

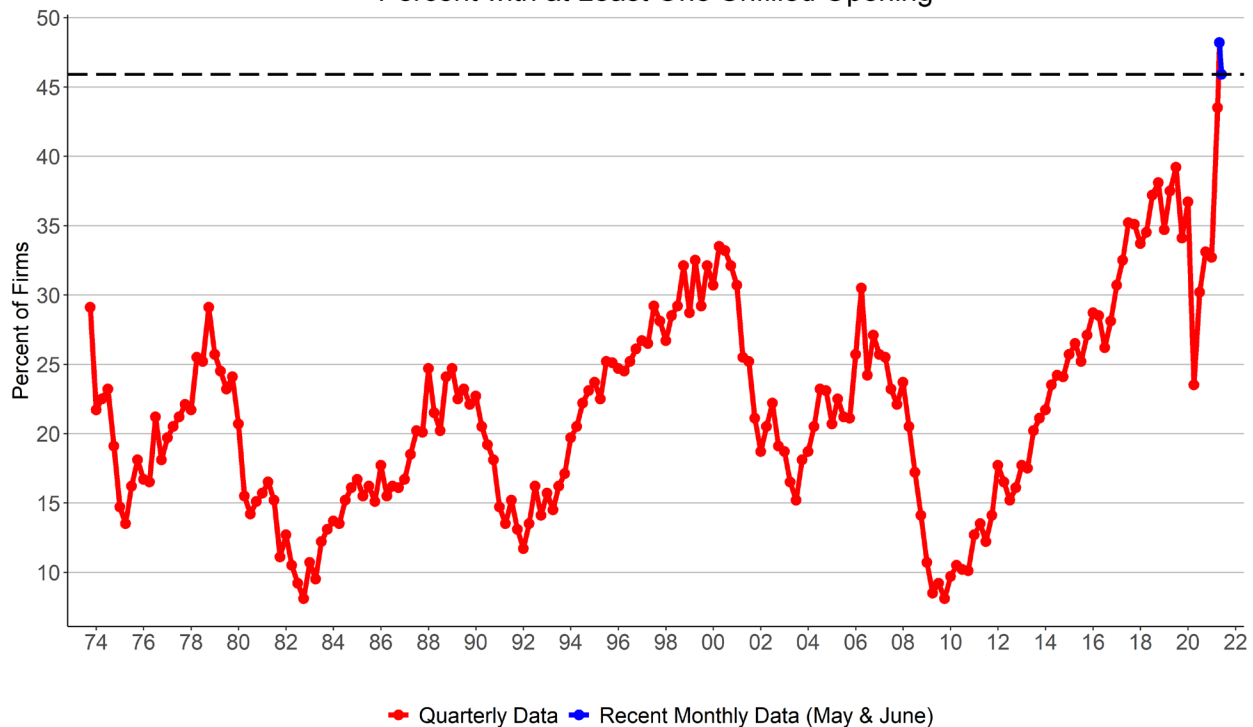
Labor Market Challenges Continue for Small Businesses

Based on 592 respondents to the June survey of a random sample of NFIB's member firms, surveyed through 6/28/2021
EMBARGO 1 PM THURSDAY

Small businesses continue to struggle to find workers to fill open positions which are historically very high. Forty-six percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 2 points from May but still far above the 48-year historical average of 22 percent.

