

Small Business Has Job Openings and Plans to Hire!

(Based on 1719 respondents to the October survey of a random sample of NFIB's member firms, surveyed through 10/30/2020)
EMBARGO 1 PM THURSDAY

Unfilled Job Openings

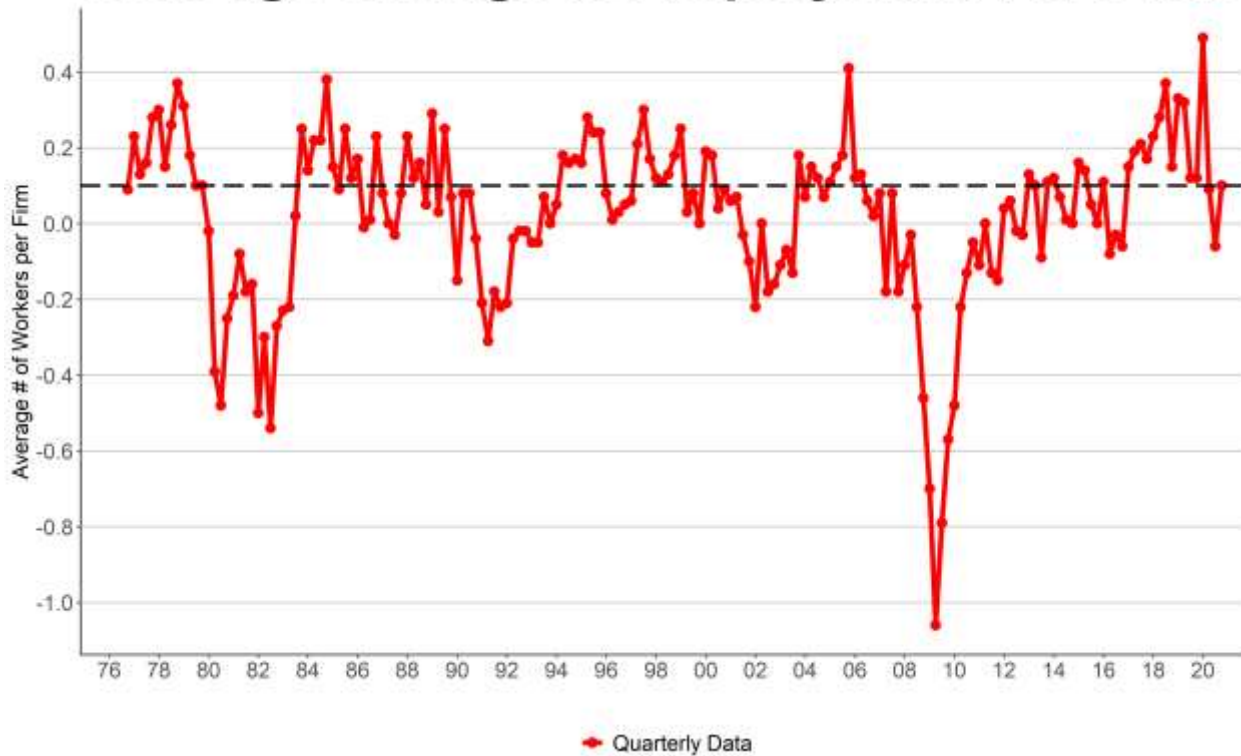
Percent with at Least One Unfilled Opening



Small businesses are looking to hire as they reported a historically high level of job openings in October. Thirty-three percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 3 points from September (charts only show data points for surveys in the first month of each quarter). Twenty-nine percent have openings for skilled workers (down 3 points) and 14 percent have openings for unskilled labor (down 2 points). Forty-four percent of the job openings in construction are for skilled workers, up 2 points.

Fifty-eight percent of construction firms reported few or no qualified applicants and 35 percent cited the shortage of qualified labor as their top business problem. The housing market remains strong, prices are rising, and mortgage rates are historically low.

Average Change in Employment Per Firm



Firms increased employment by 0.1 workers per firm on average over the past few months, an increase of 0.09 workers per firm from September. Eleven percent (up 1 point) reported increasing employment an average of 3.0 workers per firm and 14 percent (down 2 points) reported reducing employment an average of 3.8 workers per firm (seasonally adjusted).

