

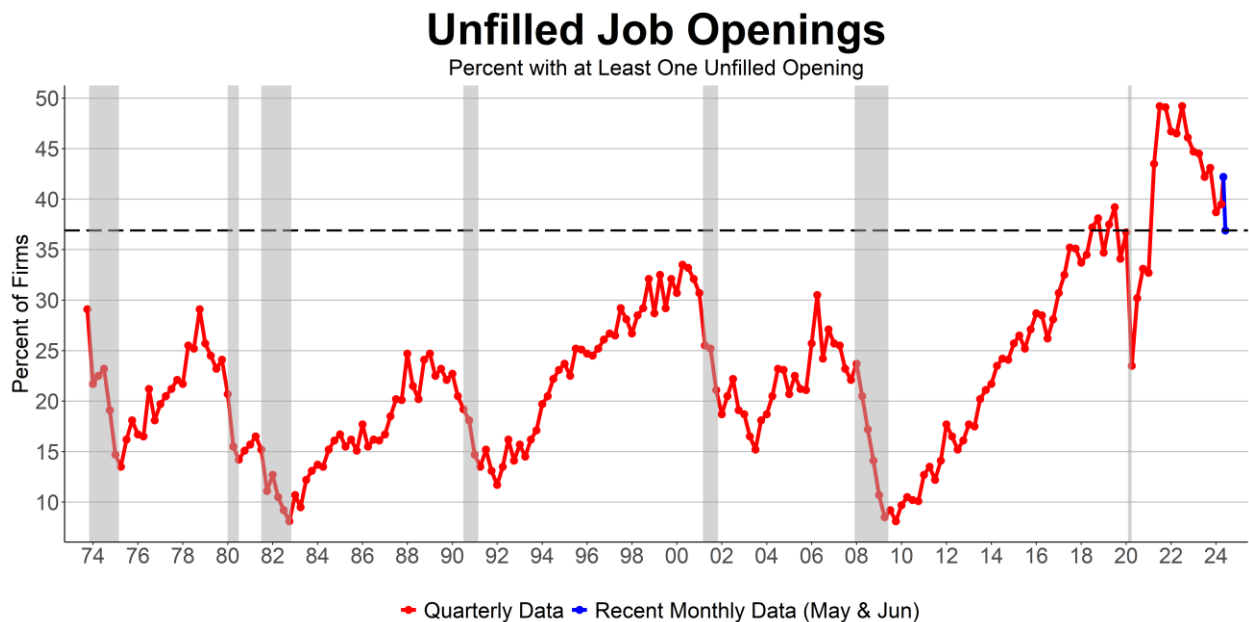
Small Business Unfilled Job Openings Fall In June

Based on 514 respondents to the June survey of a random sample of NFIB's member firms, surveyed through 6/30/2024.

EMBARGO 1 PM THURSDAY

The U.S. Bureau of Labor Statistics (BLS) reported that, in May, 272,000 jobs were created in the U.S. economy. Revisions for the prior two months subtracted 15,000 from estimates of total employment, leaving the unemployment rate up slightly at 4 percent. NFIB's June jobs report found solid employment hiring plans among small business owners, but overall unsuccessful attempts to hire additional workers.

In NFIB's June survey, 37 percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 5 points from May. Thirty-one percent have openings for skilled workers (down 6 points) and 16 percent have openings for unskilled labor (up 2 points), all suggestive of a weakening labor market.

