

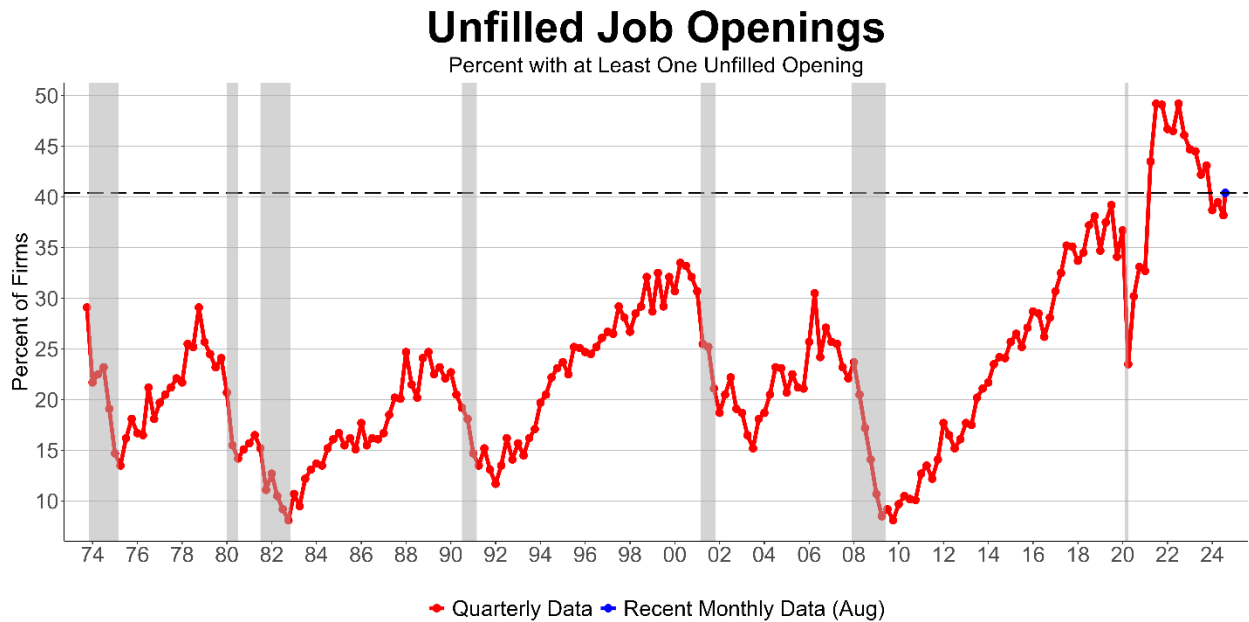
Job Growth Remains Anemic on Main Street

Based on 590 respondents to the August survey of a random sample of NFIB's member firms, surveyed through 8/29/2024.

EMBARGO 1 PM THURSDAY

The U.S. Bureau of Labor Statistics (BLS) reported that, in July, 114,000 jobs were created in the U.S. economy, lower than in June. Revisions to estimates for May and June totaled 29,000 lower. The unemployment rate drifted higher to 4.3%

In NFIB's August survey, 40 percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 2 points from July. Thirty-six percent have openings for skilled workers (up 4 points) and 15 percent have openings for unskilled labor (down 1 point).

