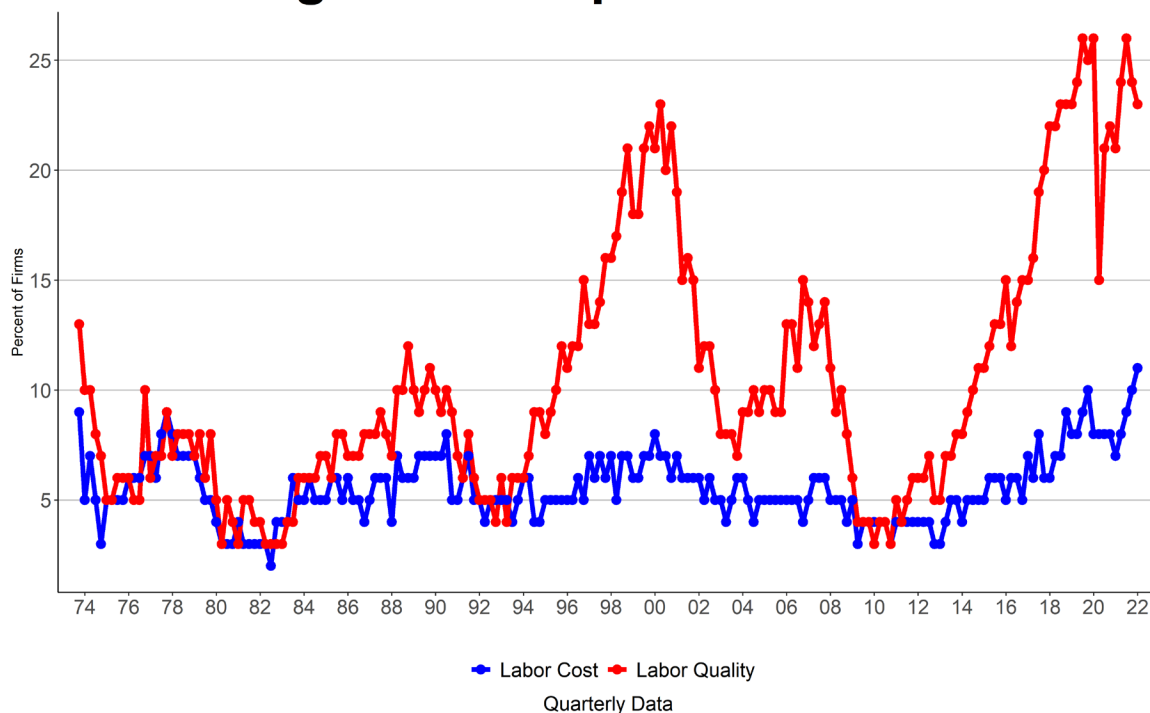


# 2022 Begins with Another Record-Breaking Level of Small Business Owners Raising Compensation

Based on 1504 respondents to the January survey of a random sample of  
NFIB's member firms, surveyed through 1/28/2022  
EMBARGO 1 PM THURSDAY

Historically large numbers of small businesses are struggling to increase their workforce. Twenty-three percent said that labor quality was their top business problem, down 2 points from December. Eleven percent cited labor costs as their top business problem, also down 2 points from December. 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.

