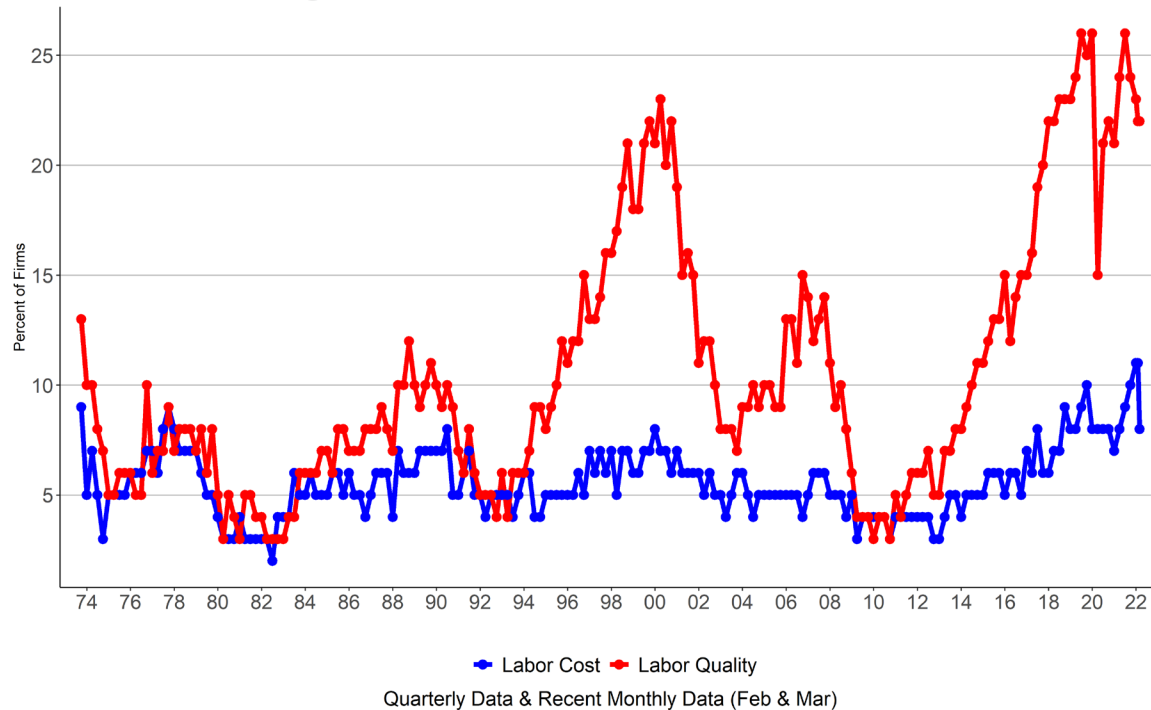


# Labor Shortages Not Easing For Small Businesses, Compensation Increases Continue

Based on 560 respondents to the March survey of a random sample of  
NFIB's member firms, surveyed through 3/28/2022  
EMBARGO 1 PM THURSDAY

Small businesses continue to raise wages to keep employees and fill historically high levels of open positions. Twenty-two percent said that labor quality was their top business problem, unchanged from February but now in second place behind inflation. Eight percent cited labor costs as their top business problem, down 3 points from February. The labor shortage continues to stymie the small business economy as owners try to compete for workers. Reports of labor costs as the top business problem are at 48-year record high levels, just 5 points below the record set in December 2021.