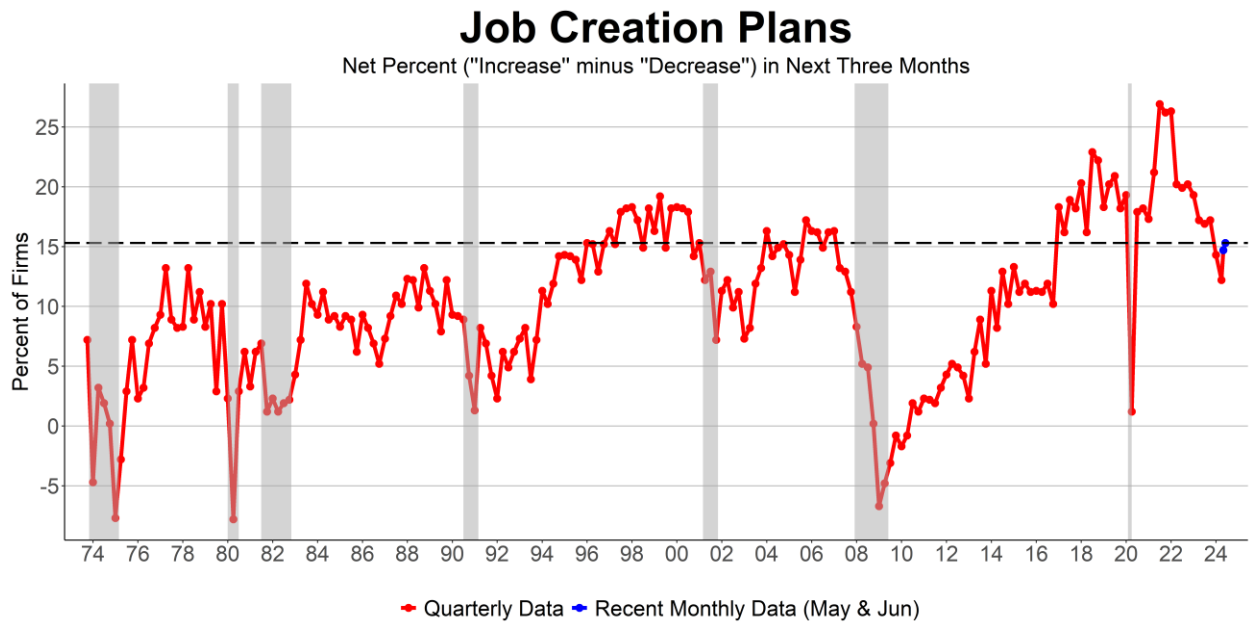


Job openings in construction were down 3 points from last month and over half of the firms (51 percent) have a job opening they can't fill. Job openings were the highest in the construction, transportation, and retail sectors, and the lowest in the agriculture and finance sectors. Overall, the percent of firms with one or more job openings they can't fill remains at exceptionally high levels. This indicates continued upward pressure on compensation and, ultimately, on inflation.

Industry- Percent with Job Openings

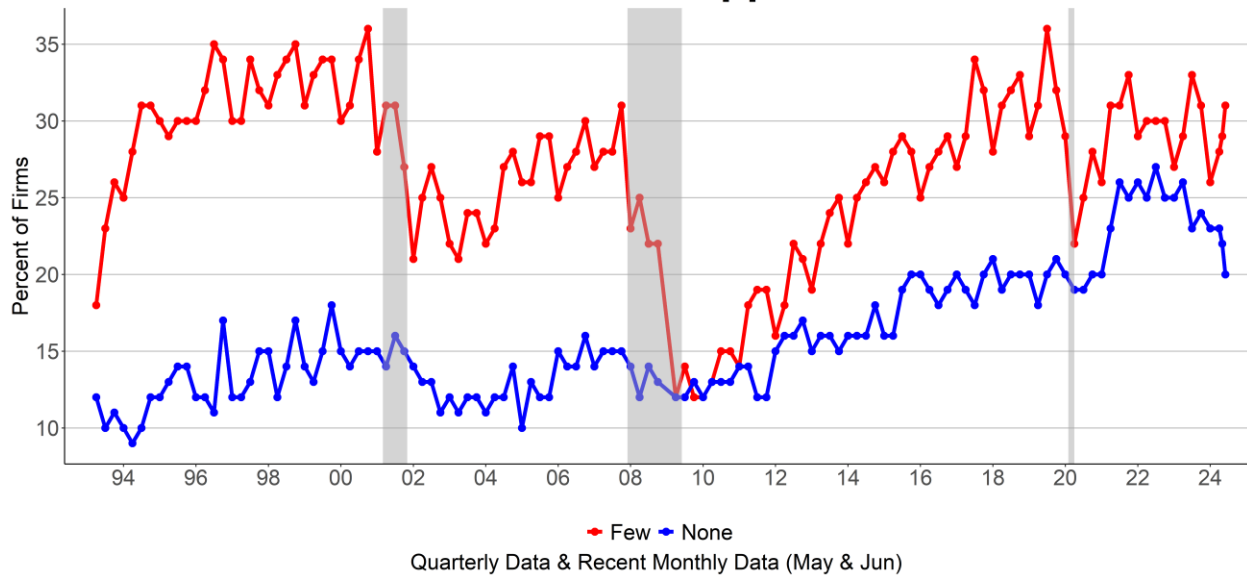
Industry	June 2024	June 2023
Construction	51%	54%
Transportation	50%	46%
Retail	38%	43%
Services	38%	42%
Professional services	37%	41%
Wholesale	37%	41%
Manufacturing	33%	55%
Agriculture	20%	32%
Finance	14%	16%

A seasonally adjusted net 15 percent of owners plan to create new jobs in the next three months, unchanged from May. Job creation plans are below levels seen the last time the economy experienced solid growth.



