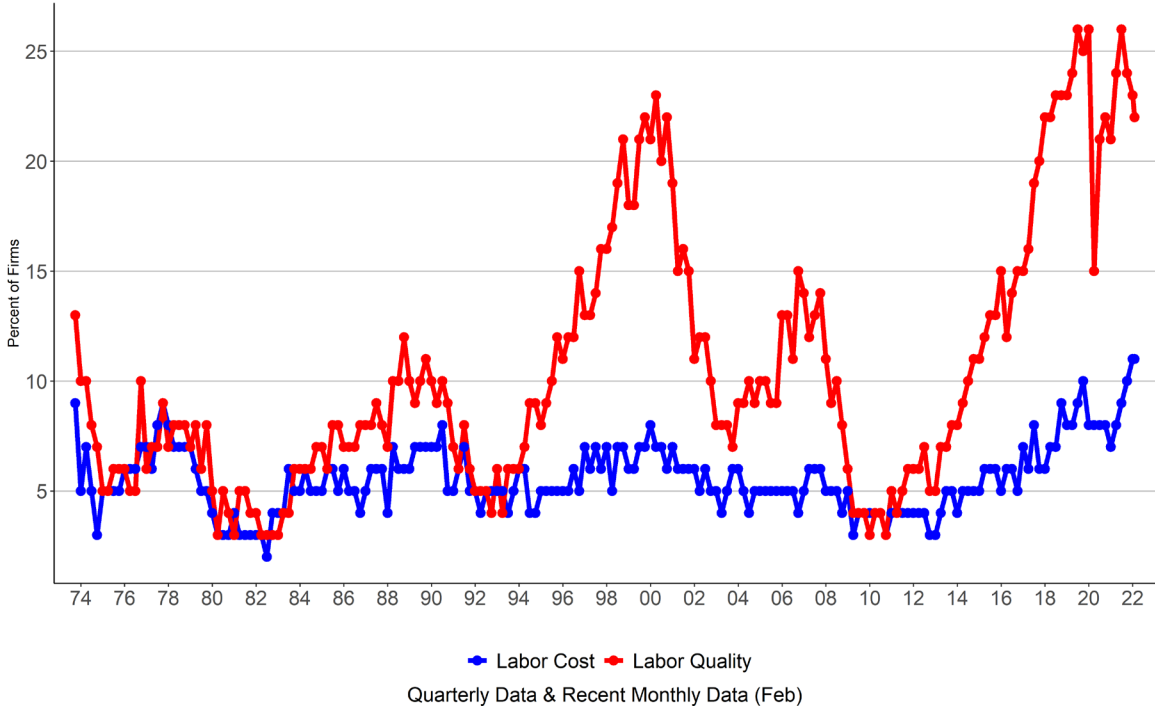


EMPLOYMENT GROWTH CONSTRAINED BY SUPPLY ISSUES, NOT WEAK DEMAND FOR WORKERS

Based on 665 respondents to the February survey of a random sample of NFIB's member firms, surveyed through 2/28/2022
EMBARGO 1 PM THURSDAY

Large numbers of small businesses are struggling to increase their workforce. Twenty-two percent said that labor quality was their top business problem, down 1 point from January. Eleven percent cited labor costs as their top business problem, unchanged from January. The staffing shortage continues to hold back the small business economy as owners try to retain their current employees and attract applicants for open positions, still at near-record levels. Reports of labor costs as the top business problem are at 48-year record high levels, just 2 points below the record set in December 2021.

