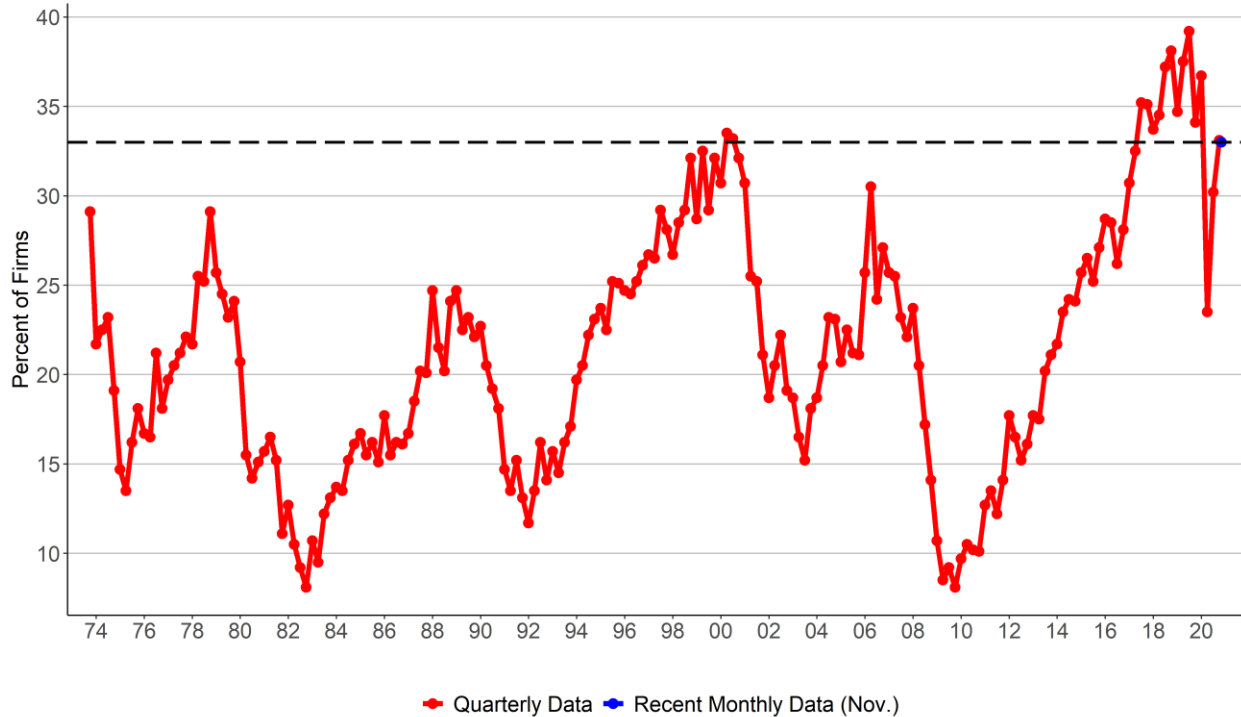


Small Businesses Boost Hiring in November

(Based on 561 respondents to the November survey of a random sample of NFIB's member firms, surveyed through 11/30/2020)
EMBARGO 1 PM THURSDAY