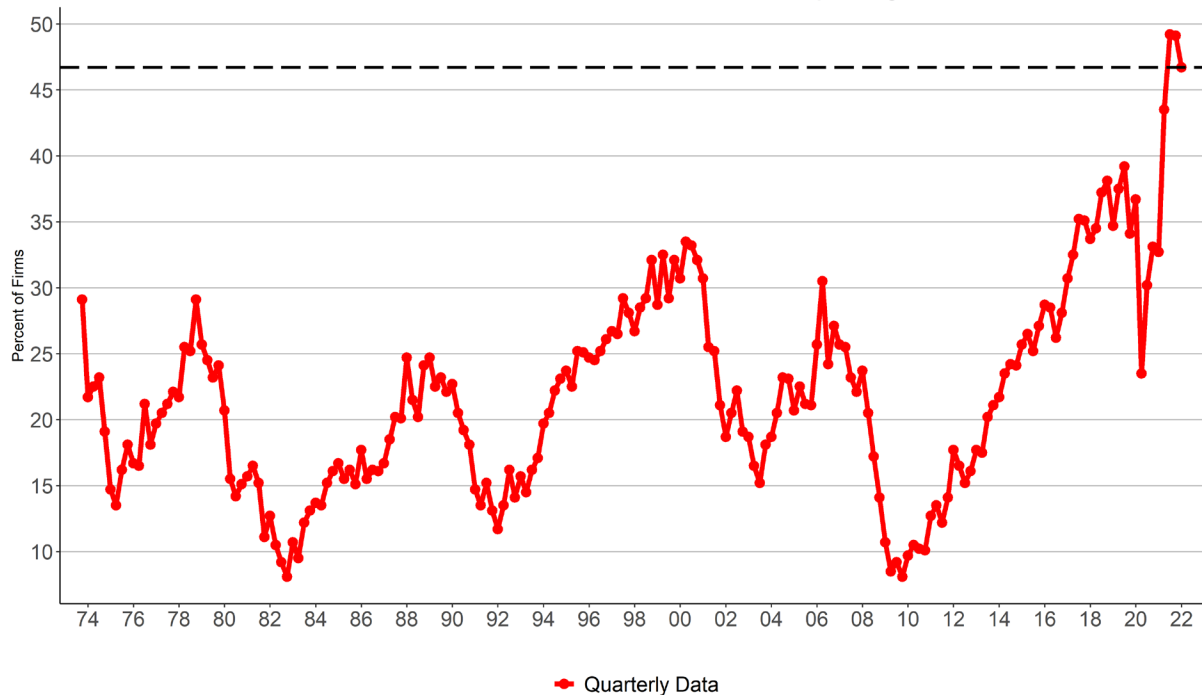
## Single Most Important Problem



Forty-seven percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 2 points from December. 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.

## Unfilled Job Openings

Percent with at Least One Unfilled Opening



Thirty-six percent have openings for skilled workers (down 3 points) and 22 percent have openings for unskilled labor (unchanged). Fifty-four percent of the job openings in construction are for skilled workers, down 2 points. Sixty-four percent of construction firms reported few or no qualified applicants (down 1 point), one of the tightest domestic labor markets.

**Industry - % with Job Openings**

Construction	62
Manufacturing	58
Transportation	48
Wholesale	45
Retail	43
Professional Services	41
FIRE	36
Agriculture	32
Services	30

Owners' plans to fill open positions remain at record high levels, with a seasonally adjusted net 26 percent planning to create new jobs in the next three months, down 2 points from December but only 6 points below the highest reading in the 48-year history of the survey set in August 2021.