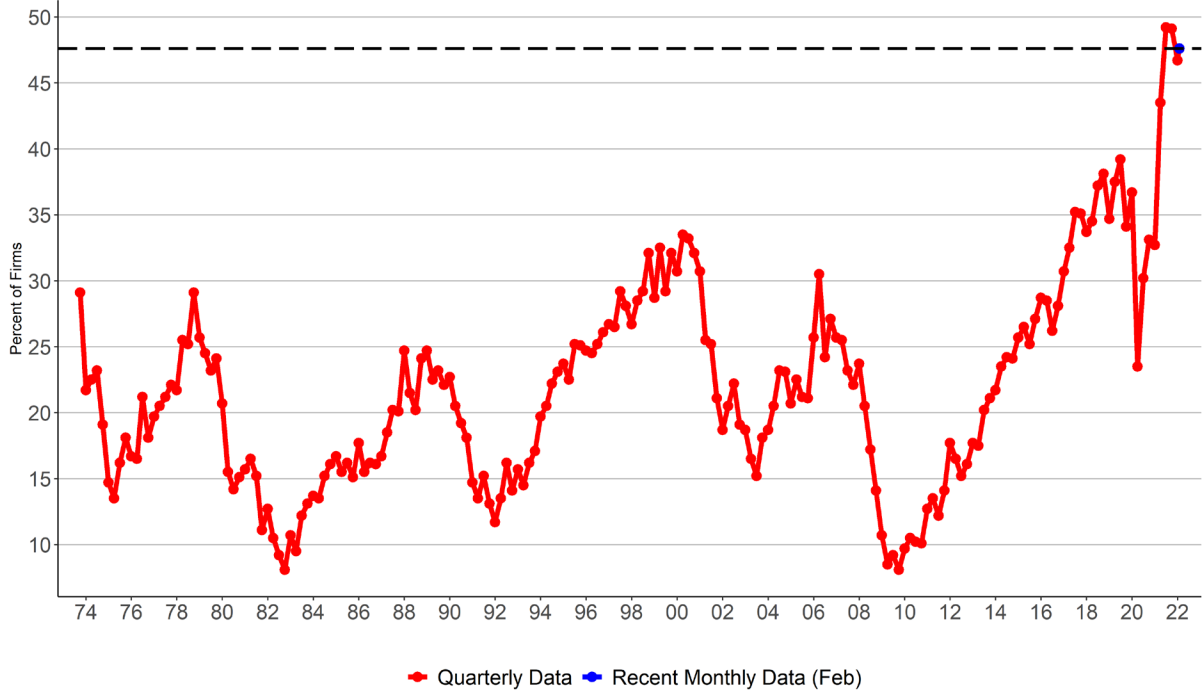
Single Most Important Problem



Forty-eight percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 1 point from January. The number of unfilled job openings far exceeds the 48-year historical average of 23 percent. Nationwide, the number of job openings continues to exceed the number of unemployed workers (those looking for a job), producing a tight labor market and pressure on wage levels. Millions of workers are still sidelined by Covid, creating shortages of worker in all industries

Unfilled Job Openings

Percent with at Least One Unfilled Opening



Thirty-seven percent have openings for skilled workers (up 1 point) and 25 percent have openings for unskilled labor (up 3 points). Fifty-eight percent of the job openings in construction are for skilled workers, up 4 points. Sixty-seven percent of construction firms reported few or no qualified applicants (up 3 points), one of the tightest domestic labor markets.

Industry - % with Job Openings

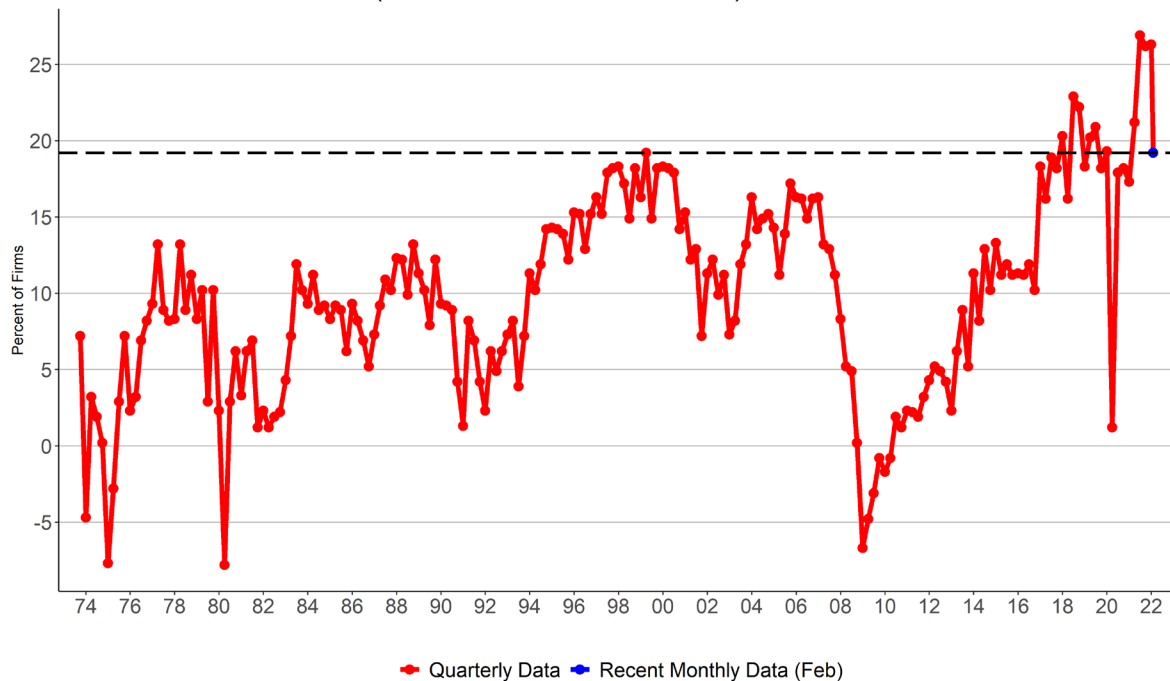
Transportation	63
Construction	61
Wholesale	51

Manufacturing	51
Professional Services	33
Services	41
FIRE	25
Agriculture	26

Owners' plans to fill open positions remain elevated, with a seasonally adjusted net 19 percent planning to create new jobs in the next three months, down 7 points from January.