Unfilled Job Openings

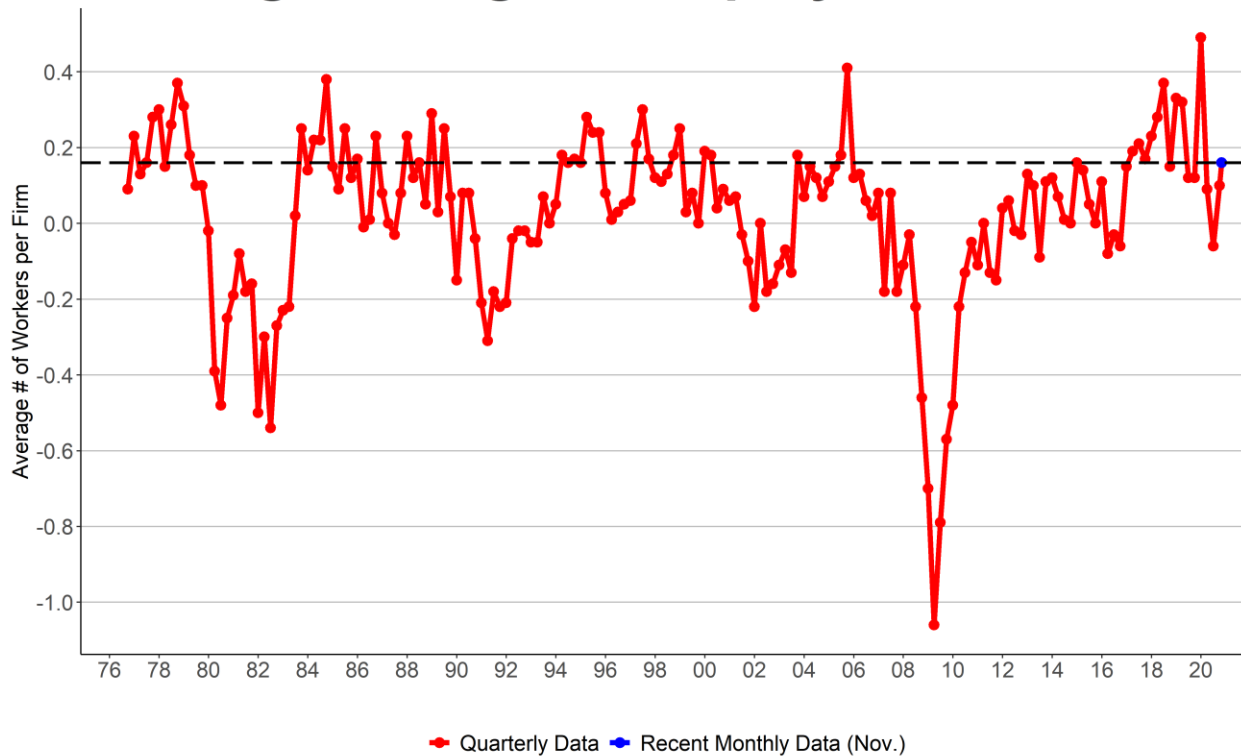
Percent with at Least One Unfilled Opening



Small businesses are still looking to hire as they reported a historically high level of job openings in November. Thirty-four percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 1 point from October. Twenty-nine percent have openings for skilled workers (unchanged) and 13 percent have openings for unskilled labor (down 1 point). The recovery remains uneven with some industries near full recovery and others still struggling.

Residential investment spending accounted for virtually all of the improvement in national investment spending recorded in October and remains very strong. Forty-two percent of the job openings in construction are for skilled workers, down 2 points. Fifty-three percent of construction firms reported few or no qualified applicants and 37 percent cited the shortage of qualified labor as their top business problem. The housing market remains strong, house prices are rising, and mortgage rates are historically low.