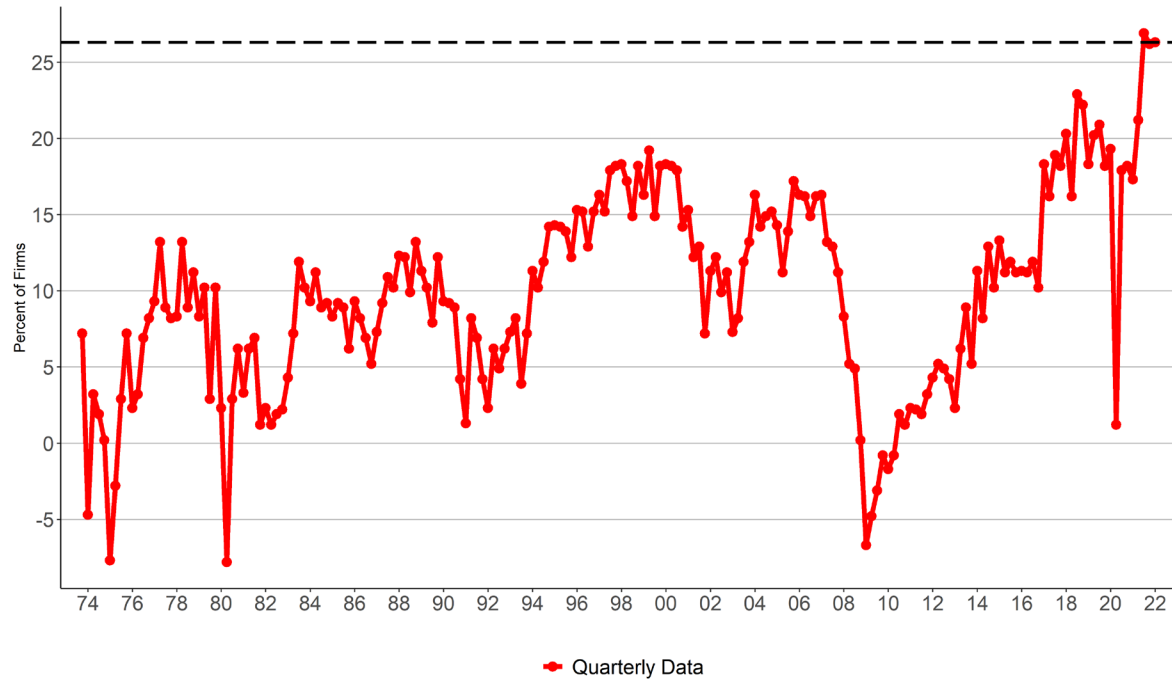
December's BLS labor report shows that the U.S economy added 199,000 jobs and the unemployment rate fell 0.3 points to 3.9%.<sup>1</sup> "Quits" remain elevated as workers switch jobs to improve their situation, and retirements continue to be strong. Omicron is also encouraging some to stay out of the labor force and causing an uptick in workers calling in sick. All of this continues to muddy the employment statistics.

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<sup>1</sup><https://www.bls.gov/news.release/empcit.nr0.htm>