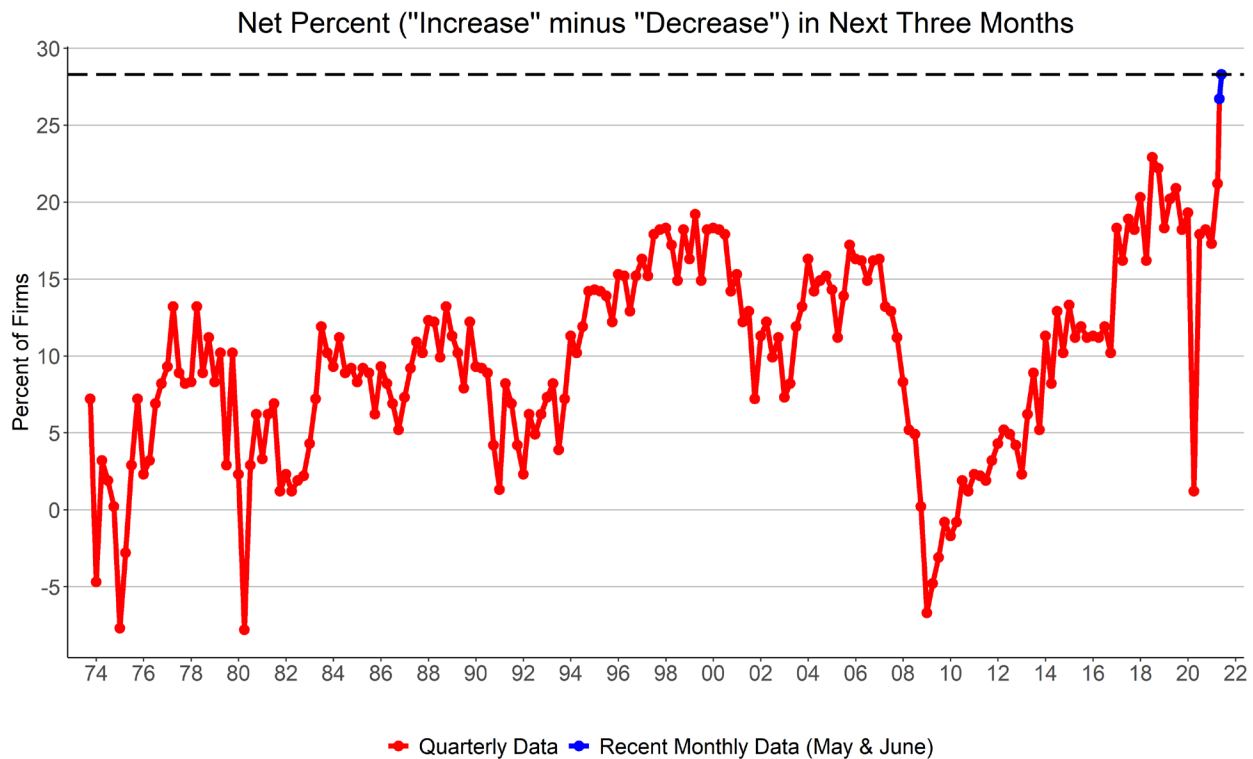
Unfilled Job Openings

Percent with at Least One Unfilled Opening



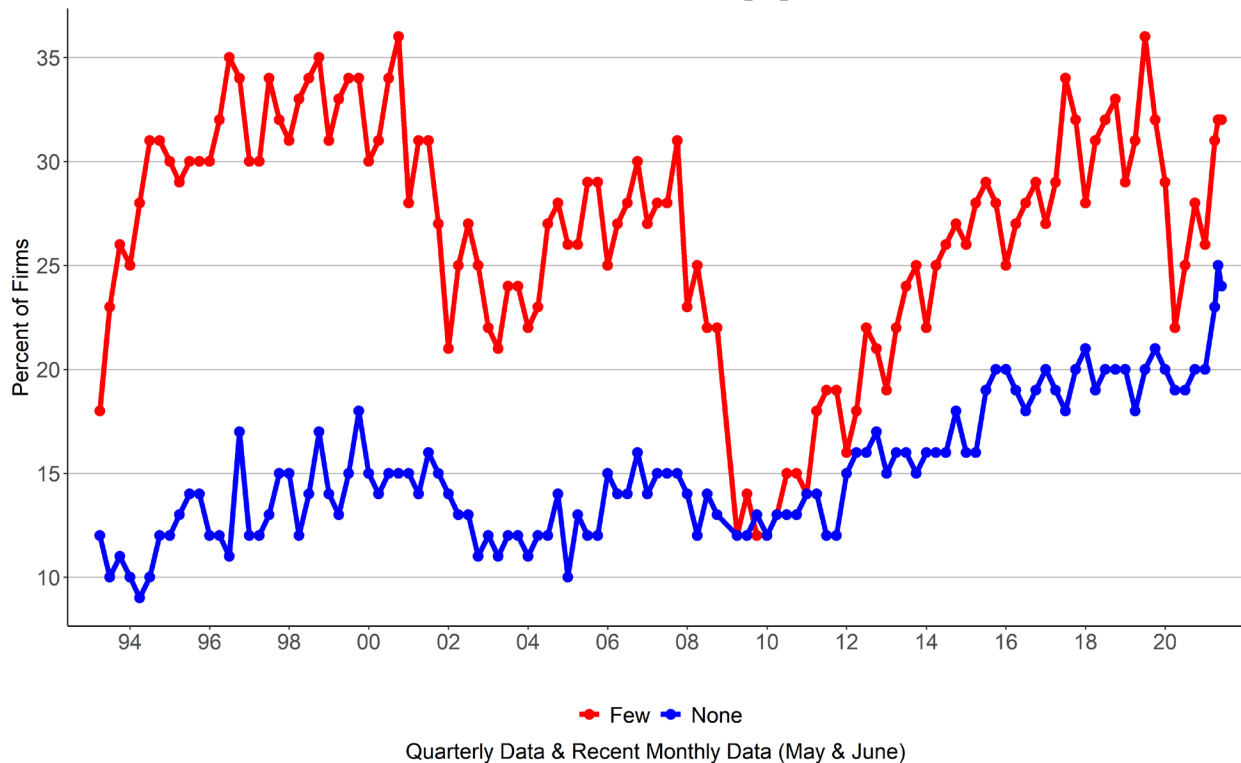
Forty percent have openings for skilled workers (unchanged) and 22 percent have openings for unskilled labor (down 5 points). Sixty percent of the job openings in construction are for skilled workers, up 9 points. Sixty-six percent of construction firms reported few or no qualified applicants (unchanged).

