a worker's primary job are included in labour input estimates, meaning that hours in secondary employment are excluded from official measures. While it may be unlikely for a typical worker to reduce hours in their primary employment to enable secondary employment given this could lead to a reduction in income from the primary source, there several examples of how multiple employments may lead to an undercounting of hours worked at the aggregate level.[12] For instance, the cyclical nature of agriculture means that farming often provides seasonal income, which may create an incentive for a self-employed agriculture worker to seek additional income streams during less busy periods. In this case, average hours in the primary job may decrease during the quiet season while off-setting hours are worked in a secondary employment for a local delivery company. Teachers or other workers in the education sector without permanent contracts may record zero actual hours for most of the third quarter of the year given school term times. Given the contractual nature of employment in this sector, these workers may not receive a wage which incentivises the search for a

[12]Changes have been made to the Quarterly National Accounts in the past year which now counts total hours worked across multiple employments given that Compensation of Employees sums wages and salaries across all employments.

short-term secondary job, for which the hours are not counted towards the aggregate. LFS microdata shows that the average actual hours worked in secondary jobs has remained stable at approximately 12 hours per week over the period 2019 to 2024, while the number of individuals reporting secondary employment rose by around 30,000. The aggregate effect on total labour input is modest when including these additional hours in both years, raising adjusted levels in 2024 by only 410,000 hours (0.3 per cent). As a result, the estimated decline in aggregate average hours worked would be reduced from -6.5 per cent to -6.2 per cent.

Overall, the estimated contribution of labour hoarding (1 pp), work absences (1.4 pp) and multiple employments (0.3 pp) would limit the decline in average hours worked between 2019 and 2024 from -6.5 per cent to an adjusted figure of -3.8 per cent (Figure 7). Combined, these factors likely have a greater impact on average hours developments between 2019 and 2024 compared to earlier periods, though the relative contribution is only 41 per cent. Rather than acting as primary drivers, it is likely that these factors are coincidental to larger changes in aggregate developments. This motivates the micro-level analysis in Section 4 to assess the contribution of compositional or behavioural effects on average actual hours worked by demographic cohort.

Figure 7: Contribution of additional factors to decline in aggregate hours worked (2019-2024)



Source: CSO and author's calculations

4. Decomposition Analysis

LFS microdata

To investigate the drivers of changes in average hours worked over time, this analysis utilises LFS microdata to construct total actual hours worked for various demographic groups. Individual-level responses for actual hours worked are summed alongside corresponding employment levels and survey weights to derive a bottom-up calculation of average actual hours worked per demographic cohort in each year. A validation exercise confirms that total hours worked by NACE sector of employment closely aligns with the figures published by the CSO.[13]

Given the breadth of demographic information available in the LFS, total and average actual hours worked can be estimated across a broad range of groups such as age, gender, educational attainment and family status. Using LFS microdata to calculate the changes in average hours per demographic cohort, the negative/positive developments for each period appear to be broad-based rather than confined to specific sub-groups of the workforce (Table 1). For example, in the 2003-2008 period, the decline in average hours at the aggregate level is reflected by declines across all categories of gender, age, sector of employment, citizenship and parental status. Decomposition techniques utilised in later sections of this analysis help identify which demographic groups have the largest contributory effect on declining average hours, though initial comparison suggests a broad-based decline.

Focusing on the most recent period (2019-2024), the reduction in average hours was more pronounced for males (-8.1 per cent) than females (-3.4 per cent), although men continue to work more hours on average. Larger declines are observed amongst full-time workers (-6.9 per cent), Irish citizens (-7.2 per cent), and those aged over 65 years (-13.3 per cent) highlighting the heterogeneous nature of the adjustment across the workforce. Part-time employment accounted for 20.5 per cent of total employment in 2019, rising modestly to 21 per cent in 2024. While this increase suggests a shift towards more flexible work arrangements, the aggregate contribution of part-time employment to the overall decline in average hours remains limited. Changes in part-time work may play a more significant role at the sectoral level considering compositional shifts in sectoral employment in the pandemic recovery period. This is due to sectors such as retail and accommodation services, which typically record relatively higher shares of part-time work, exhibiting further increases in part-time employment shares in recent years.

When analysing changes in average hours by location of work, it is necessary to exclude the agriculture sector, which accounts for 4 per cent of total employment, given potential distortionary effects on comparisons between reference years.[14] Among the remaining

[13] See Pxstat table QLF36 for total actual hours worked across each NACE sector. NACE sector is the only publicly available breakdown of total hours worked beyond the aggregate time series.

[14] The onset of the pandemic led to an upward shift in remote and hybrid working arrangements. Prior to the pandemic, these working patterns constituted a relatively small share of total employment (20 per

Table 1: Change in average actual hours worked by demographic and economic group

Group	Period 1: 2003-2008	Period 2 2009-2018	Period 3: 2019-2024
Total	-5.4%	5.1%	–6.5%
Male	-4.5%	3.9%	-8.1%
Female	-5.4%	7.1%	-3.4%
Full-Time	-4.7%	3.2%	-6.9%
Part-Time	-2.2%	5.9%	-0.9%
15-24 yrs	-4.3%	0.9%	-8.4%
25-34 yrs	-5.5%	4.1%	-5.2%
35-44 yrs	-5.2%	4.8%	-6.8%
45-54 yrs	-6.2%	6.7%	-5.5%
55-64 yrs	-6.7%	4.2%	-5.0%
65 yrs+	-11.3%	4.2%	-13.3%
Irish citizen	-5.7%	5.1%	-7.2%
Non-Irish citizen	-4.8%	4.8%	-4.1%
Non-Parents	-5.1%	4.7%	-6.9%
Parents	-5.9%	5.5%	-6.3%
Tertiary Education	-4.5%	6.0%	-6.1%
Non-Tertiary Education	-5.8%	3.8%	-7.6%
Primary	-5.5%	4.2%	-12.6%
Industry	-1.1%	7.5%	-8.2%
Construction	-4.2%	13.9%	-5.6%
Low value-added services	-7.5%	2.0%	-3.3%
High value-added services	-1.5%	5.8%	-7.7%
Public	0.4%	8.0%	-7.2%
Remote working*	-8.7%	3.7%	-5.2%
Hybrid working*	-2.1%	2.2%	-7.6%
On-Site working*	-2.6%	3.1%	-8.5%

Source: CSO LFS and author's calculations.
Note: * denotes that location of Work (Remote/Hybrid/On-Site) are exclusive of the Agri sector for reasons outlined in previous sections. This removes approximately 4% of total employment.

