

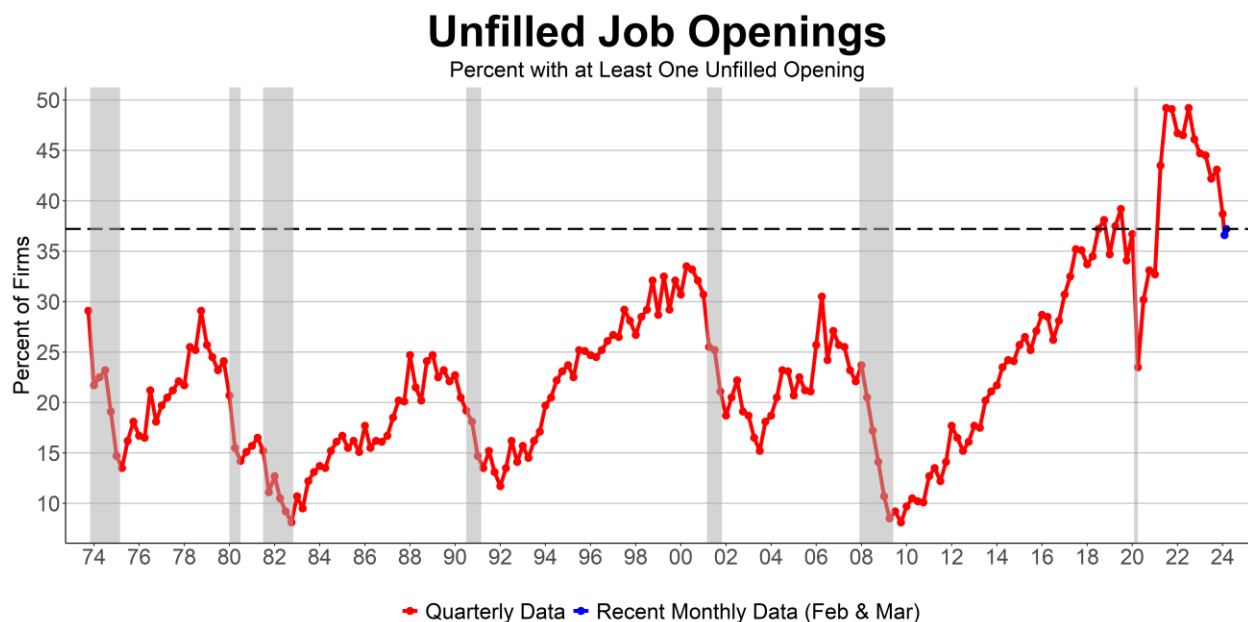
Small Business Hiring Plans Continue to Decline

Based on 506 respondents to the March survey of a random sample of NFIB's member firms, surveyed through 3/29/2024.

EMBARGO 1 PM THURSDAY

The Bureau of Labor Statistic (BLS) reported that February added 275,000 jobs to the economy, much higher than most forecasters expected. However, if the last number of months are any indication, further downward revisions in the next report would not be surprising. Downward revisions have proved more common and often dramatic including January's sharp downward revision of 124,000 jobs. NFIB's March jobs report also finds a general slowdown in employment activity among small business owners. Unfilled job openings held steady at its three-year low as finding qualified workers becomes somewhat easier, however a few more owners did complain about labor quality as their top issue.

In NFIB's March survey, 37 percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, unchanged from February and the lowest reading since January 2021. Thirty-one percent have openings for skilled workers (down 1 point) and 14 percent have openings for unskilled labor (up 2 points). But even with this slowdown in openings, the labor market remains tight, especially in the transportation, construction, and services industries. Job openings are now back in line with levels before the pandemic (2017-2019).