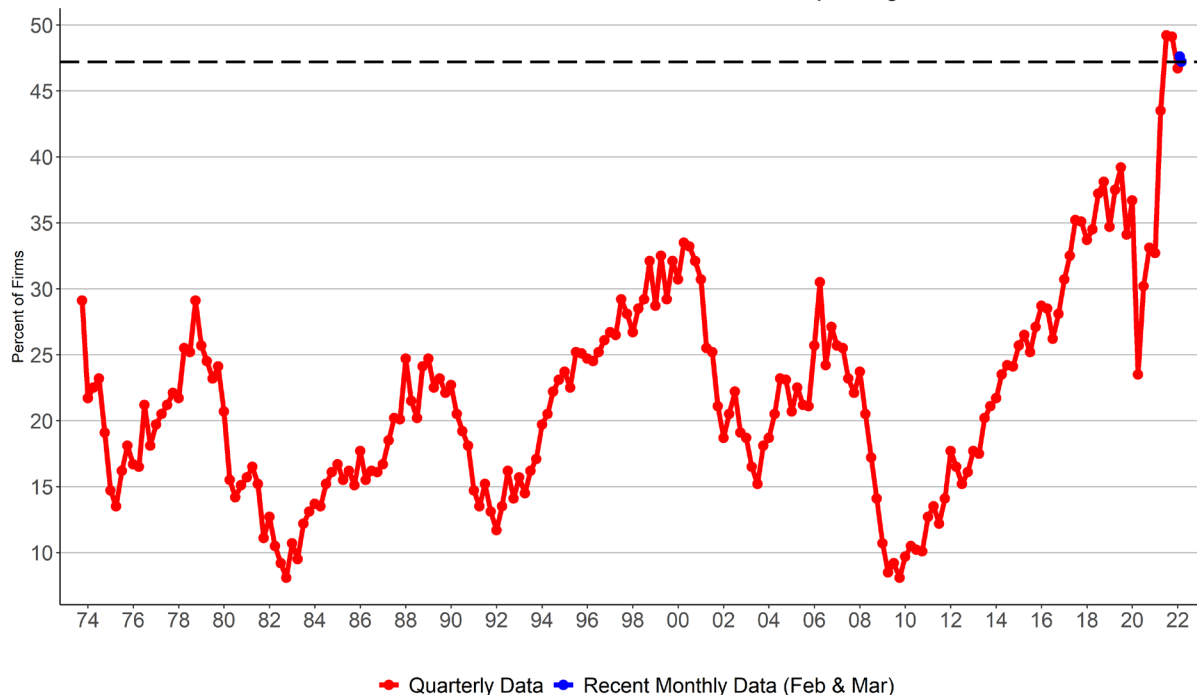
## Single Most Important Problem



Forty-seven percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 1 point from February. 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 related reasons , contributing to shortages of workers in all industries.

## Unfilled Job Openings

Percent with at Least One Unfilled Opening



Thirty-nine percent have openings for skilled workers (up 2 points) and 23 percent have openings for unskilled labor (down 2 points). Sixty-one percent of the job openings in construction are for skilled workers, up 3 points. Sixty-two percent of construction firms reported few or no qualified applicants (down 5 points), one of the tightest domestic labor markets in recent history.

### Industry- Percent with Job Openings

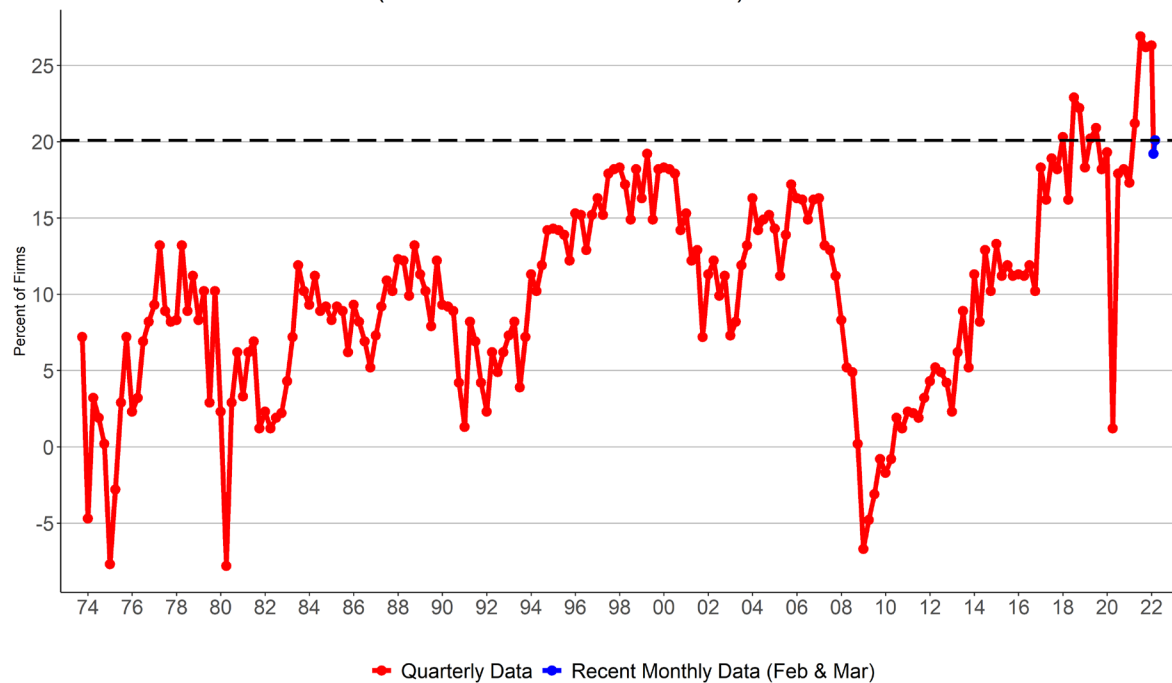
Transportation	72
Construction	61
Manufacturing	54
Wholesale	48

Services	48
Professional services	47
Retail	45
Agriculture	30
FIRE	21

Owners' plans to fill open positions remain elevated, with a seasonally adjusted net 20 percent planning (hoping) to create new jobs in the next three months, up 1 point from February.

