EUROPEAN CENTRAL BANK

EUROSYSTEM

Press release

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ECB wage tracker at 2.7% in H1 2027, pointing to a modest uptick in negotiated wage growth

- ECB wage tracker updated with wage agreements signed up to end of August 2026; forward-looking horizon extended to end of June 2027
- Forward-looking information indicates negotiated wage growth of 2.7% in first half of 2027
- Employee coverage still limited in first half of 2027 at 28.8% but set to steadily increase over time as wage agreements are signed

The European Central Bank (ECB) wage tracker, which covers active collective bargaining agreements, indicates negotiated wage pressures with smoothed one-off payments of 2.2% in 2026 (based on a coverage of 46.9% of employees in participating countries). The headline wage tracker indicator stands at 2.7% in the first quarter of 2027 (based on a coverage of 32.5%) and 2.8% in the second quarter of 2027 (based on a coverage of 25.1%). The lower wage tracker in the first half of 2026 reflects the downward mechanical impact of one-off payments that were initially paid in the second half of 2024 and not repeated in the following year. These effects dissipate fully in the second half of 2026.

Compared with the July 2026 data release, the ECB wage tracker with smoothed one-off payments was revised downwards slightly for 2026. The headline wage tracker was broadly unchanged for the fourth quarter of 2026 and for the first quarter of 2027, despite a significant increase in employee coverage.

The ECB wage tracker with unsmoothed one-off payments moderated from 3.0% in 2025 to 2.6% in 2026. The wage tracker excluding one-off payments stands at 2.6% on average in 2026, indicating a limited role for one-off payments in recent collective bargaining agreements. At the quarterly frequency, all indicators are at 2.7% in the first quarter of 2027 and 2.8% in the second quarter of 2027.

The headline ECB wage tracker is better suited to describing quarterly or monthly dynamics in negotiated wages as it smooths one-off payments over time. By contrast, the ECB wage tracker with unsmoothed one-off payments is better suited to describing yearly dynamics in negotiated wages.

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The forward-looking horizon of the wage tracker has been extended up to the end of June 2027. As new agreements are signed and coverage of contracts reaching 2027 gradually increases, the forward-looking horizon of the wage tracker will be further extended to the third quarter of 2027 in the November 2026 data release and then to the full year of 2027 in the December 2026 data release.

Employee coverage for 2026 stands at 46.9% but decreases significantly to 32.5% in the first quarter of 2027 and to 25.1% in the second quarter of 2027. The employee coverage will steadily increase over time as wage agreements are signed. The employee coverage for 2026 and the first half of 2027 is broadly similar to that recorded at the same time last year, as indicated in the September 2025 data release. See Chart 1 and Table 1 for further details.

Overall, the ECB wage tracker may be subject to revision, and the forward-looking component should not be interpreted as a forecast, as it only captures information that is currently available for active collective bargaining agreements. Moreover, the ECB wage tracker does not track the indicator of negotiated wage growth precisely, and deviations are to be expected over time. For a more comprehensive assessment of wage developments in the euro area, please refer to the September 2026 ECB staff macroeconomic projections for the euro area, which indicate a yearly growth rate of compensation per employee in the euro area of 3.3% in 2026.

The ECB publishes four wage tracker indicators for the aggregate of the nine participating euro area countries on the ECB Data Portal.