Job Creation Plans

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

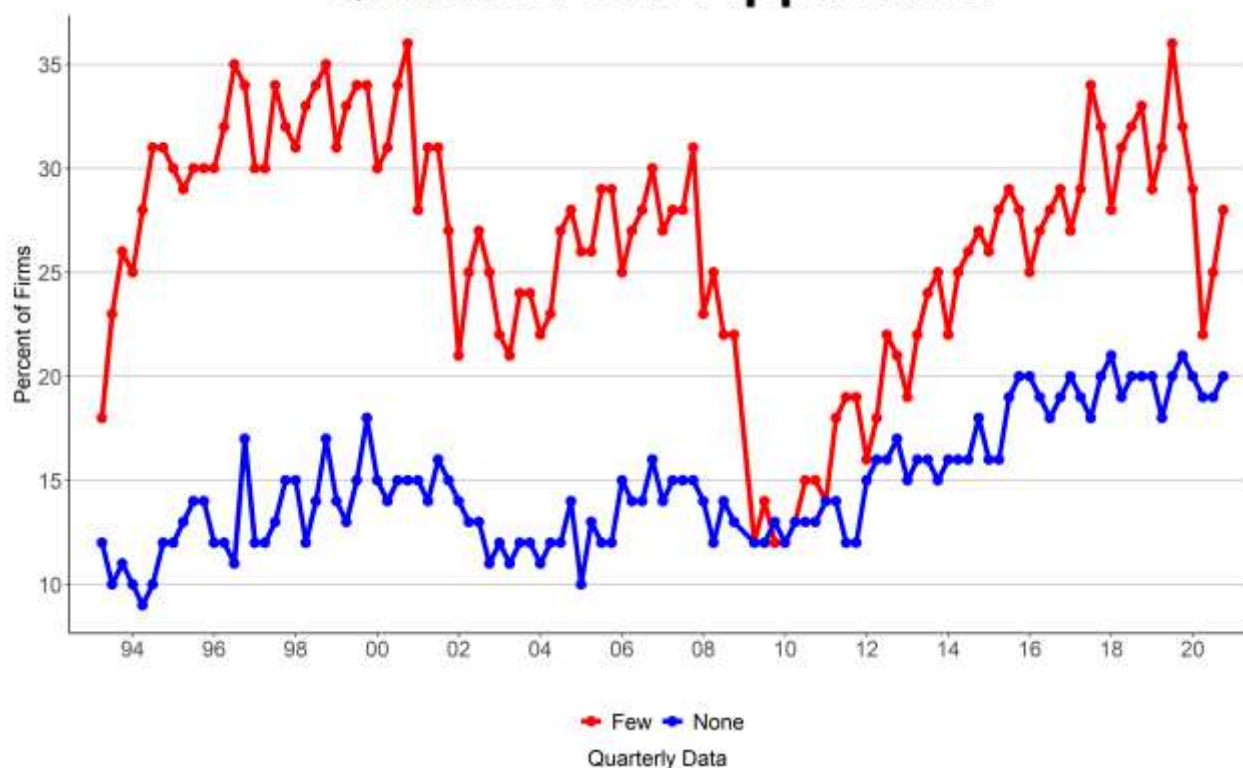


Owners plan to fill those positions, with a seasonally-adjusted net 18 percent planning to create new jobs in the next three months, down 5 points from September but historically a very strong reading and a clear recovery from the April collapse of the economy due to government mandated stay-at-home orders and non-essential businesses closures.

However, finding qualified employees remains a problem. Forty-eight percent (87 percent of those hiring or trying to hire) reported few or no "qualified" applicants for the positions they were trying to fill. Twenty-eight percent of owners reported few qualified applicants for their open positions (down 2 points) and 20 percent reported none (unchanged). The large increase in the number of unemployed has done little to improve the quality of applicants available to small business owners. Firms have more openings for skilled workers and are having difficulty matching available workers with available jobs.

Overall, 55 percent reported hiring or trying to hire in October, down 1 point from the previous month.

Qualified Job Applicants



Hiring or re-hiring workers is not always easy. Seasonally adjusted, a net 23 percent reported raising compensation (unchanged) and a net 18 percent plan to do so in the coming months, up two points. Eight percent cited labor costs as their top business problem (down 1 point) but 21 percent said that labor quality was their top business problem, exceeding taxes, regulations and weak sales. As labor markets correct themselves in a Covid-19 environment, the pressure on compensation will rise as the economy improves and the pool of unemployed shrinks. Although the economy can't beat its 3rd quarter performance (GDP up 31 percent), growth will be above average again in Q4, and more jobs will be created.

Planned and Actual Labor Compensation Changes

