

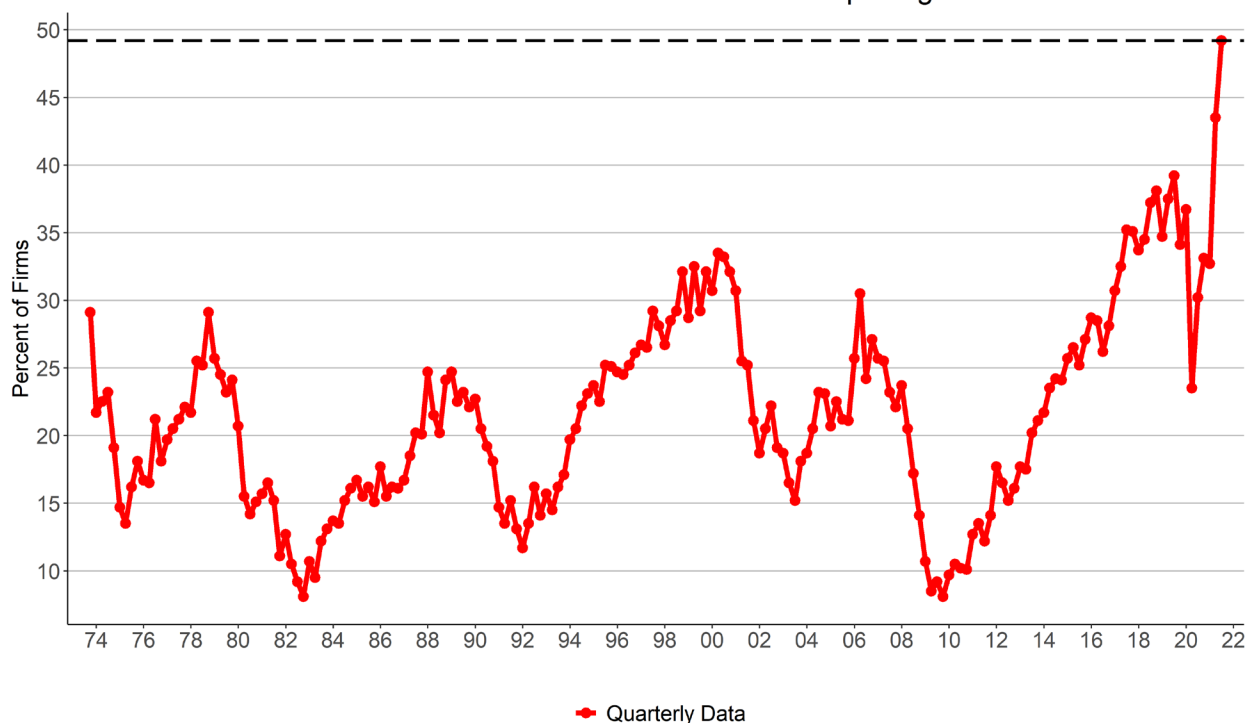
# Labor Market Challenges Continue for Small Businesses

Based on 1440 respondents to the July survey of a random sample of NFIB's member firms, surveyed through 7/30/2021  
EMBARGO 1 PM THURSDAY

Small businesses continue to struggle to find workers to fill open positions. Forty-nine percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 3 points from June and a record high reading. Unfilled job openings have remained far above the 48-year historical average of 22 percent.