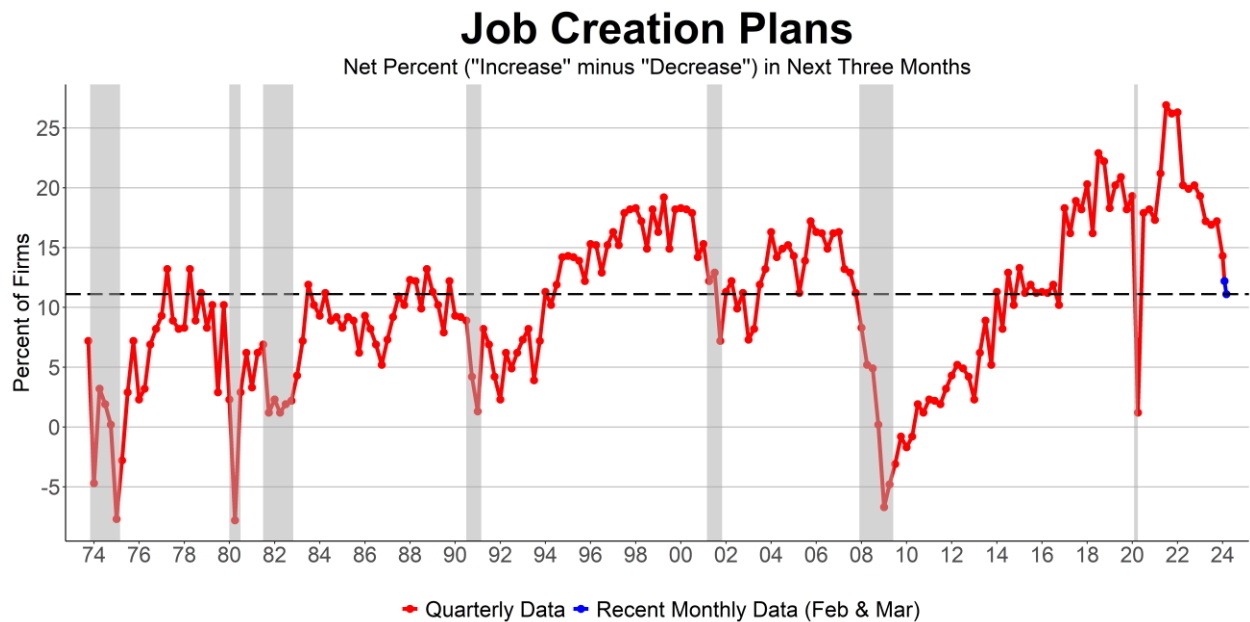


Job openings in construction were down 9 points from last month and almost half have a job opening they can't fill. Job openings were the highest in the transportation, construction, and services sectors, and the lowest in the finance and wholesale sectors.

Industry- Percent with Job Openings

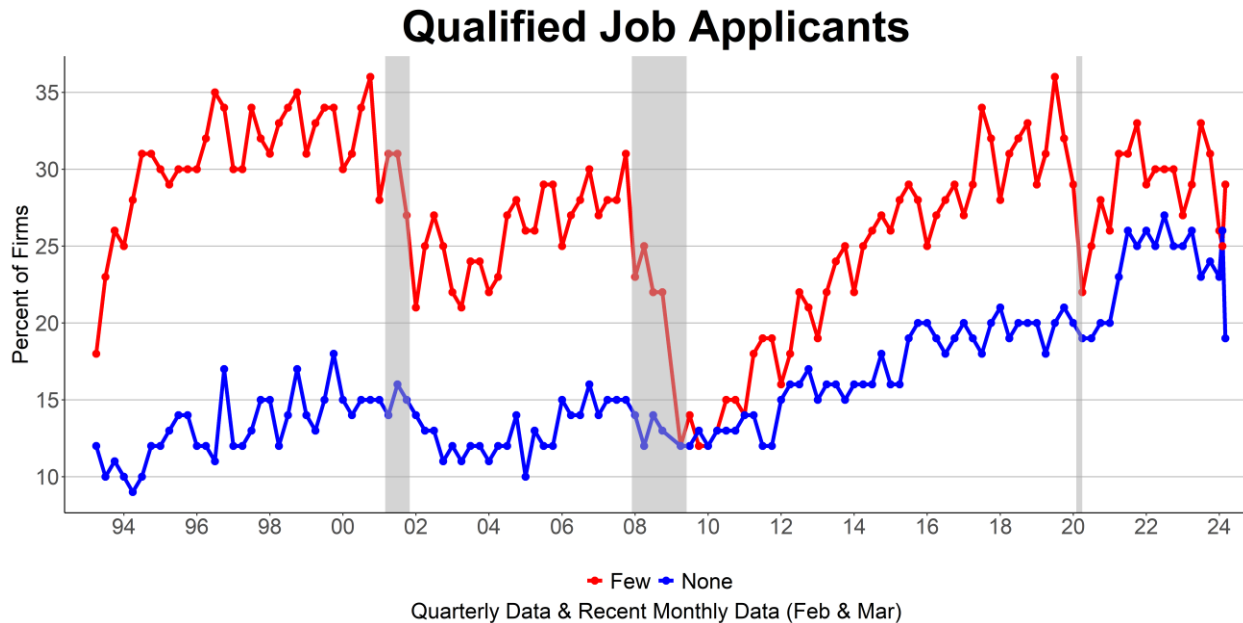
Industry	Mar. 2024	Mar. 2023
Transportation	77%	53%
Construction	44%	73%
Services	44%	39%
Retail	41%	43%
Professional services	39%	35%
Manufacturing	27%	41%
Agriculture	26%	25%
Wholesale	16%	51%
Finance	13%	21%

Owners' plans to fill open positions continue to slow, with a seasonally adjusted net 11 percent planning to create new jobs in the next three months, down 1 point from February and the lowest level since May 2020. Job creation plans are now below what would be typical in a strong growth economy.