NACE sectors, the decline in average hours between 2019 and 2024 was most pronounced among workers in on-site roles (-8.5 per cent), followed by those with hybrid (-7.6 per cent) and remote (-5.2 per cent) working arrangements.[15] The sharper decline in

cent in 2019 and 35 per cent in 2024). In 2019, 21 per cent of all remote workers were employed in the Agri sector, which has subsequently declined to 5 per cent in 2024. As both the family residence and farm can often be considered as the same place, this can create skewness and subjectivity in the data when comparing time periods given the changes in other sectors. As Agri workers typically record the highest average hour levels, excluding this sector from analysis mitigates the influence of asymmetric observations.

[15]The LFS question on location of work divides people into the following groups: Remote (more than half the week working from home), Hybrid (less than half the week working from home), and On-Site (No time

hours for on-site workers may suggest a potential shift in worker preferences away from location-dependent roles or possibly reflect the impact of changes in the composition of employment, in particular the increased share of public sector employment, which records a lower average level of hours worked relative to the economy-wide average. While remote and hybrid working arrangements may not have been as prevalent prior to the pandemic, it is noteworthy to find that trends in average hours in both earlier periods follow similar patterns to aggregate and sectoral hours.

Differences also emerge across family status. Workers without children experienced a 6.9 per cent decline in average hours, compared to a 6.3 per cent decline for parents, although the latter represents a smaller share of total employment. Among parents, fathers recorded a notably sharper decline in average hours (-8.3 per cent) relative to mothers (-2.3 per cent). IMF analysis also outlined steeper declines in reported working hours for fathers and suggest a possible reconfiguration of intra-household labour allocation in regard to caregiving and other family demands.

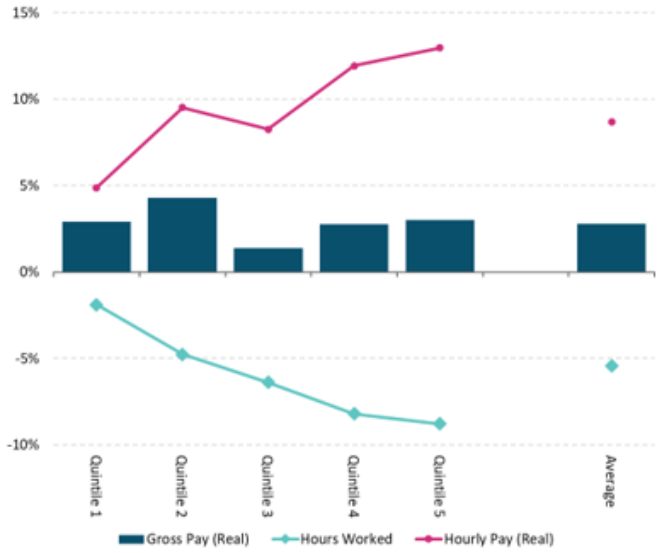
The integration of gross pay data in the LFS linked to administrative records from Revenue enables a detailed examination of labour market activity relative to weekly pay levels from 2019 onwards. Occupational structure shows that higher wage jobs exhibit higher average hours as these roles are more likely to be full-time positions while those at the lower end of the distribution are more likely to be part-time or seasonal roles. Over the five-year period to 2024, average gross pay increased by 2.8 per cent in real terms.[16] When combined with the decline in average hours worked, this represents an 8.7 per cent increase in real hourly pay levels. Importantly, the decline in average hours is not uniform across the wage distribution as workers in the highest wage quintile (Q5) experienced an 8.8 per cent reduction (-3.5 hours) in average hours worked compared to a 1.9 per cent reduction (-0.4 hours) amongst those in the lowest quintile (Q1) (Figure 8).

While there are a range of factors influencing these developments such as increasing part-time employment in certain sectors or structural changes to contractual working hours in public sector roles, these developments suggest that the substitution of income for leisure becomes more prevalent at higher wage levels, consistent with the backward-bending segment of the labour supply curve. This outcome is in line with the international comparison outlined by Bick et al (2018) in which increases in aggregate income leads to decreasing hours across gender, education and age. It is important to also note that inflation is not experienced uniformly across the wage distribution. Lower-wage households tend to allocate a larger proportion of their spending to essentials such as food and energy. As a result, household-specific inflation rates may differ across the

spent working from home).

[16]Gross pay data are made available from the Revenue PMOD system, which are also used to compile Compensation of Employees in the national accounts. It is important to note that levels and relative annual growth rates may differ from national account releases due to the representativeness of the LFS data. Real CPE declined by 3.5 per cent between 2019 and 2024. Keenan (2024) identified that LFS and CPE wage levels are broadly comparable with the LFS providing gross pay data for approximately 70 per cent of employees. Missing data for the remaining 30 per cent and calculation differences between survey data and administrative data likely contribute to the difference in growth rates.