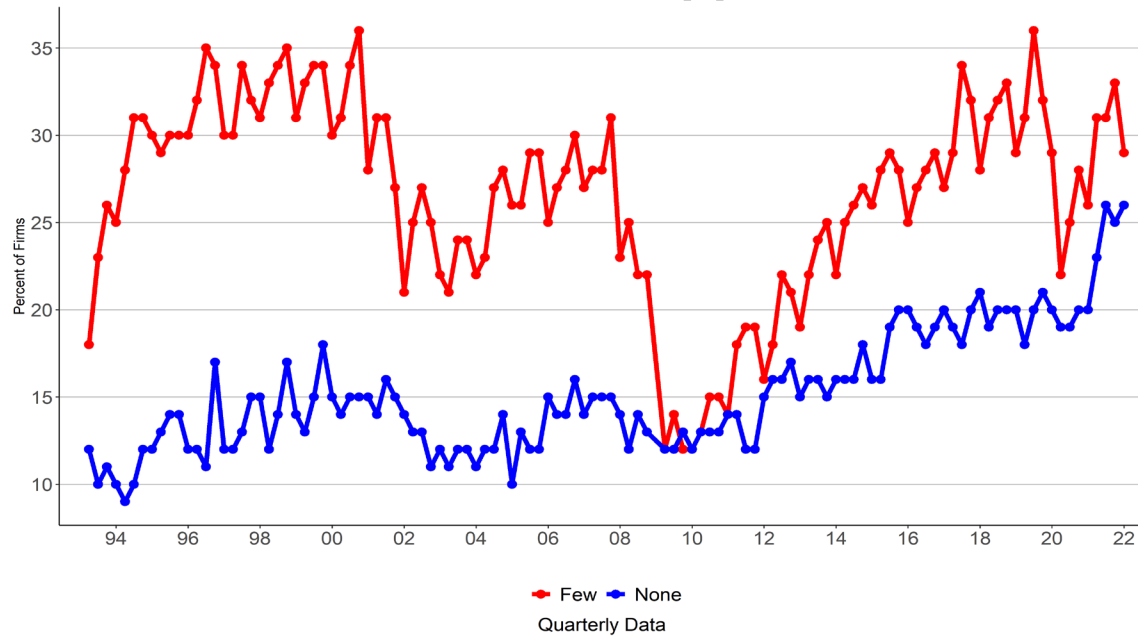
# Job Creation Plans

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

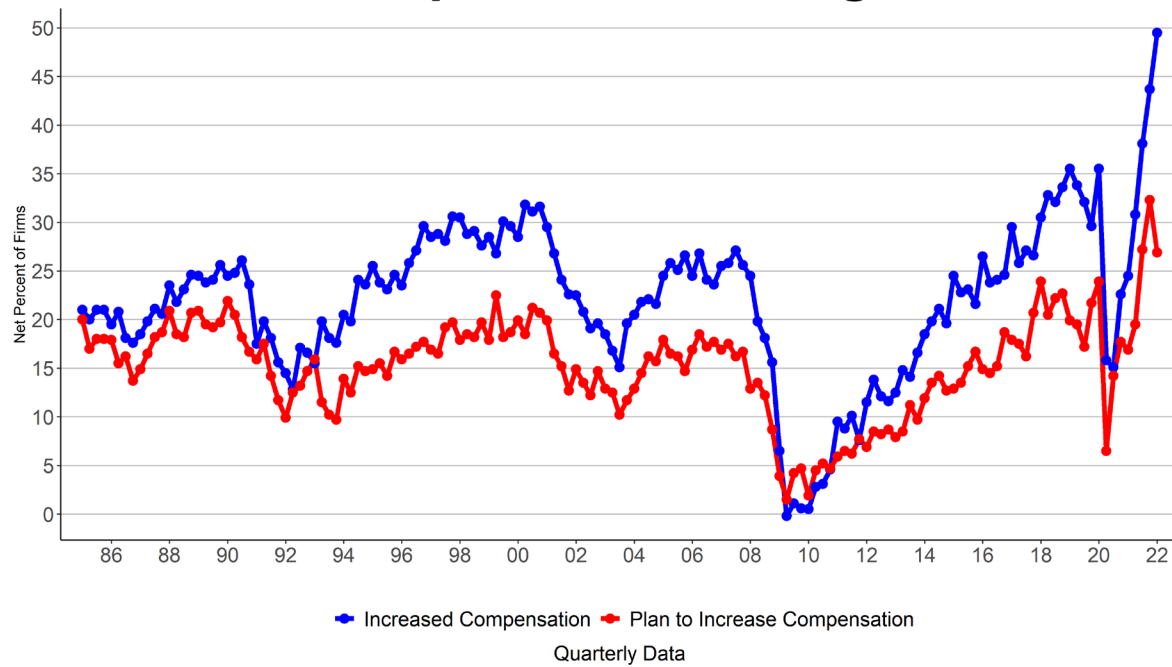


Overall, 59 percent reported hiring or trying to hire in January, down 1 point from December. Fifty-five percent (93 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (down 2 points). Twenty-nine percent of owners reported few qualified applicants for their open positions (down 2 points) and 26 percent reported none (unchanged).

## Qualified Job Applicants



## Planned and Actual Labor Compensation Changes



Seasonally adjusted, a net 50 percent reported raising compensation, up 2 points from December and a 48-year record high reading. A net 27 percent plan to raise compensation in the next three months, down 5 points from December.

To date, the job recovery has been doing well, but there is still a lot of ground to make up before total employment reaches pre-Covid levels. Currently, total employment is about 3.6 million lower than it was in February 2020, just before the covid explosion and government restrictions were put in place. Employment growth in the future will depend on increases in the labor force participation rate and a decline in the number of unemployed.