## Unfilled Job Openings

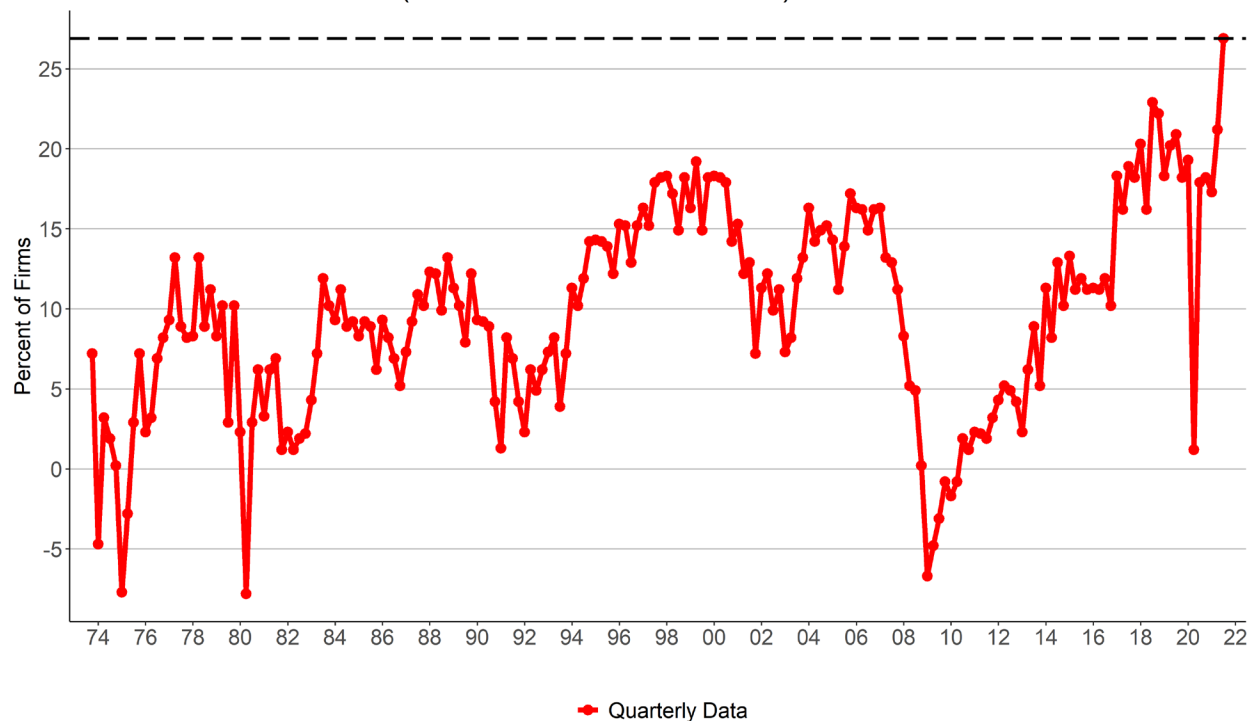
Percent with at Least One Unfilled Opening



Forty-three percent have openings for skilled workers (up 3 points) and 25 percent have openings for unskilled labor (up 3 points). Fifty-nine percent of the job openings in construction are for skilled workers, down 1 point. Sixty-six percent of construction firms reported few or no qualified applicants (unchanged).

# Job Creation Plans

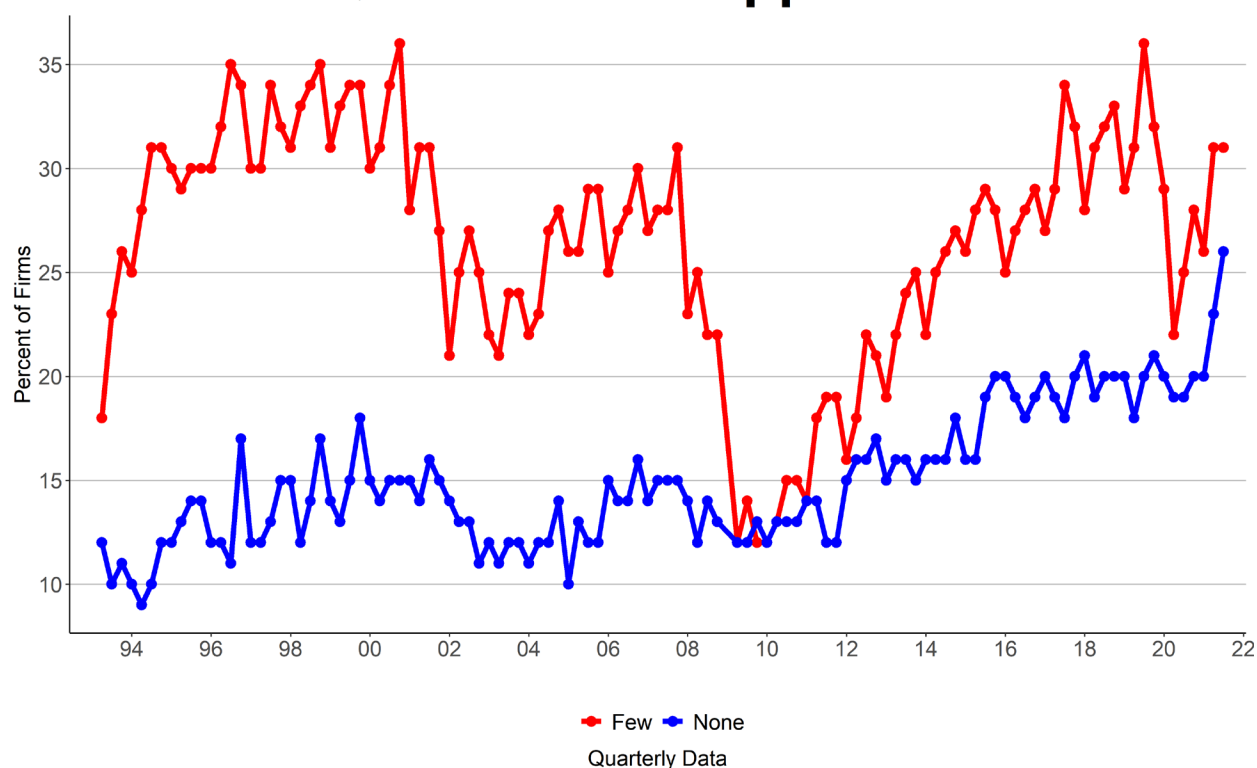
Net Percent ("Increase" minus "Decrease") in Next Three Months



Overall, 61 percent reported hiring or trying to hire in July, down 2 points from June. The issue will be whether the supply of labor will cooperate.