Figure 8: Change in average hours worked in annual gross pay by wage quintile (2019-2024)



Source: CSO; LFS and author's calculations

distribution, potentially affecting the interpretation of trends in real wage developments (Boyd et al, 2023).

Shift-Share Decomposition

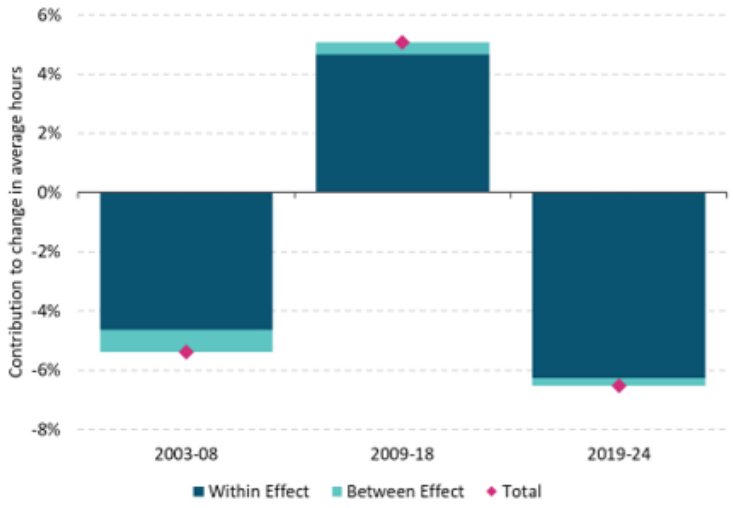
As average hours worked per demographic cohort have been reported in Table 1, a standard shift-share decomposition is employed to estimate the contribution of each group to the aggregate change using changes in average hours and employment shares. The results provide each group's contribution into two distinct groups. The first is the "between-effect" group which captures how changes in the distribution of workers across the economy has affected aggregate average hours worked. This can be treated as a composition effect whereby the aggregate changes are driven by e.g. a higher share of part-time workers contributing fewer working hours relative to full-time workers. The second is the "within-effect" group which reflects changes in hours worked inside each group, holding the group shares constant over time. This can be treated as a behavioural effect as it reflects changes in the outcome for groups holding composition fixed, meaning workers or firms are acting differently within their categories rather than the change arising from changes in the size of the group. The decomposition is formally expressed as:

$$h_t - h_{t-1} = \sum(\omega_{it} - \omega_{i,t-1})h_{i,t} + \sum \omega_{i,t-1}(h_{i,t} - h_{i,t-1})$$

Where h_{it} denotes aggregate average actual hours worked for group i at time t, and $w_i t$ denotes the employment share of group i at time t. The first and second terms of the

right-hand side of the equation capture the between and within effects, respectively. Using the same initial specifications as Astinova et al (2024), we first assess the within-effect and between-effect contributions to change using a cross-product of age group, gender and sector of employment. The results show that within-group or behavioural effects accounted for the majority of change in each period rather than compositional shifts in the workforce (Figure 9). For the 2019-2024 period, within-group effects account for 6.2pp of the 6.5 per cent decline in average hours at the aggregate level. This suggests that the behavioural effect is stronger in the most recent period relative to the 2003-2008 period in which average hours also declined but exhibited a slightly higher within-group effect contribution.

Figure 9: Shift-share decomposition of change in average hours by analysis period



Source: CSO and author's calculations
Note: Variables included in the cross-product decomposition are gender, age group, full-time status and NACE sector.

Given the findings presented by Astinova et al (2024), we focus the shift-share analysis on gender and parental status.[17] Applying the shift-share decomposition by gender identifies a marked asymmetry in contributions. Looking specifically at the 2019-2024 period, much of the decline is driven by a within-group effect amongst males of -4.9pp (Table 2). In addition, a between-group effect of -1.3pp reflects the declining male share of total employment, which further amplifies the aggregate decline. Together, these effects imply that working hour changes among males accounted for 95 per cent of the overall reduction in aggregate average hours. In contrast, the contribution from females is more muted. A modest negative within-group effect of -1.3 percentage points is largely offset by a positive between-group effect of 1 percentage point arising from to the increased female share of employment. This compositional shift reflects the notable rise in female labour force participation since 2019.

[17] Shift-share analysis for age group, sector of employment and place of work are outlined in the Annex.

Table 2: Shift-Share Decomposition of Average Actual Hours Worked by Demographic Cohort (2019-2024)

	Within Effect	Between Effect	Total Contribution
Total	-6.4%	-0.1%	-6.5%
Male	-4.9%	-1.3%	-6.2%
Female	-1.3%	1.0%	-0.3%
Non-Parents	-2.4%	0.5%	-2.0%
Parents	-3.8%	-0.7%	-4.5%
of which: Male	-3.3%	-1.2%	-4.4%
of which: Female	-0.6%	0.4%	-0.1%
Male - No children	-1.7%	-0.1%	-1.8%
Male - Young children	-0.6%	-2.7%	-3.3%
Male - Older children	-2.2%	1.0%	-1.2%
Female - No children	-0.8%	0.6%	-0.2%
Female - Young children	-0.8%	-0.6%	-1.4%
Female - Older children	-0.3%	1.6%	1.3%

Source: CSO; LFS and author's calculations.

Changes in working hours amongst female workers accounted for just 5 per cent of the aggregate decline in average hours.[18] Applying the same gender decomposition for earlier periods shows similarity between 2003-2008 and 2019-2024 whereby males contributed the vast majority towards declining aggregate levels. In the 2009-2018 period, in which aggregate average hours rose by 5.1 per cent, the split is relatively even between males (2.3pp) and females (2.8pp).