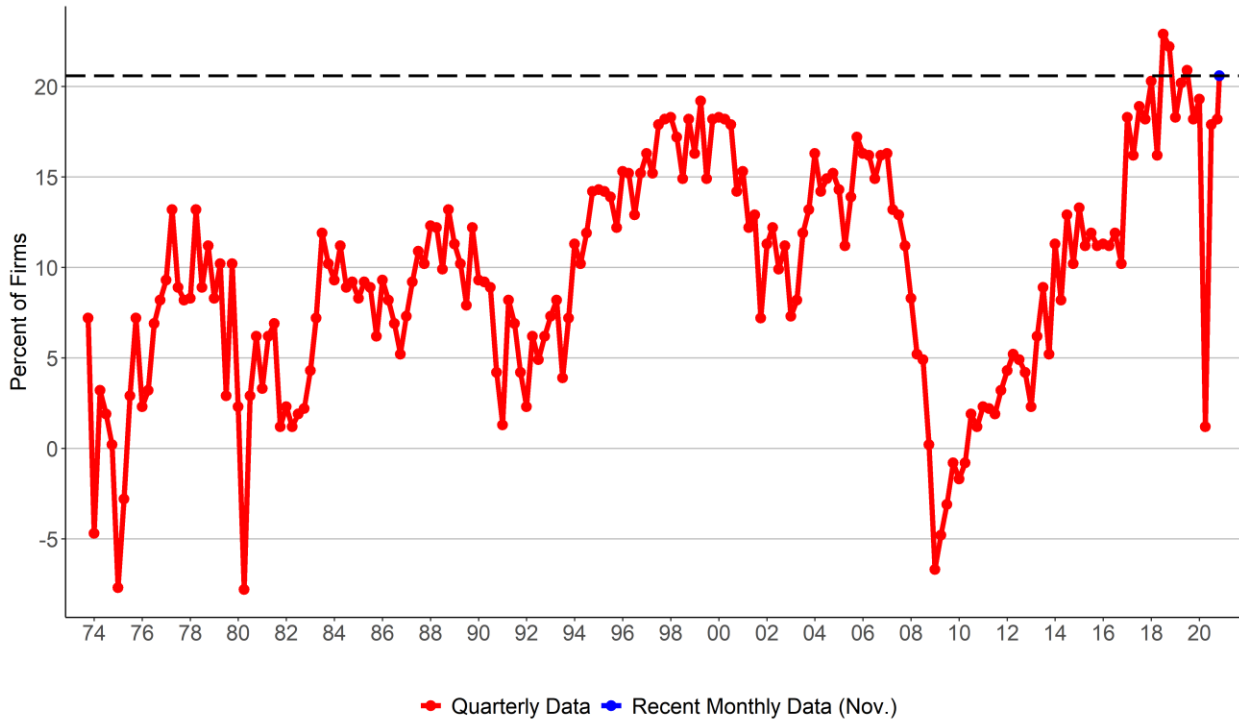
Average Change in Employment Per Firm



Firms increased employment by 0.16 workers per firm on average over the past few months, an increase of 0.06 workers per firm compared to October. Twelve percent (up 1 point) reported increasing employment an average of 2.6 workers per firm and 14 percent (unchanged) reported reducing employment an average of 3.1 workers per firm (seasonally adjusted). Not a “gangbusters” number, but another push on total employment and lower unemployment.

Job Creation Plans

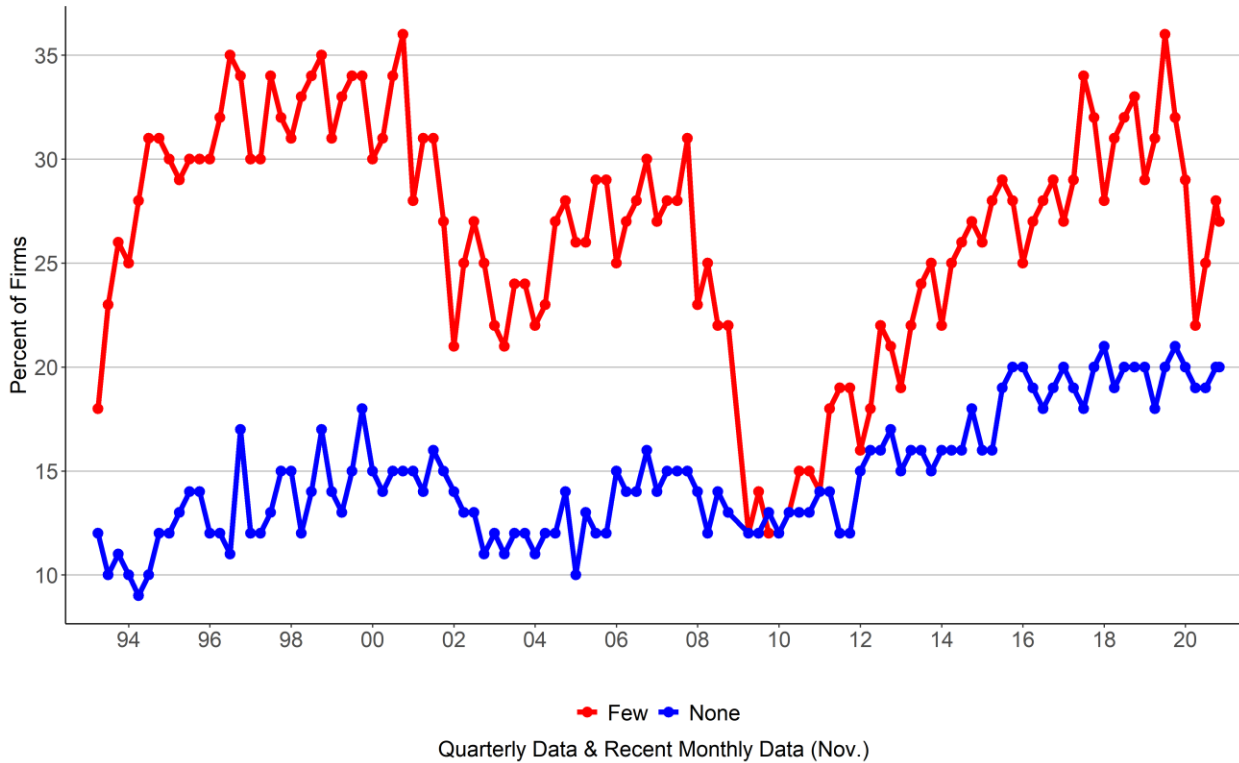
Net Percent ("Increase" minus "Decrease") in Next Three Months