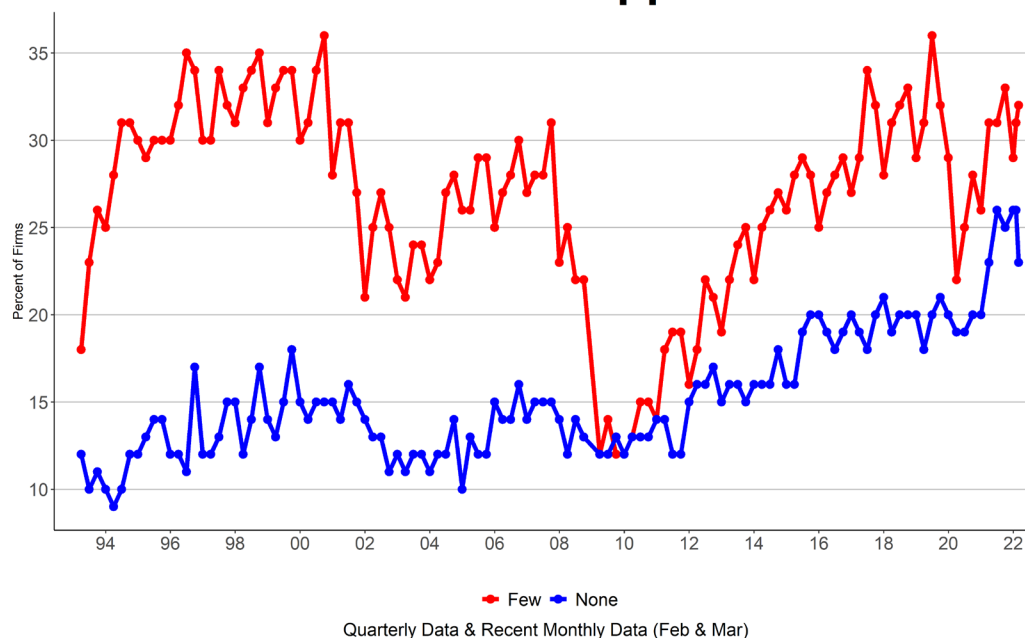
## Job Creation Plans

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



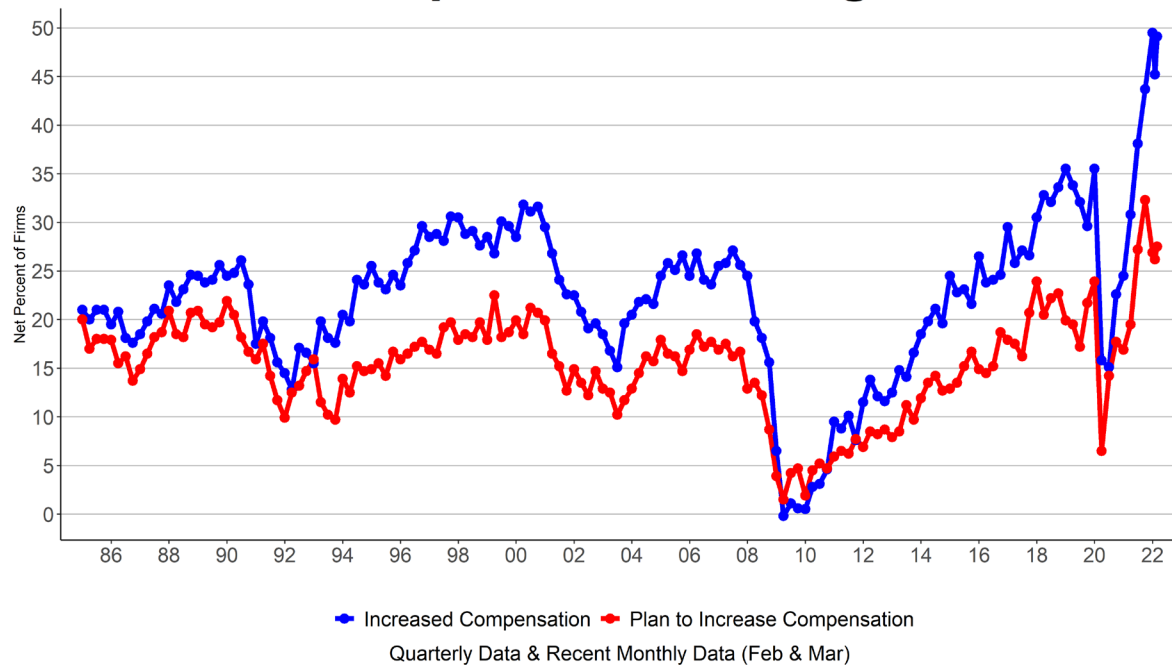
Overall, 60 percent reported hiring or trying to hire in March, down 1 point from February. Fifty-five percent (92 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (down 2 points). Thirty-two percent of owners reported few qualified applicants for their open positions (up 1 point) and 23 percent reported none (down 3 points).

## Qualified Job Applicants



Seasonally adjusted, a net 49 percent reported raising compensation, up 4 points from February. A net 28 percent plan to raise compensation in the next three months, up 2 points from February. These rising labor costs will be passed on to consumers through higher selling prices.

# Planned and Actual Labor Compensation Changes



The great reshuffling of the U.S. labor market continues with the total number job opening just over 11 million according the latest BLS JOLTS report for February. Both hires and separations nearly unchanged from January at 6.7 million and 6.1 million respectively in February. However, total employment still remains below the pre-covid 2020 peak. Small business hiring continues to be strained under this pressure.