Decomposition by parental status reveals distinct dynamics between parents and non-parents. Among parents, the reduction is primarily driven by a within-group effect of -3.8pp, which may reflect evolving work-life balance preferences or heightened childcare demands. The decline is further reinforced by a negative between-group effect of -0.7pp implying that parents account for 70 per cent of the aggregate decline in average hours. A more detailed decomposition by gender and parental status shows that the decline is particularly concentrated among fathers who alone account for 68 per cent of the overall reduction in average hours. The contribution of mothers is just 2 per cent suggesting a more stable pattern of labour supply. For non-parents, the decomposition reveals a negative within-group effect of -2.4pp indicating a broad-based reduction in hours even from workers without children. This is partially offset by a positive between-group effect of 0.5pp reflecting an increase in the non-parent share of total employment. These results suggest that while the reduction in hours is widespread, behavioural changes among fathers have played a disproportionately larger role in shaping the aggregate trend.

Based on the observation that parents, mainly fathers, are the key driver of the decline in

[18]For comparison, 94 per cent of the decline in average hours worked in the 2003-2008 period was attributed to males. For the 2009-2018 period that saw an increase in average hours, the share were relatively even amongst males and females with 46 per cent and 54 per cent, respectively.

average hours worked, I examine trends by childcare intensity as outlined by Astinova et al (2024). Using LFS microdata on parental status and the age of the youngest children present in the household, parents are categorised into two groups: those with young children (aged 5 years or under) and those with older children (aged 6 years and over). When combining parental status and gender, a more nuanced picture emerges. Fathers of young children alone account for 49 per cent of the overall decline though a large proportion of this can be attributed to between-group effects as this group now accounts for smaller share of total employment compared to 2019.[19] Negative within-group or behavioural effects are evident for both males with no children and fathers of older children. Mothers of young children account for 21 per cent of the aggregate decline, while mothers of older children are the only subgroup among parents and non-parents to exhibit a positive contribution to aggregate average hours (+19 per cent). The positive between-group effect reflects an increase in the employment share of mothers of older children rising from 22.2 per cent to 24 per cent in the aftermath of the pandemic. Overall, there is a larger negative within-group contribution amongst parents of older children and non-parents to the aggregate decline, measuring 38 per cent and 40 per cent, respectively. For parents, these patterns may suggest divergent labour supply dynamics within the household with respect to childcare, potentially reflecting changes in household bargaining or flexible work availability.

We can also split the data by households and couples rather than by individuals.[20] Therefore, a joint household or couple labour contribution can be estimated over time. Restricting the specifications to couples where both are in employment and have children, the descriptive statistics show that joint hours worked have fallen by 3.4 per cent between 2019 and 2024, with men accounting for 94pp of the decline. For couples with young children, the decline in hours worked is 5 per cent with men accounting for much of the decline (3.7pp) relative to females (2.3pp). Amongst those with older children, joint hours declined by 2.8 per cent though females have offset this trend slightly with a positive contribution to aggregate levels (11.1pp). Overall, the decline in the joint labour contribution is driven by fathers, which may signal a shift in household childcare patterns.[21]

[19] Employment share for males with young children fell from 9.9 per cent in 2019 to 7.7 per cent in 2024. Similarly, for females the employment share fell from 8.3 per cent to 7 per cent. The share decline for men with young children is reflective of greater employment growth for other cohorts as the employment rate for this cohort rose by 4.3pp to 90.4 per cent compared to a 9.6pp increase to 72.9 per cent for females with young children. Unemployment rates for all parental groups measured below 5 per cent in 2024.

[20] While household and couple weights are available in the LFS, the data is generated primarily at the individual level. As such, we should be careful when using couple weights. For instance, individual weights estimate an average employment level of 2.76 million persons in 2024. Couple weights estimate 1.67 million couples with at least one person in employment for the same year and further specifications are required to estimate dual employment couples and adjustments for sample representativeness.

[21] See annex for charts and further details

Oaxaca-Blinder Decomposition

As the shift-share decomposition is an accounting-based analysis relying on the reweighting of group averages, an Oaxaca-Blinder decomposition is also applied for robustness. This is a model-based approach using regression coefficients to weight changes in characteristics capturing how the distribution of observable covariates would influence outcomes if the underlying returns to those characteristics remained fixed. The change in aggregate average hours is separated into two main components:

1) the endowment effect or explained component that captures changes in the distribution of observable characteristics in the workforce (e.g. the composition by age, gender, part-time status)

2) the coefficient effect or unexplained component that captures changes in how these characteristics are associated with hours worked.

The latter component can reflect behavioural shifts, evolving preferences, policy impacts, or institutional changes that alter the relationship between worker characteristics and labour supply. A third and typically much smaller component known as the interaction effect is a residual cross-product term. It shows how differences in group shares and their associated hours worked compound to amplify the overall change in hours worked. While both approaches used in this analysis provide an estimate related to behavioural changes, it is important to highlight that the decomposition metrics are conceptually different as the shift-share approach is mechanical and the Oaxaca-Blinder approach is regression-based.

As the LFS is a panel-structured dataset, a limitation of this analysis is that survey respondents are only present in the data for a maximum of five consecutive quarters meaning that no respondents are present in both 2019 and 2024 data. As a result, the analysis is unable to track individual-specific hours worked over a multi-year horizon and therefore relies on average annual values calculated using repeated cross-sections. Consequently, observed within-group effects may reflect some compositional shifts within demographic categories rather than purely behavioural change i.e. higher share of females in employment in 2024 relative to 2019. Any changes in occupational or sectoral structure may see average actual hours worked for females differ between 2019 and 2024.

The Oaxaca-Blinder decomposition enables an assessment of whether the decline in average hours worked is primarily driven by changes in workforce composition or by shifts in worker behaviour within demographic groups. It does so by estimating two regression models, one for each reference year, and comparing differences in both the average values of explanatory variables and their associated coefficients across years. A set of relevant explanatory variables are used in the decomposition including gender, age, parental status, educational attainment, citizenship, part-time/full-time status, and sector of employment.