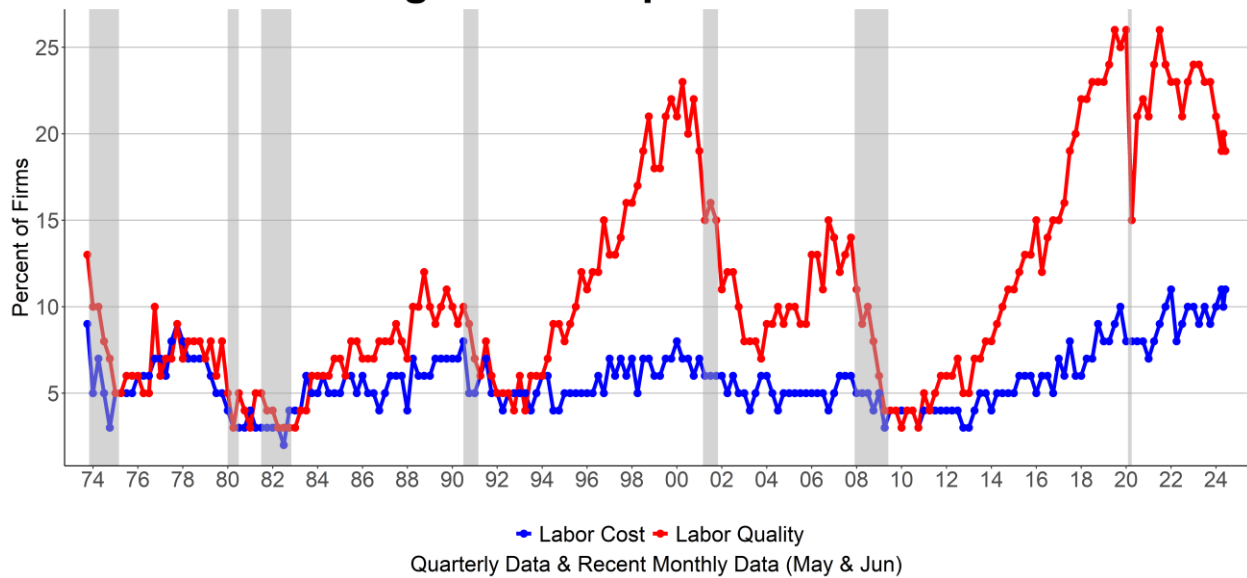
Overall, 60 percent reported hiring or trying to hire in June, unchanged from May. Fifty-one percent (85 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (unchanged). Thirty-one percent of owners reported few qualified applicants for their open positions (up 2 points) and 20 percent reported none (down 2 points).

Qualified Job Applicants



The percent of small business owners reporting labor quality as their top small business operating problem fell 1 point from May to 19 percent. Labor quality as small business owners’ top problem has eased considerably over the last two quarters. Labor cost reported as the single most important problem for business owners rose 1 point to 11 percent, 2 points below the highest reading of 13 percent reached in December 2021.

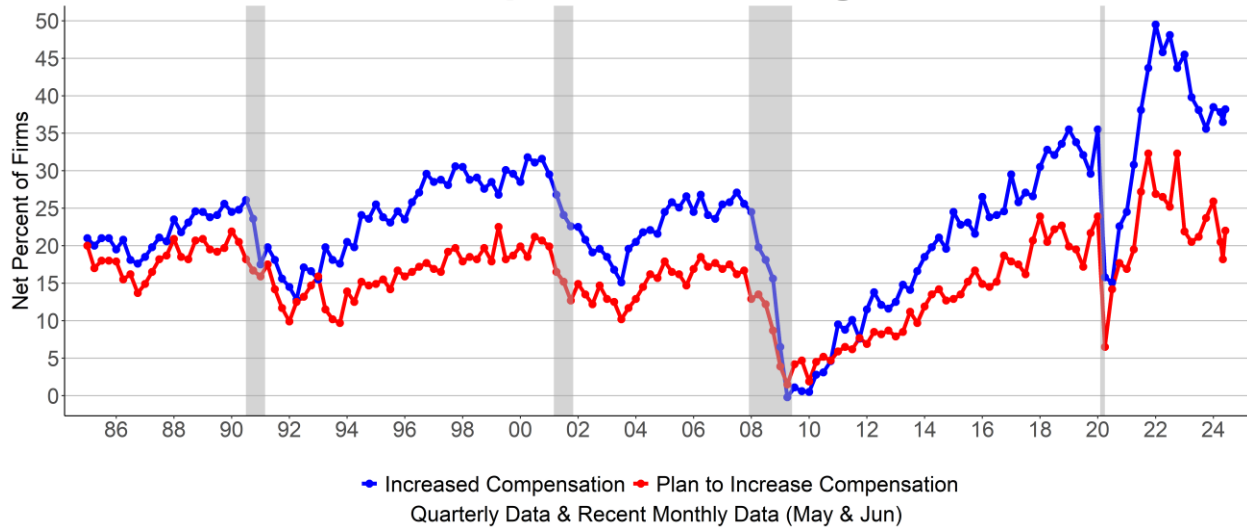
Single Most Important Problem



Seasonally adjusted, a net 38 percent reported raising compensation, up 1 point from May and historically very high. A net 22 percent (seasonally adjusted) plan to

raise compensation in the next three months, up 4 points from May. This does not bode well for the inflation fight as labor costs are the largest operating cost for most small businesses.

Planned and Actual Labor Compensation Changes



Employment reports have indicated strong labor markets until recently. Government has been a major contributor to employment growth along with social services. Job growth in production sectors (manufacturing, construction, etc.) has been weak. Small businesses are not reporting net gains in employment. The employment situation will get a lot of attention between now and the election as candidates look for information to support their policy prescriptions.