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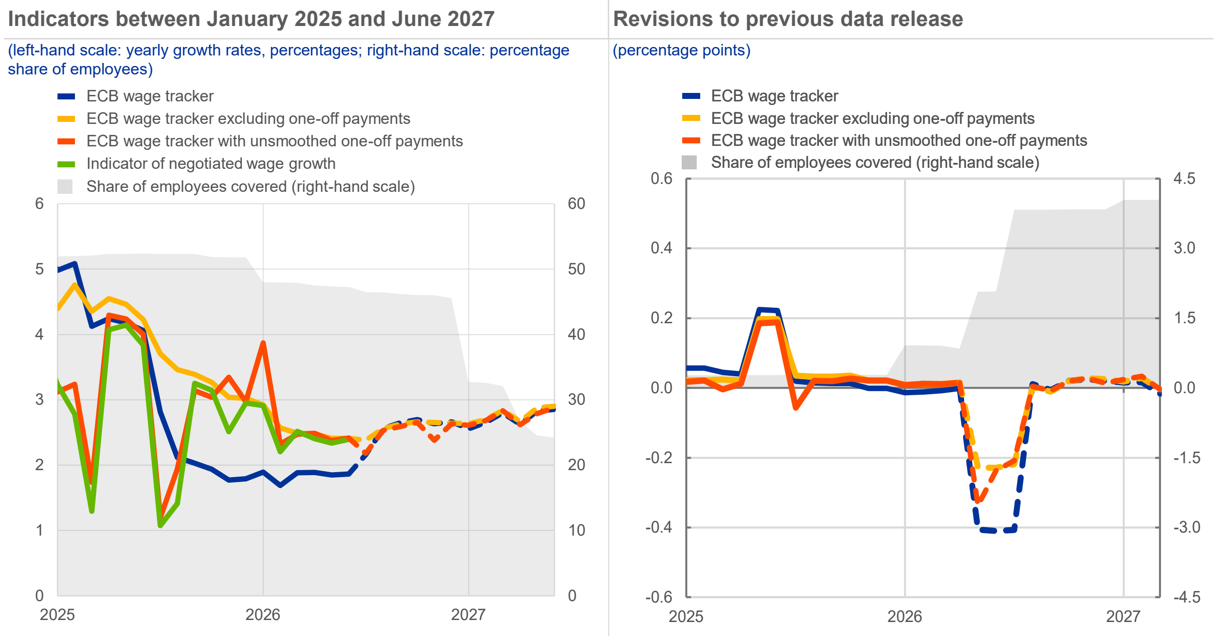
Chart 1

ECB wage tracker: forward-looking signals for negotiated wages and revisions to the previous data release



Sources: ECB calculations based on data provided by the Nationale Bank van België/Banque nationale de Belgique, the Belgian Federal Public Service Employment, Labour and Social Dialogue, the Belgian National Social Security Office, the Deutsche Bundesbank, the Bank of Greece, the Banco de España, the Banque de France, the Banca d'Italia, the Dutch employers' association AWVN, the Oesterreichische Nationalbank, Suomen Pankki – Finlands Bank, the Confederation of Finnish Industries, Statistics Finland and Eurostat. The indicator of negotiated wage growth is calculated using data from the Belgian Federal Public Service Employment, Labour and Social Dialogue, the Deutsche Bundesbank, the Spanish Ministry of Labour and Social Economy, the Banque de France, the Italian National Institute of Statistics (ISTAT), Statistics Netherlands, Statistics Austria, Statistics Finland, Haver Analytics and Eurostat.
Notes: Dashed lines denote forward-looking information (which is not yet available for the indicator of negotiated wage growth). The latest observations are for June 2027 for the ECB wage tracker indicators (left panel), June 2026 for the indicator of negotiated wage growth (left panel) and March 2027 for revisions to the previous data release (right panel).

What do the four different indicators show?

- **The headline ECB wage tracker** is a tracker of negotiated wage growth that includes collectively agreed one-off payments, such as those related to inflation compensation, bonuses or back-dated pay, which are smoothed over 12 months.
- **The ECB wage tracker excluding one-off payments** reflects the extent of structural (or permanent) negotiated wage increases.
- **The ECB wage tracker with unsmoothed one-off payments** is constructed using a methodology that, in terms of both data sources and statistical methodology, is conceptually similar to, but not necessarily the same as, that used for the ECB indicator of negotiated wage growth.
- **The share of employees covered** is the percentage of employees across the participating countries that are directly covered by ECB wage tracker data. This indicator provides information on the representativeness of the underlying (negotiated) wage growth signals obtained from the

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set of wage tracker indicators for the aggregate of the participating countries. Employee coverage differs across countries and within each country over time (more details can be found in Table 2).

Table 1

ECB wage tracker summary

(percentages)

	ECB wage tracker			Coverage
	Headline indicator	With unsmoothed one-off payments	Excluding one-off payments	Share of employees
2013-25	2.3	2.3	2.2	51.1
2026	***2.2***	***2.6***	***2.6***	***46.9***
Q1 2026	1.8	2.9	2.7	47.9
Q2 2026	1.9	2.4	2.4	47.4
July 2026	***2.2***	***2.2***	***2.4***	***46.5***
August 2026	***2.6***	***2.5***	***2.6***	***46.5***
September 2026	***2.6***	***2.6***	***2.6***	***46.2***
October 2026	***2.7***	***2.7***	***2.7***	***46.0***
November 2026	***2.6***	***2.4***	***2.7***	***46.0***
December 2026	***2.7***	***2.6***	***2.6***	***45.5***
Q1 2027	***2.7***	***2.7***	***2.7***	***32.5***
Q2 2027	***2.8***	***2.8***	***2.8***	***25.1***