The decomposition is expressed as:

$$\bar{Y}_t - \bar{Y}_{t-1} = (\bar{X}_t - \bar{X}_{t-1})'\beta_{t-1} + \bar{X}_{t-1}'(\beta_t - \beta_{t-1})$$

whereby $\bar{Y}_t$ denotes the log of average actual weekly hours in year t and $\bar{X}_t$ denotes the average characteristics of the working population in that year (age, gender, sector etc.). B_t represents the coefficient vector from a regression of Y_t on X_t. In this calculation, $(\bar{X}_{t-1})'B_{t-1}$ is explained by the component or endowment effect. $\bar{X}_t - B_{t-1}$ is the unexplained component. In the baseline calculation, the coefficients from *t-1* are used as a reference structure allowing us to interpret the explained component as the predicted change in log hours if the workforce composition in period t had been in place in period *t-1*. The Oaxaca-Blinder analysis is applied starting in 2003 as this is the earliest period for which the full range of required worker characteristics is reported in the detailed micro data underpinning the analysis.

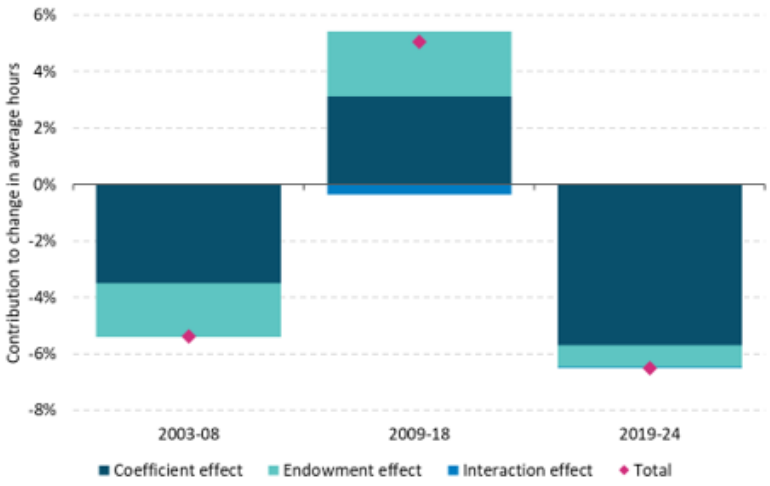
In each study period, the coefficient effect makes the largest contribution to the change to aggregate average hours though the extent differs over time (Figure 10). In 2003-2008, a 3.6pp (66 per cent) percentage point contribution toward the 5.4 per cent decline suggests that behavioural factors or structural constraints (coefficient effect) have played a much larger role compared to a 1.7pp contribution from changes in observable characteristics or the composition of the workforce (endowment effect). The decomposition results are largely similar for the middle period (2009-2018), with the coefficient effect contributing 2.9pp (59 per cent) towards the overall 5 per cent increase in average hours. The endowment effect accounted for 44 per cent of the increase, while the negative interaction effect (-2.8 per cent) suggests that the two main components partly offset each other. A notable result for the 2019-2024 period is that the coefficient effect is much stronger than in the other periods contributing 5.7pp (88 per cent) of the -6.5 per cent decline in average hours, while the contribution of the endowment effect shows a relatively small contribution from changes in the composition of the workforce.[22]

Assessing the drivers of growth in the two periods during which average hours declined (2003-2008 and 2019-2024), the contribution of the endowment effect is almost three times smaller in the most recent period reflecting the relative strength of behavioural changes compared to changes in workforce composition. The proportional size of the endowment effect in the 2009-2018 period is notably larger than that estimated for the 2019-2024 period, indicating that compositional changes in the workforce had a much more pronounced impact when average hours worked increased in the economy rather than in a period when hours declined. The bulk of the change in average hours worked between 2019 to 2024 reflects changes in the coefficients (behavioural responses or institutional/policy factors) rather than changes in the composition of the workforce. As the endowment effect is relatively small, this indicates that shifts in the workforce share

[22]While not directly comparable, the relative size of coefficient effect in the 2019-2024 period (87 per cent) is broadly similar to the size of the within-group effect from the shift share analysis (95 per cent).

by gender, age or sector of employment play only a limited role. These findings are consistent with the shift share analysis in the previous section as well as recent analysis at the euro area level emphasising within-group dynamics as the primary driver of falling average hours in advanced economies as outlined by Astinova et al (2024).

Figure 10: Oaxaca-Blinder decomposition of average hours worked



Source: CSO; LFS and author's calculations
Note: Explanatory variables include gender, age category, NACE sector, full-time status, employee status, educational attainment, parental status and citizenship.

Regression Analysis

While the Oaxaca-Blinder approach indicates that coefficient effects are the main driver of change in average actual hours in each period, it does not directly test whether, for example, the coefficient for males in 2019 is statistically significantly different from the coefficient for males in 2024. To examine the extent of change of these coefficients, separate OLS regressions are estimated for the start and end years of each study period.[23] These regressions use many of the same explanatory variables as the decomposition in the previous section in dummy format while age is retained as a continuous variable to test for the presence of a non-linear relationship. The choice of variables captures the main factors identified in the literature that typically influence hours worked such as age, full-time status and sector of employment among others alongside interaction terms between gender and parental status which are included to assess the relationship between of childcare duties and average hours worked. The estimates are then directly tested to

[23]OLS offers a clear interpretation of coefficients as average marginal effects, aligning with the focus on mean differences across groups rather than distributional outcomes. As the LFS is a repeated cross-sectional dataset rather than a consistent panel dataset, this approach is the most feasible as the same group of respondents are not presented in both the start and end years of the study period. Other approaches such as fixed-effects or random-effects cannot be applied as there is no consistent individual identifier to assess within-person variation over time.