Owners have plans to fill open positions, with a seasonally adjusted net 21 percent planning to create new jobs in the next three months, up 3 points from October. Overall, 53 percent reported hiring or trying to hire in November, down 2 points from the previous month.

Finding qualified employees remains a problem. Forty-seven percent (89 percent of those hiring or trying to hire) reported few or no "qualified" applicants for the positions they were trying to fill. Twenty-seven percent of owners reported few qualified applicants for their open positions (down 1 point) and 20 percent reported none (unchanged).

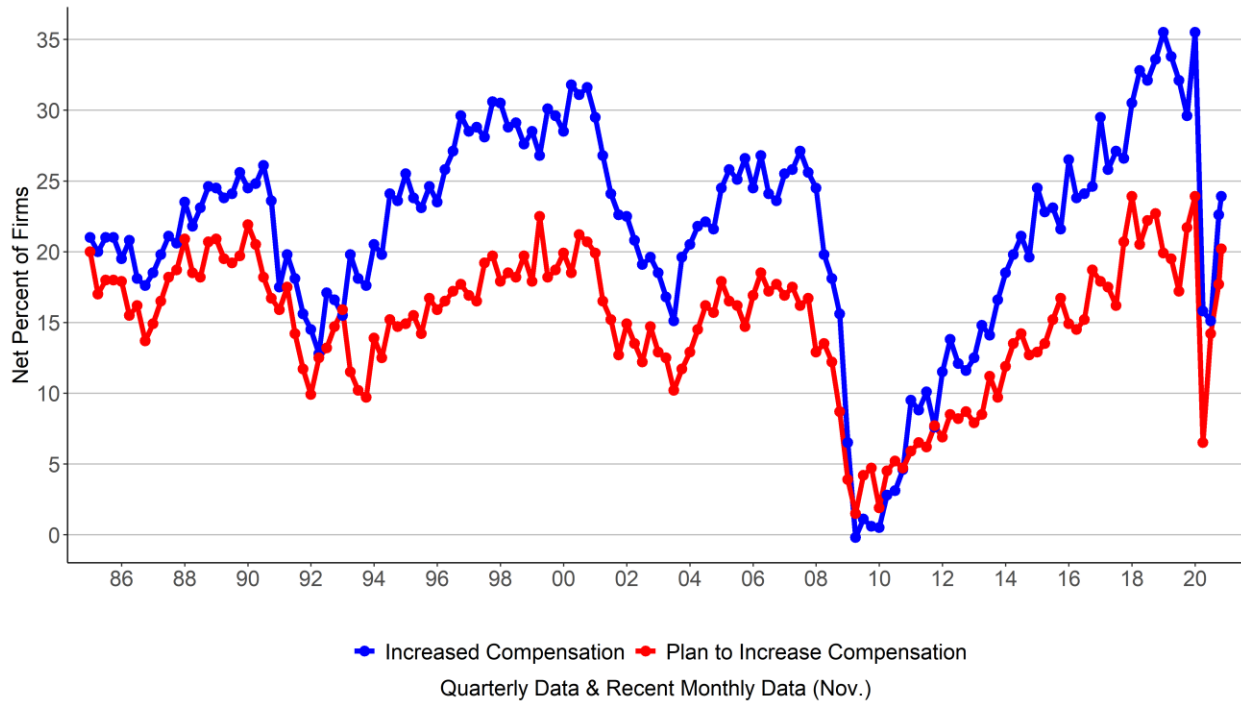
Qualified Job Applicants



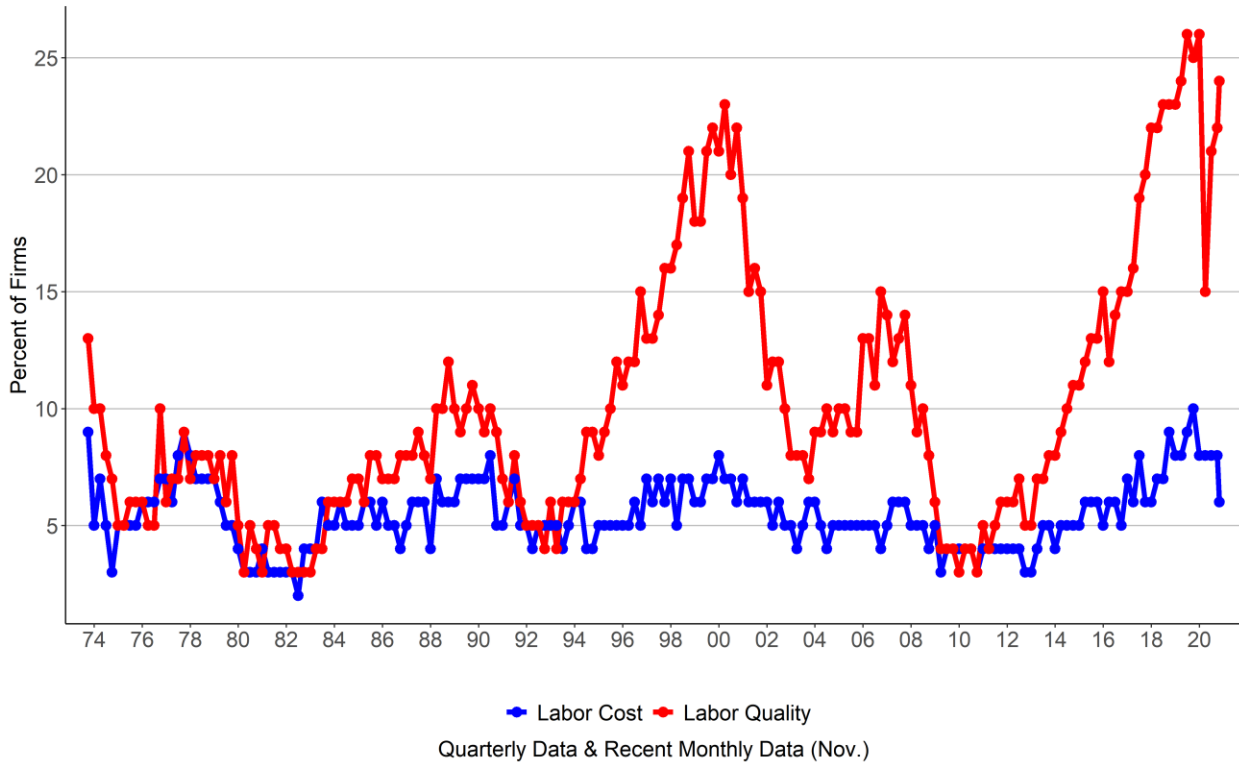
Seasonally adjusted, a net 24 percent reported raising compensation (up 1 point) and a net 20 percent plan to do so in the coming months, up 2 points. As strange as this labor market seems with 20 million on unemployment benefits and the unemployment rate double what it was at the beginning of the year, the labor market is tight. Owners cannot find qualified workers to fill open positions and that problem is getting worse. A surge in the labor force participation rate would be welcome.

Overall, the labor market will continue to improve, especially if large GDP states such as California and New York liberalize their operating restrictions on foot traffic in the service sector. However, the recent recovery surges in the economy that brought back so many workers are not likely to repeat in 2021, slowing the improvement in labor markets.

Planned and Actual Labor Compensation Changes



Single Most Important Problem



Six percent cited labor costs as their top business problem (down 2 points) but 24 percent said that labor quality was their top business problem (up 2 points), exceeding the percentages selecting taxes, regulations and weak sales as their top problem.