Sources: ECB calculations based on data provided by the Nationale Bank van België/Banque nationale de Belgique, the Belgian Federal Public Service Employment, Labour and Social Dialogue, the Belgian National Social Security Office, the Deutsche Bundesbank, the Bank of Greece, the Banco de España, the Banque de France, the Banca d'Italia, the Dutch employers' association AWVN, the Oesterreichische Nationalbank, Suomen Pankki – Finlands Bank, the Confederation of Finnish Industries, Statistics Finland and Eurostat.
Notes: ECB wage tracker indicators reflect yearly growth in negotiated wages as a percentage. Coverage is defined as the share of employees in participating countries as a percentage. Rows with values in italics and bold refer to the forward-looking aspect of the respective indicators. Data are subject to revision.

Table 2

Employee coverage by country

(share of employees in each country, percentages)

	Belgium	*Germany*	*Greece*	*Spain*	*France*	*Italy*	*Netherlands*	*Austria*	*Finland*	*Euro area*
2013-25	38.7	42.8	18.5	62.8	52.5	51.5	63.9	75.5	65.9	51.1
2026	***44.5***	***45.7***	***22.5***	***40.4***	***47.0***	***48.0***	***59.6***	***73.4***	***61.7***	***46.9***
Q1 2026	44.5	46.1	22.9	42.6	48.8	48.4	60.6	75.6	62.6	47.9
Q2 2026	44.6	46.0	22.4	41.6	47.8	48.2	60.1	73.9	62.5	47.4
Q3 2026	***44.6***	***45.6***	***22.3***	***38.9***	***46.0***	***48.1***	***59.1***	***73.0***	***61.7***	***46.4***
Q4 2026	***44.5***	***45.2***	***22.3***	***38.6***	***45.6***	***47.2***	***58.7***	***71.3***	***60.3***	***45.9***
Q1 2027	***44.4***	***41.7***	***14.4***	***9.3***	***23.1***	***38.3***	***46.0***	***43.5***	***59.8***	***32.5***
Q2 2027	***44.3***	***28.8***	***13.1***	***8.7***	***10.3***	***37.2***	***44.7***	***34.2***	***59.4***	***25.1***

Sources: ECB calculations based on data provided by the Nationale Bank van België/Banque nationale de Belgique, the Belgian Federal Public Service Employment, Labour and Social Dialogue, the Belgian National Social Security Office, the Deutsche Bundesbank, the Bank of Greece, the Banco de España, the Banque de France, the Banca d'Italia, the Dutch employers' association AWVN, the Oesterreichische Nationalbank, Suomen Pankki – Finlands Bank, the Confederation of Finnish Industries, Statistics Finland and Eurostat.
Notes: The euro area aggregate comprises the nine participating wage tracker countries. The coverage shows the relative strength of wage signals for each country and the euro area. The historical average is calculated from January 2015 for Finland and January 2016 for Greece. For the other countries, it is calculated from January 2013 to December 2025. Rows with values in italics and bold refer to the forward-looking aspect of the indicator. Data are subject to revision.

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Notes:

- The ECB wage tracker is the result of a Eurosystem partnership currently comprising the ECB and nine euro area national central banks: the Nationale Bank van België/Banque nationale de Belgique, the Deutsche Bundesbank, the Bank of Greece, the Banco de España, the Banque de France, the Banca d'Italia, De Nederlandsche Bank, the Oesterreichische Nationalbank and Suomen Pankki – Finlands Bank. It is based on a highly granular database of active collective bargaining agreements for Belgium, Germany, Greece, Spain, France, Italy, the Netherlands, Austria and Finland. The wage tracker can be used to help assess wage pressures in the euro area.
- The wage tracker methodology uses a double aggregation approach. First, it aggregates the highly granular information on collective bargaining agreements and constructs the wage tracker indicators at the country level using information on the employee coverage within each country. Second, it uses this information to construct the aggregate for the euro area using time-varying weights based on the total compensation of employees among the participating countries.
- Given that the forward-looking nature of the tracker is dependent on the underlying collective bargaining agreements database, the wage signals should always be considered conditional on the information available at any given point in time and thus subject to revision. This is particularly relevant at the turn of the year, as many agreements are signed or renewed in the first quarter in some countries.

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