determine whether the coefficients differ significantly.[24] This enables straightforward hypothesis testing of coefficient equality across specifications and ensures that differences in coefficients are not simply due to sampling variation but reflect genuine shifts in behavioural or institutional factors influencing hours worked.[25] This approach complements the decomposition analysis by identifying whether observed aggregate changes reflect statistically significant shifts in behavioural effects.[26]

The results of the regression analysis on log average actual hours are outlined in Table 3. For 2024, full-time workers contribute 75 per cent more hours on average than part-time workers, while self-employed workers record 8.2 per cent more hours than employees. Those employed in the public sectors (education, health, public admin) exhibit 7.2 per cent fewer hours than the national average. There is a non-linear relationship between age and average hours as while average hours increase with each year of age, the negative age-squared term indicates hours begin to slow after 45 years of age, and given the relatively small size of the coefficient, there is a very gradual decline in average hours as the worker approaches retirement age. This is consistent with the lifetime labour force participation curve whereby involvement in the workforce rises sharply as people finish education, remains stable from mid-20s for several decades before then slowly declining in midlife depending on childcare or home duties, cultural norms or retirement plans. As ageing demographics are a concern for many euro area economies, this non-linear relationship may have a greater effect on aggregate hours level over the medium to long-term. The interaction term outlines that relative to the base category (females with no young children), females with young children work 3.7 per cent fewer hours per week. Contrastingly, males work more hours regardless of parental status though the gap is relatively larger for males without young children. Males with a child under 5 years of age contribute 4.1 per cent more hours on average and this coefficient is at its lowest point in 2024, down from 8.8 per cent in 2008.[27]

[24] This is performed using the "seemingly unrelated estimation" procedure which combines the two sets of estimation results into a single system, constructing a joint variance-covariance matrix that accounts for potential correlations in the error structures.

[25] Additional shift-share analysis holding the coefficient constant between various years were performed for robustness though these are not reported given that compositional effects constitute only a minority of the aggregate change in average hours.

[26] Place of work or remote working variables are not included as findings from the shift-share decomposition highlight that an accurate assessment of changes between 2019-2924 requires the exclusion of the agricultural sector from analysis given the high degree of overlap between home and the workplace which can skew aggregate figures. Prior to 2019, Agri constituted 21 per cent of all remote work which has subsequently moderated to 5 per cent given changes in other sectors. Given the structural changes to working arrangements following the pandemic, assessment of place of work may be better suited to work focusing on the post-2019 environment only.

[27] Income data is only available in LFS microdata from 2019 onwards meaning it is not possible to compare the income effect on hours across the three periods. Analysis on the 2019-2024 period shows that income has a positive effect on average hours. The inclusion of an income-squared variable implies that a non-linear relationship exists with workers contributing fewer hours once they reach the fourth income quintile (approximately €1,100 per week in 2024).

Table 3: Regression on logged average actual hours worked

	2003	2008	2009	2018	2019	2024
Full-Time	0.799***	0.775***	0.778***	0.796***	0.796***	0.749***
Irish	-0.018***	-0.012***	-0.004***	-0.000	-0.001*	-0.017***
Tertiary education	-0.005***	0.007***	0.010***	0.015***	0.013***	0.006***
Self employed	0.168***	0.109***	0.103***	0.098***	0.098***	0.082***
Age	0.014***	0.015***	0.018***	0.016***	0.017***	0.019***
Age-squared	-0.000***	-0.000***	-0.000***	-0.000	-0.000***	-0.000***
Public	-0.089***	-0.085***	-0.084***	-0.061***	-0.068***	-0.072***
Construction	-0.023***	-0.034***	-0.068***	-0.025***	-0.010***	0.018***
High value-added services	-0.027***	-0.021***	-0.019***	-0.025***	-0.019***	-0.036***
Industry	-0.018***	-0.004***	-0.017***	-0.004***	-0.004***	-0.005***
Base category: Female (No young children)						
Female (Young Children)	-0.007***	-0.027***	-0.007***	-0.013***	-0.011***	-0.037***
Male (No Young Children)	0.068***	0.077***	0.084***	0.083***	0.079***	0.057***
Male (Young Children)	0.077***	0.088***	0.086***	0.084***	0.076***	0.041***
Constant	2.57	2.54	2.46	2.46	2.46	2.44
R-squared	0.516	0.464	0.471	0.402	0.447	0.381

Source: CSO LFS and author's calculations.
Note: With the exception of age and age-squared, all explanatory variables are dummies.

Table 4 assesses the difference in coefficients between the start and end year of each period. We see that declines for full-time workers (-4.6pp) and Irish citizens (-1.7pp) are statistically significant. This implies that while full-time workers still work a greater number of hours than part-time workers on average, the gap has narrowed significantly between 2019 and 2024 and part of the observed decrease in average hours at the aggregate level is due to a shift in full-time working patterns. Similarly, construction workers are contributing 2.8pp more hours which is offset by a reduction in high value-added services (-1.7pp). The 2.2pp increase in public sector hours between 2009 and 2018 is reflective of the changes to contractual hours outlined in previous sections.

Table 4: Coefficient changes within periods

	Period 1: 2003-2008	**Period 2: 2009-2018**	**Period 3: 2019-2024**
Full-time	-0.024***	0.019***	-0.046***
Irish	0.006	0.004	-0.017***
Tertiary education	0.013***	0.005	-0.008
Self employed	-0.059***	-0.004	-0.016*
Age	0.001*	-0.001	0.002
Age-squared	-0.000**	0.000*	-0.000
Public	0.004	0.022***	-0.004
Construction	-0.011***	0.043***	0.028***
High value-added services	0.006	-0.005	-0.017**
Industry	0.013***	0.013**	-0.001
Base category: Female (No Young Children)			
Female (Young Children)	-0.021***	-0.007	-0.027**
Male (No Young Children)	0.001**	-0.002	-0.022***
Male (Young Children)	0.011**	-0.002	-0.034***

Source: CSO LFS and author's calculations.

