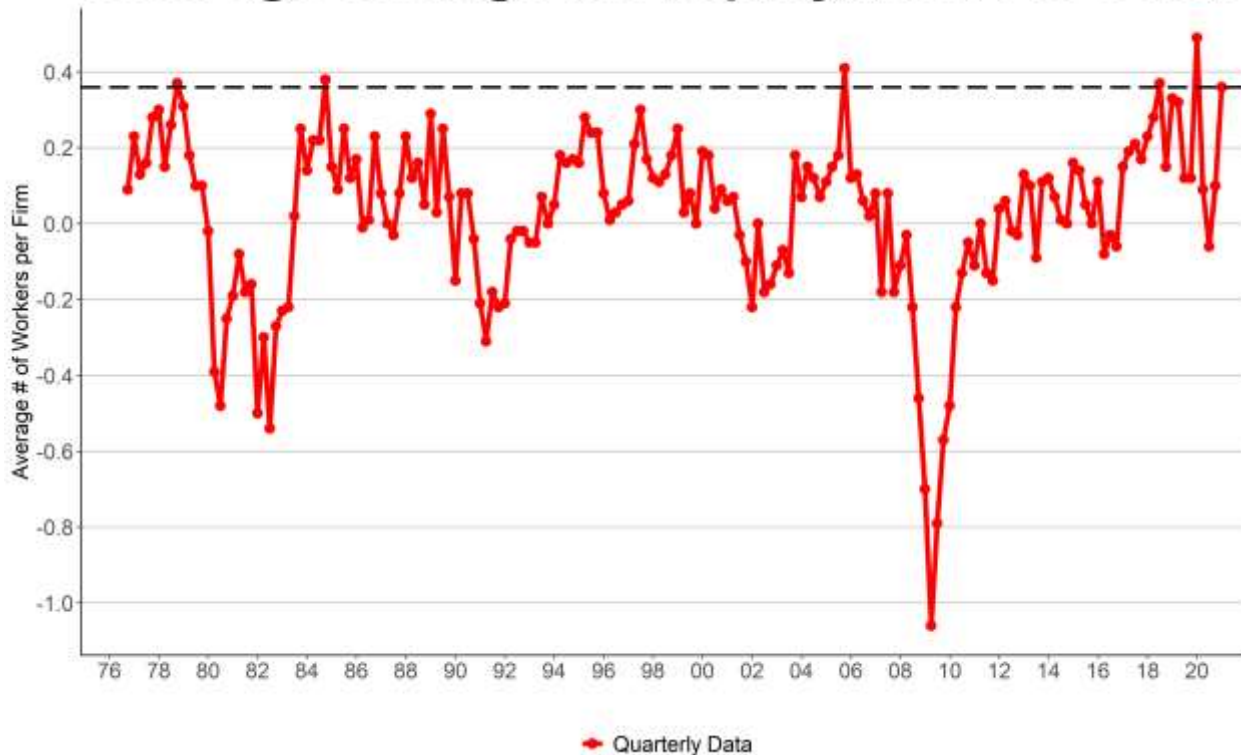


Small Business Remains Strong in January

(Based on 1109 respondents to the January survey of a random sample of NFIB's member firms, surveyed through 1/29/2020)
EMBARGO 1 PM THURSDAY

Job growth continued in January. Firms increased employment by 0.36 workers per firm on average over the past few months, up from 0.30 in December, a very strong 2 month performance.

Average Change in Employment Per Firm



Thirty-three percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 1 point from December. Twenty-eight percent have openings for skilled workers (up 1 point) and 12 percent have openings for unskilled labor (up 1 point).

Unfilled Job Openings

Percent with at Least One Unfilled Opening



Forty-four percent of the job openings in construction are for skilled workers, up 3 points. Fifty-six percent of construction firms reported few or no qualified applicants (down 3 points) and 32 percent cited the shortage of qualified labor as their top business problem (down 1 point). The housing market remains strong, house prices are rising, and mortgage rates are historically low. Labor markets have been divided by government policy and shifts in consumer spending. While construction is doing well, services are not as many employers are closed (completely or partially) and foot traffic is reduced.