Owners' plans to fill open positions remain at record high levels, with a seasonally adjusted net 27 percent planning to create new jobs in the next three months, down 1 point from June's record high reading.

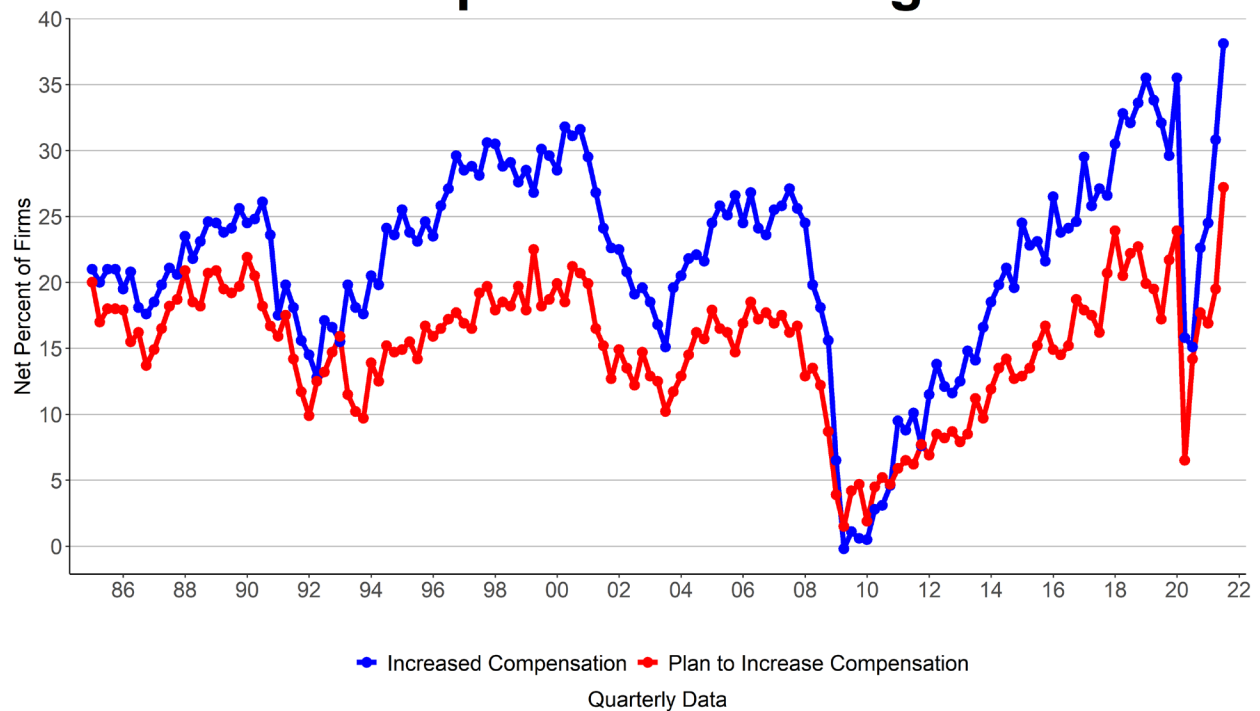
## Qualified Job Applicants



Finding qualified employees remains a problem. Fifty-seven percent (93 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 July (up 1 point).

Where there are open positions, labor quality remains a significant problem. Thirty-one percent of owners reported few qualified applicants for their open positions (down 1 point) and 26 percent reported none (up 2 points), a 48-year record high.

# Planned and Actual Labor Compensation Changes



Seasonally adjusted, a net 38 percent reported raising compensation, down 1 point from June's record high of 39 percent. A net 27 percent plan to raise compensation in the next three months, up 1 point from June and a 48-year record high reading. There is little an owner can do to attract needed employees other than offer higher compensation.

Nine percent cited labor costs as their top business problem (up 1 point) and 26 percent said that labor quality was their top business problem, unchanged from June but remaining the top overall concern.

If owners have their way, July will be a very solid month of job creation, funded by an increase in labor force participation and a reduction in the number of unemployed. Leisure and hospitality will lead the way, government hiring will also increase (health and education). GDP has now surpassed its 2019 peak, employment may follow suit this year as well.

# Single Most Important Problem