When assessing the change by gender and parental status, we see that the coefficient on hours for males with young children has declined by 3.4pp between 2019 and 2024. This is relative to a 2.2pp decline for the other male category despite both groups exhibiting similar hour premiums relative to the base category in 2019 (7.9 per cent and 7.6 per cent, respectively). Notably, the difference in coefficients for gender and parental status are only statistically significant in the periods during which average aggregate hours declined; however, hours for males increased rather than aligning with negative trends at the aggregate level.[28]. For robustness, auxiliary specifications assessed the interaction of gender and parental status for females and older children. These results showed that females with older children increased their respective average hours by 4pp between 2019 and 2024 relative to the base category (males with no older children). The difference between the 2019 and 2024 coefficients was statistically significant and aligns with the shift-share results in Table 2. See Table A2 in the Annex.

[28]For the sake of robustness, auxiliary specifications assessed the interaction of gender and parental status for females and old children. These results showed that females with older children increased their respective average hours between 2019 and 2024 relative to the base category (males with no older children). The difference between the 2019 and 2024 coefficients was statistically significant and aligns with the shift-share results in Table 2. See Table A2 in the Annex

5. Conclusion

The decline in average actual hours worked in Ireland in recent years reflects the convergence of long-term structural forces and more recent behavioural shifts in the labour market following the pandemic. Issues such as increased work absences, secondary jobs and labour hoarding account for less than half of the 6.5 per cent decline in average hours since 2019 suggesting other factors are playing a more prominent role in recent trends. While compositional effects such as rising part-time work and sectoral shifts have contributed modestly, the bulk of the decline is attributable to within-group behavioural changes. Decreasing hours worked amongst males and parents are the dominant factor while females with older children are partially offsetting these developments. These trends suggest evolving intra-household dynamics, possibly reflecting greater involvement of fathers in care-giving roles.

The Oaxaca-Blinder approach highlights that while the driving factors behind recent trends are comparable with previous periods of declining average hours, the extent to which behavioural effects influence developments are much stronger in 2019-2024. Compositional effects had a relatively larger role in the 2008-2019 period during which average hours in Ireland increased and diverged from overall euro area trends. Idiosyncratic factors such as the extent of the global financial shock, absence of comparable job retention schemes and changes in contractual hours for public sector workers help to inform developments in this period. Regression analysis for the 2019-2024 period shows a relative decline for males when controlling for various factors such as age, education and parental status.

Fathers of young children exhibited a sharper decline in hours, consistent with possible constraints in childcare access and evolving childcare responsibilities, while mothers of older children have exhibited a statistically significant increase in hours relative to 2019 levels. Taken together, these findings align with recent euro area developments outlined in Astinova et al (2024) that both males and parents of younger children emerge as the primary drivers of the aggregate decline. Recent policy reforms to the National Childcare Scheme aim to address some of these barriers, though constraints around cost, coverage and availability remain and continue to limit the impact on parental labour supply (Doorley and O'Shea, 2025)[29][30]. Further improvements in childcare provision could therefore play a role in supporting labour input levels (Doorley et al, 2003).

Gethin and Saez (2025) assess developments in global hours to outline that in middle-to-high income countries, average hours for male workers are declining and are partially offset by increases in female employment rates. Similar developments may have transpired for Ireland in recent years with a notable rise in female labour force

[29] Time constraints related to caregiving can limit the feasibility of full-time employment, reduce participation rates and increase the reliance on part-time or flexible working arrangements.

[30] They estimate that the average cost coverage of the NCS remains limited relative to other EU economies at 27.6 per cent. The average EU coverage in 2021 was estimated to be 46 per cent, rising to 47 per cent for OECD economies.

participation and decline in labour input at the household-level predominantly driven by males. These results are in line with international developments and may suggest that childcare constraints and a potential shift in care-giving duties as responsibilities are increasingly shared between parents may help explain a proportion of the remaining decline in average hours worked once the above adjustments have been considered.

Overall, these findings underscore the importance of examining labour supply trends at a granular demographic level. While Ireland notably diverged from euro area patterns in hours worked following the global financial crisis, there is now a return to the long-run gradual decline associated with developed economies. The general pattern across advanced economies suggests that hours worked are unlikely to revert to pre-pandemic levels outside of a significant cyclical downturn that disproportionately affects certain sectors of the economy. An important consideration for future developments is the gradual decline in average hours as workers reach the mid-career stage of life, which poses growing challenges for European economies facing ageing populations and tightening labour supply. Policies that strengthen and normalise flexible work arrangements may help to offset further reductions in average hours worked by reducing the need for childcare-related reductions in working time.

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Annex

Applying the shift-share approach to age groups further underscores the demographic specificity of the decline. Workers aged 15-24 years show a relatively neutral contribution (-0.1pp). The largest negative contributions arise among workers aged 25-34 years (-2.5pp) and 35-44 years (-3.7pp), coinciding with peak years for household and family formation. Conversely, older workers (aged 55 years and over) exhibit a modest positive contribution of 0.3pp which is consistent with rising labour force participation among older cohorts and the broader ageing of the working population. While descriptive statistics in Table 1 showed a sharper decline in average hours for older cohorts, their smaller relative share of total employment limits the group contribution to aggregate developments.[31]

Changes in sectoral composition were initially considered to have played a significant role in the decline in average hours given that cumulative growth in employment since 2019 has been driven by the public and high value-added services sectors, which accounted for 39.2 per cent and 34.1 per cent of total growth, respectively.[32] Results indicate that these compositional shifts (between-group effects) account for only 2 per cent of the decline in average hours worked. The extent of the flow of workers into the public and high value-added services sectors (between-effect) has outweighed the reduction in average hours worked observed through behavioural changes (within-effect). During this period, contractual hours for public sectors workers were amended to shorter pre-Haddington Road standard weeks. Overall, these two broad sectors add a combined 1.5pp to the aggregate change, which partly offsets declines elsewhere. Notably, the extent of the negative between-group effect for the low value-added services sectors reflects the ongoing employment recovery toward pre-pandemic levels.