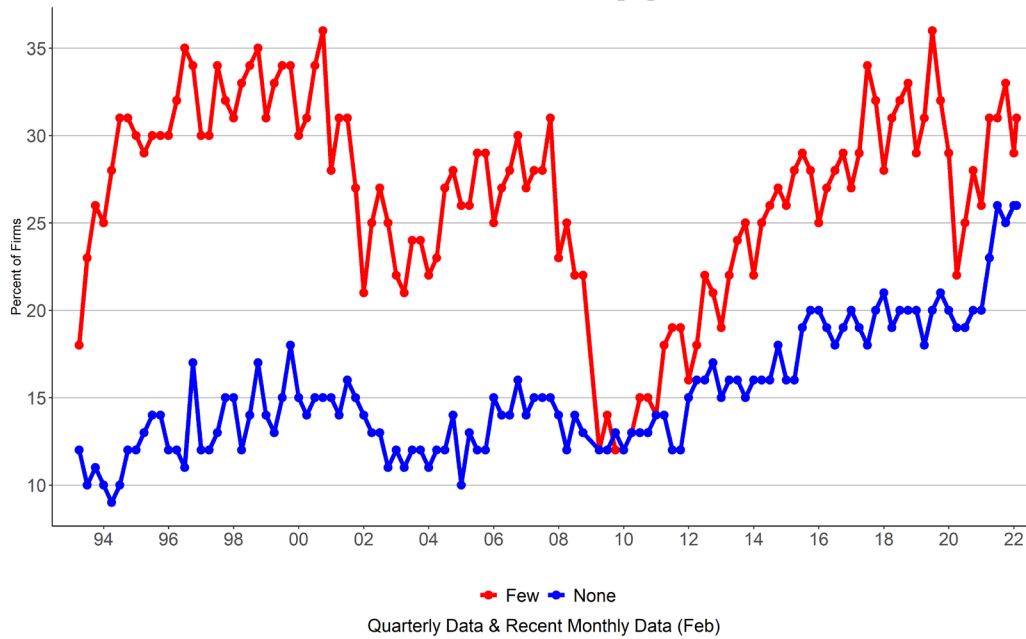
Job Creation Plans

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



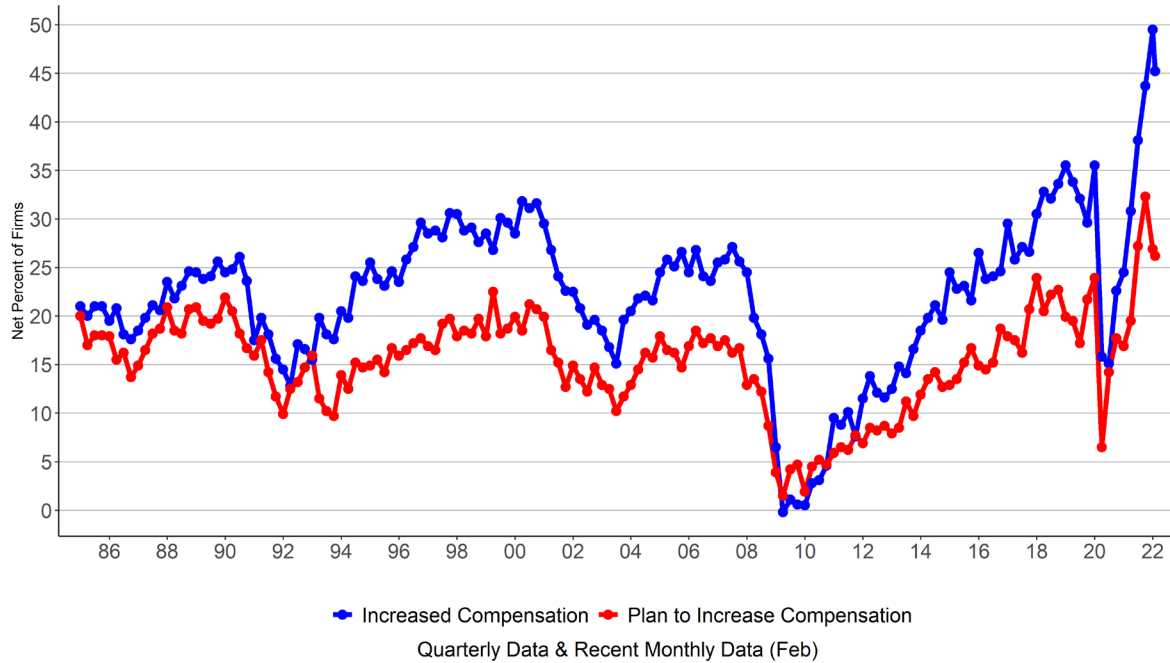
Overall, 61 percent reported hiring or trying to hire in February, up 2 points from January. Fifty-seven percent (93 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (up 2 points). Thirty-one percent of owners reported few qualified applicants for their open positions (up 2 points) and 26 percent reported none (unchanged).

Qualified Job Applicants



Seasonally adjusted, a net 45 percent reported raising compensation, down 5 points from January's 48-year record high reading. A net 26 percent plan to raise compensation in the next three months, down 1 point from January.

Planned and Actual Labor Compensation Changes



Initial estimates of job creation from BLS have significantly understated the actual gains in jobs. Job growth will continue to be positive, as the negative impact of Covid on labor supply continues to moderate, and firms adjust their employment needs, and invest in new labor-saving management practices and equipment. Total employment will still remain below the January 2020 level by 3 million, but progress will be made toward exceeding that level throughout the year.