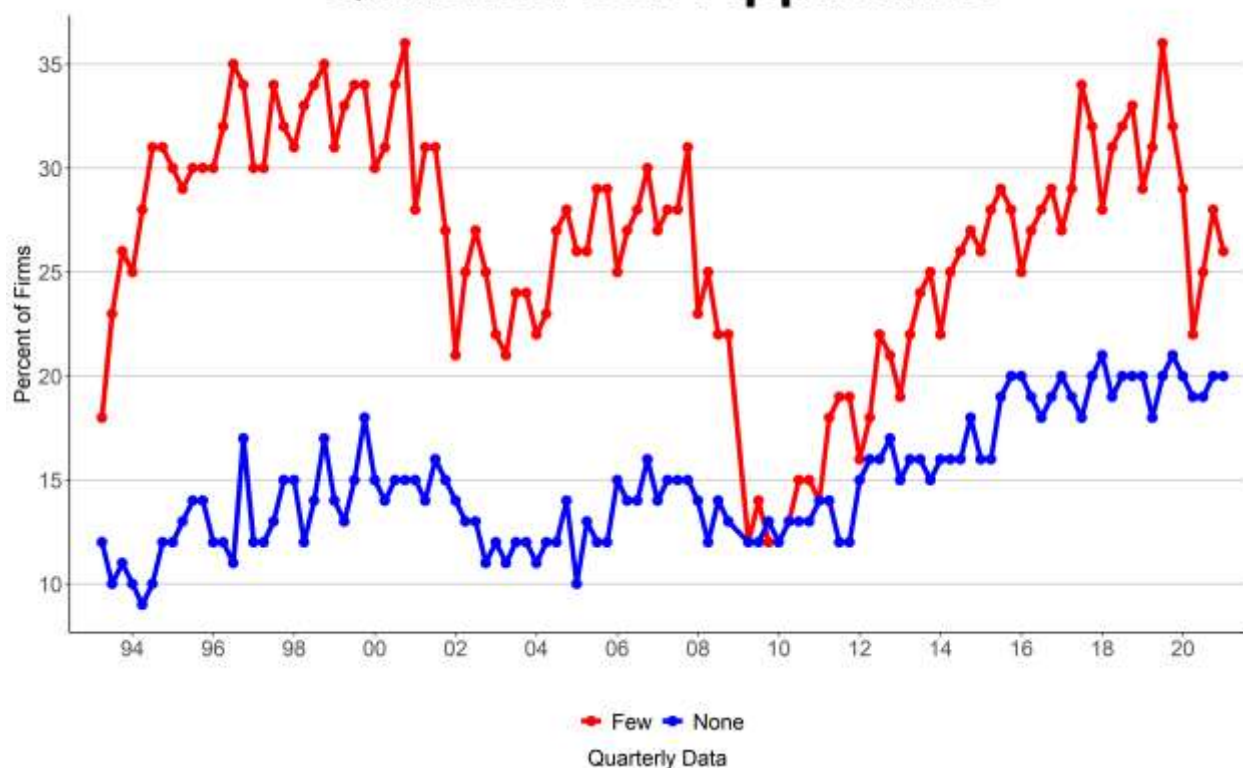
Job Creation Plans

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



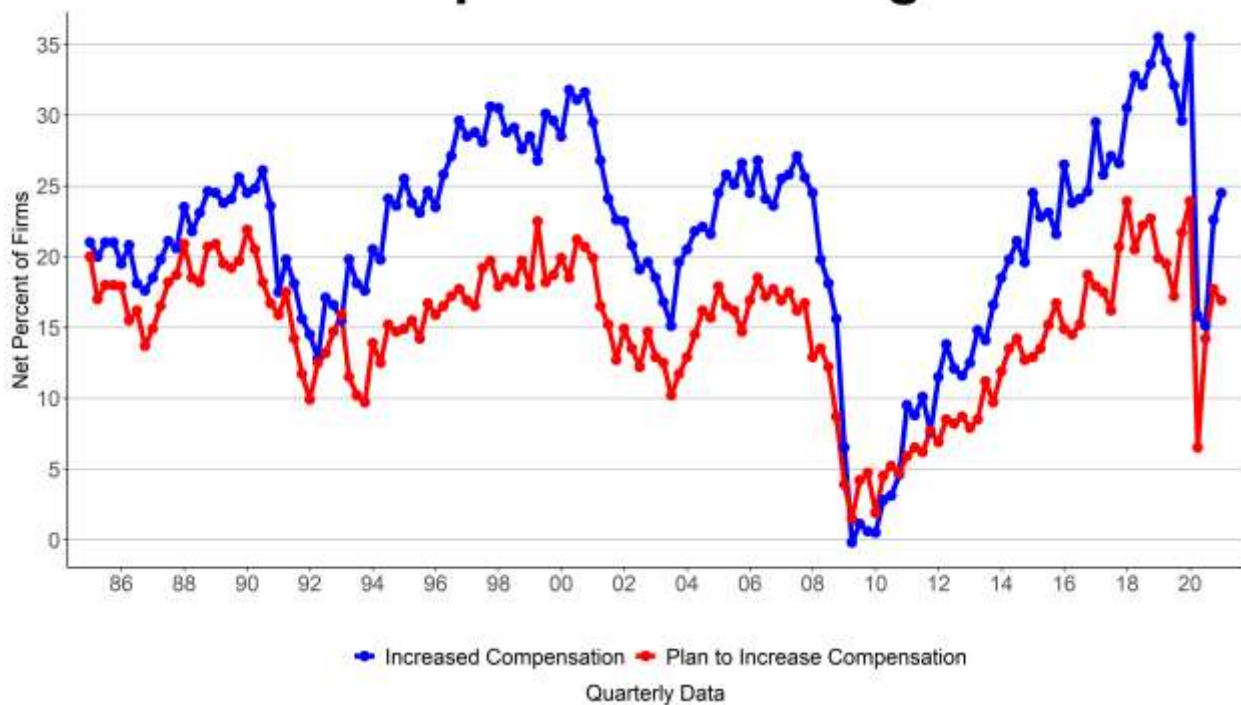
Overall, 51 percent reported hiring or trying to hire in January, unchanged from December. Owners have plans to fill open positions, with a seasonally adjusted net 17 percent planning to create new jobs in the next three months, unchanged from December. Their success will depend in part on whether or not the economy is opened up by regulators and consumers return.

Qualified Job Applicants



Finding qualified employees remains a problem. Forty-six percent (90 percent of those hiring or trying to hire) of owners reported few or no “qualified” applicants for the positions they were trying to fill in January, down 2 points. Where there are open positions, labor quality remains a problem. Twenty-six percent of owners reported few qualified applicants for their open positions (unchanged) and 20 percent reported none (down 2 points).

Planned and Actual Labor Compensation Changes



Seasonally adjusted, a net 25 percent reported raising compensation (up 4 points) and a net 17 percent plan to do so in the coming months, up 3 points. In some sectors, where labor quality is a problem, compensation is still rising to better support employee retention and hiring. In other sectors where compensation has been heavily subsidized by government policies (e.g PPP, ERTC), there is no pressure to raise compensation.

Seven percent cited labor costs as their top business problem (up 1) and 21 percent said that labor quality was their top business problem, unchanged from December.

Single Most Important Problem