[31] Assessing compositional changes by birth cohort (decade of birth from pre-1960s to post-1990s) to reduce the possibly impact of behavioural changes between age cohort reveals all cohorts record negative within-group effect contributions. Only those born after 1990 exhibit a positive between-group contribution as there are more in employment in 2024 relative to 2019.

[32] During the 2009-2018 period, the public sector accounted for 2.4pp of the 5.1 per cent increase in hours, likely reflecting the increase in contractual working hours for employees in this sector.

Table A1: Coefficient changes within periods

	Within Effect	Between Effect	Total Contribution
Total	-6.4%	-0.1%	-6.5%
Primary	-0.8%	-0.6%	-1.4%
Industry	-1.1%	-0.2%	-1.4%
Construction	-0.4%	-0.1%	-0.5%
Low value-added services	-1.1%	-3.6%	-4.7%
High value-added services	-1.3%	2.7%	1.4%
Public	-1.6%	1.8%	0.1%
15-24yrs	-0.8%	0.6%	-0.1%
25-34yrs	-1.1%	-1.3%	-2.5%
35-44yrs	-1.9%	-1.8%	-3.7%
45-54yrs	-1.3%	0.8%	-0.5%
55-64yrs	-0.7%	0.8%	0.1%
65yrs+	-0.5%	0.6%	0.2%
Remote (ex-Agri)	-0.3%	13.0%	12.7%
Hybrid (ex-Agri)	-1.0%	2.2%	1.2%
Fixed (ex-Agri)	-6.2%	-12.7%	-18.9%
Total (ex-Agri)	-7.6%	2.5%	-5.0%

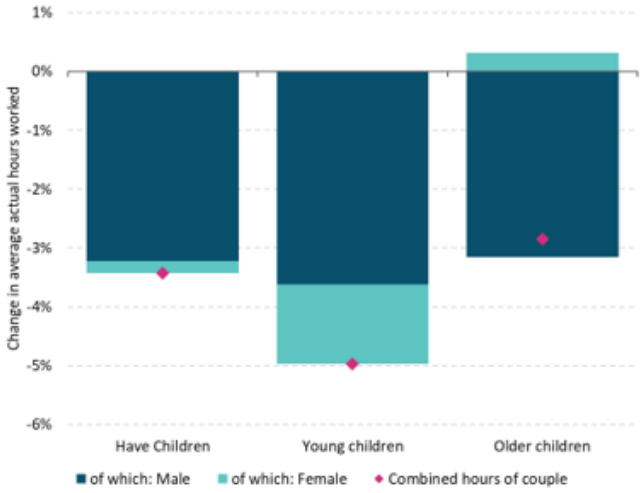
Source: CSO LFS and author's calculations.
Note: Location of work (Remote/Hybrid/On-Ste) are exclusive of the Agri sector.

Shift-share analysis by location of work reveals significant post-pandemic structural adjustments. When agriculture is excluded, the decline in aggregate average hours worked for the remainder of the economy adjusts from -6.5 per cent to -5 per cent.[33] For remote workers, a small within-group effect of -0.3pp is accompanied by a substantial positive between-group effect of 13pp reflecting the sharp increase in the share of workers performing their duties remotely for more than half the week. On-site workers display a prominent negative between-group effect (-12.7pp), consistent with labour shifts away from on-site roles and the ongoing employment recovery in low value-added services sectors towards pre-pandemic levels. Notably, the within-group effect for on-site workers reveals a -6.2pp decline indicating more pronounced behavioural or structural changes relative to hybrid or remote workers. This may be partly driven by increased part-time employment in sectors predominately associated with on-site activity such as retail and hospitality where demand and staffing patterns have adjusted in the aftermath of the pandemic.[34]

[33]Agriculture accounts for approximately 4 per cent of total employment in both reference years.

[34]The part-time share of employment for the retail and accommodation sectors increased by 2.3pp and 4.5pp between 2019 and 2024, respectively.

Figure A1: Change in combined average actual hours worked of couples by parental status (2019-2024)



Source: LFS and author's calculations
Note: Data are weighted using couple weights rather than individual weights. Both persons in the couple must be in employment and present in work during the reference week

Figure A2: Coefficient changes within periods

	2019	2024	Coefficient Change
Full-time	0.795***	0.752***	-0.043***
Irish	0.001**	-0.019***	-0.019***
Tertiary education	0.012***	0.006***	-0.006
Self employed	0.097***	0.080***	-0.017**
Age	0.017***	0.018***	0.001
Age-squared	-0.000***	-0.000***	0.000
Public	-0.068***	-0.073***	-0.005
Construction	-0.011***	0.017***	0.028***
High value-added services	-0.020***	-0.036***	-0.016**
Industry	-0.005***	-0.005***	-0.000
Base category: Male (No Older Children)			
Male (Older Children)	0.004***	0.009***	0.005
Female (No Older Children)	-0.068***	-0.058***	0.010
Female (Older Children)	-0.092***	-0.051***	0.040***
Constant	2.54	2.51	
R-squared	0.448	0.3809	

Source: CSO LFS and author's calculations.

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