Job Creation Plans



Overall, 63 percent reported hiring or trying to hire in June, up 2 points from May. Owners' plans to fill open positions continue, with a seasonally adjusted net 28 percent planning to create new jobs in the next three months, up 1 point from May. Job creation plans remain at record high levels. Many firms can't hire enough workers to efficiently run their businesses, restricting sales and output.

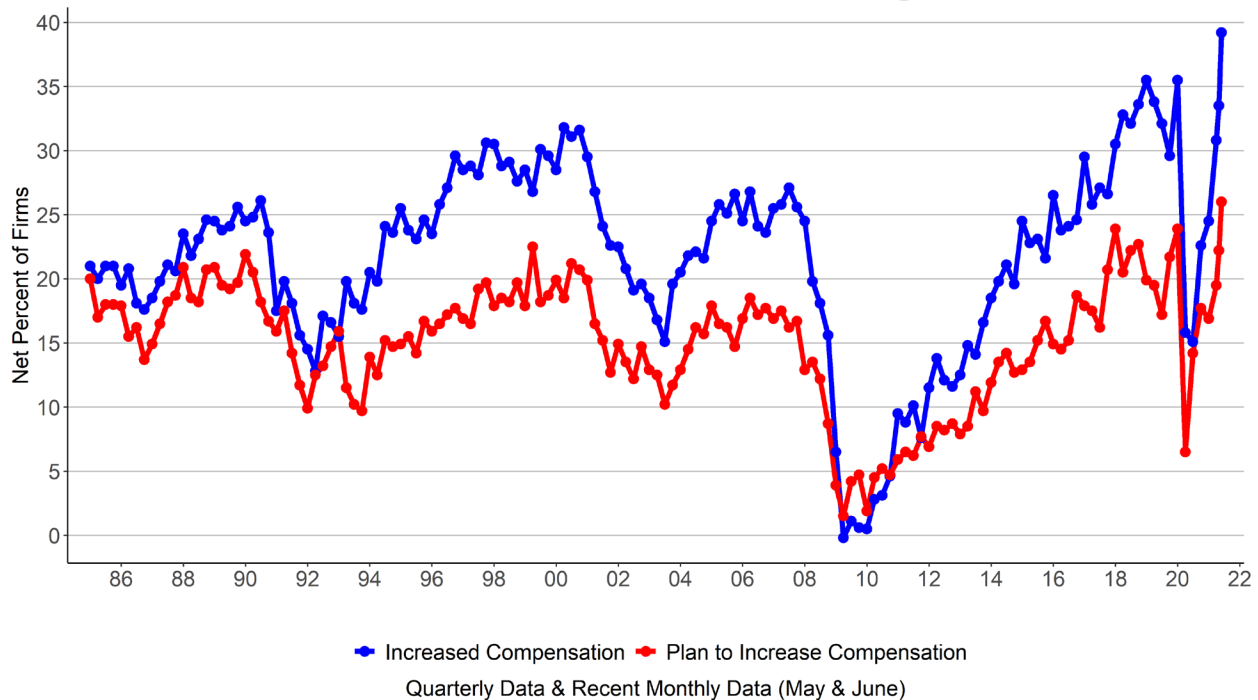
Qualified Job Applicants



Finding qualified employees remains a problem. Fifty-six percent (89 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 June (down 1 point). Recent strength in the goods producing sector has increased the number of jobs available relative to the hospitality sector which is lagging in the recovery.

Where there are open positions, labor quality remains a significant problem. Thirty-two percent of owners reported few qualified applicants for their open positions (unchanged) and 24 percent reported none (down 1 point). That said, total employment remains about 8 million below the 2020 peak, people who had a job then but are now, temporarily or permanently on the sidelines.

Planned and Actual Labor Compensation Changes



Seasonally adjusted, a net 39 percent reported raising compensation (up 5 points), a record high. A net 26 percent plan to raise compensation in the next three months, up 4 points. There is little an owner can do to attract needed employees other than offer higher compensation.

Eight percent cited labor costs as their top business problem (unchanged) and 26 percent said that labor quality was their top business problem, unchanged from May but remaining the top overall concern. The historic leaders, taxes and regulatory costs, have taken a back seat, but are starting to show some life as the new Administration rolls out its programs.

Single Most Important Problem