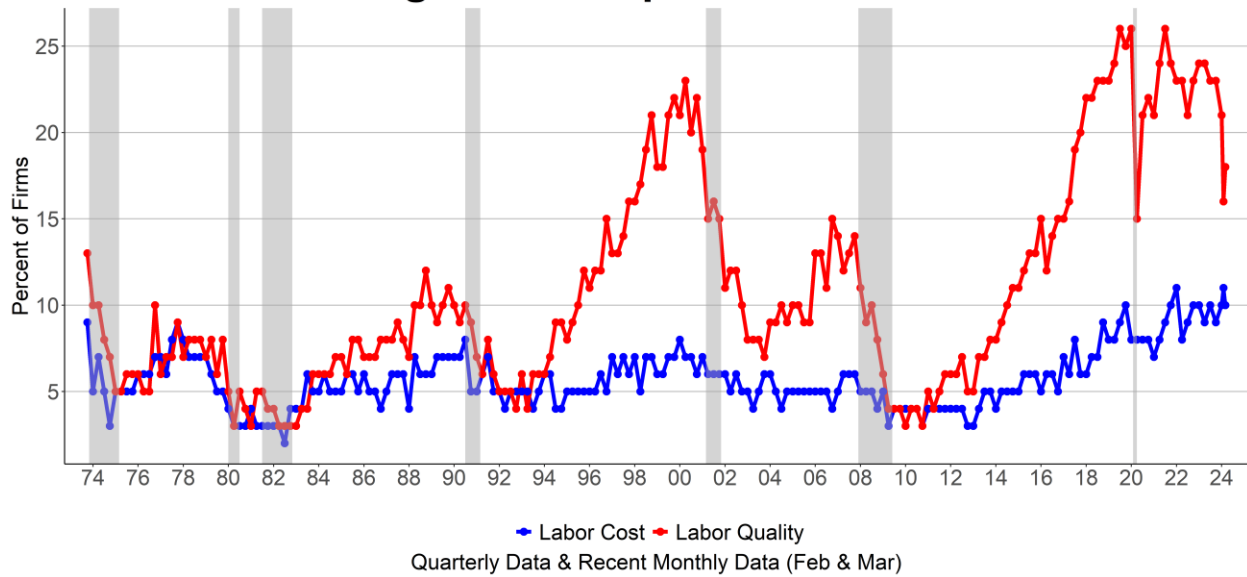
Overall, 56 percent reported hiring or trying to hire in March, unchanged from February. Forty-eight percent (86 percent of those hiring or trying to hire) of owners

reported few or no qualified applicants for the positions they were trying to fill (down 3 points). Twenty-nine percent of owners reported few qualified applicants for their open positions (up 4 points) and 19 percent reported none (down 7 points).



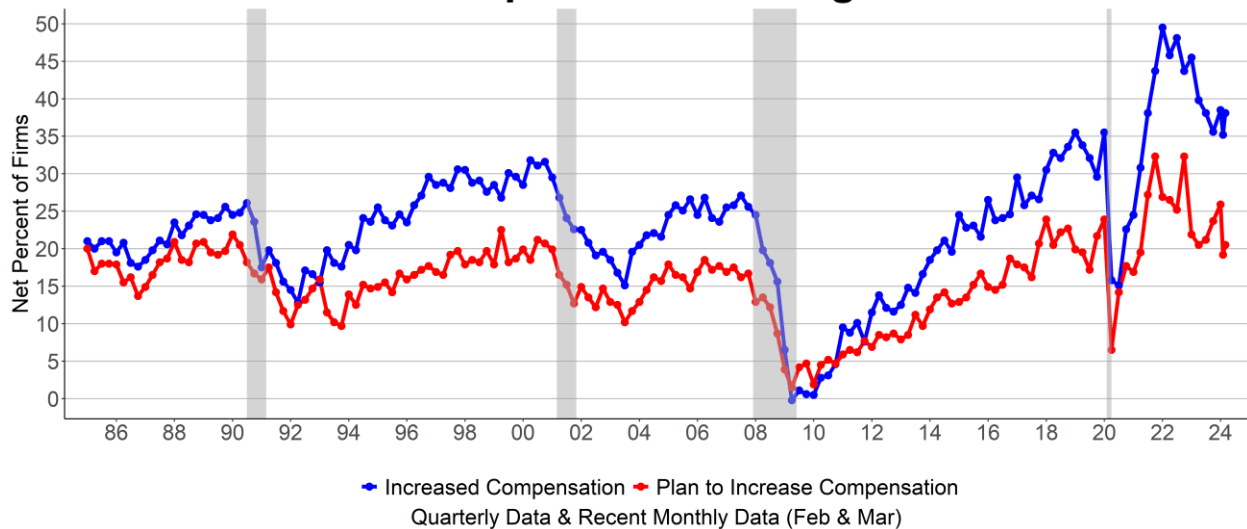
The percent of small business owners reporting labor quality as their top small business operating problem rose 2 points from February to 18 percent. However, labor quality as small business owners' top problem has eased considerably over the last two quarters. Labor cost reported as the single most important problem for business owners decreased 1 point to 10 percent, only 3 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 3 points from February's lowest reading since May 2021. A net 21 percent plan to raise compensation in the next three months, up 2 points from February.

Planned and Actual Labor Compensation Changes



With labor demand remaining strong (as has consumer spending), firms must maintain competitive compensation to retain workers and hopefully to fill critical positions. As long as consumers spend, firms will find it profitable to hire. But hiring continues to be hindered by the lack of qualified workers. For now, employment activity remains solid, although waning from peak levels.