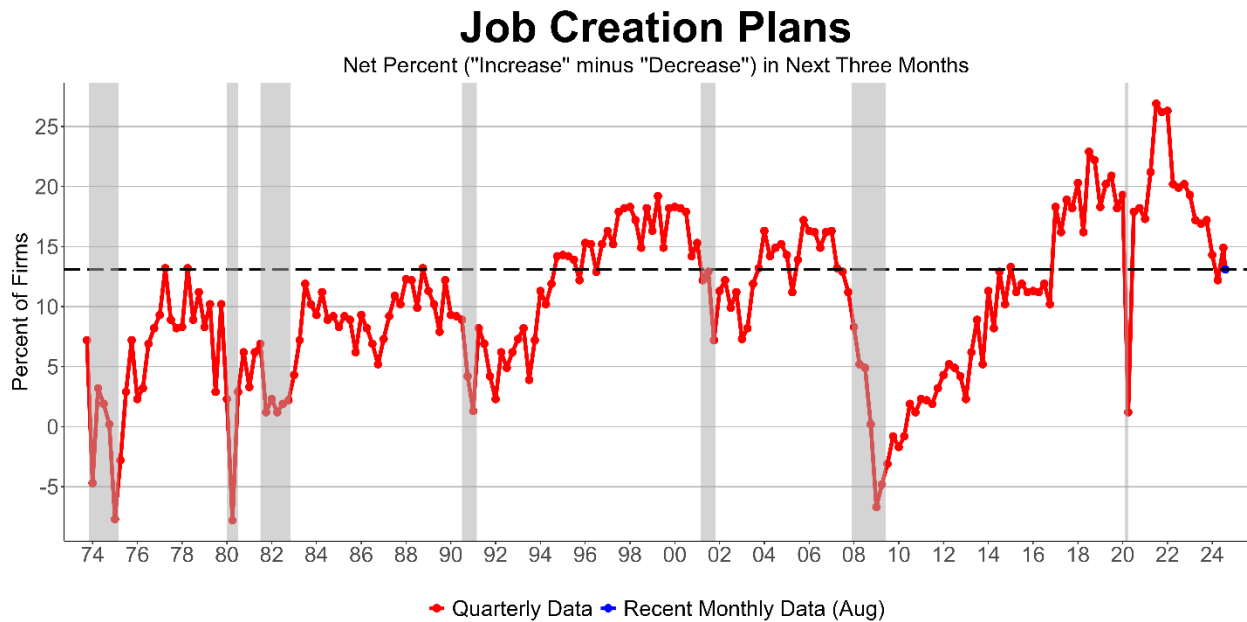


Job openings in construction were up 5 points from last month and over half of the firms (60 percent) have a job opening they can't fill. Job openings were the highest in the transportation, construction, and manufacturing sectors, and the lowest in the agriculture and finance sectors. Overall, the percent 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

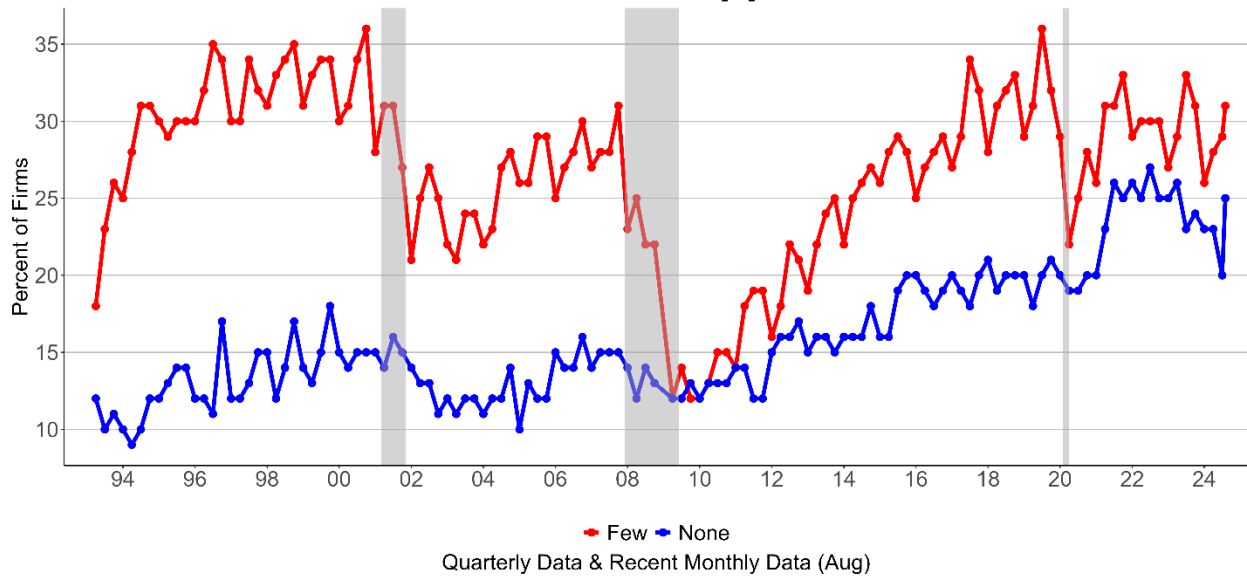
Industry	August 2024	August 2023
Transportation	66%	29%
Construction	60%	61%
Manufacturing	47%	41%
Professional services	44%	28%
Retail	39%	37%
Wholesale	38%	36%
Services	35%	45%
Agriculture	28%	28%
Finance	28%	17%

A seasonally adjusted net 13 percent of owners plan to create new jobs in the next three months, down 2 points from July. Job creation plans are below the levels seen the last time the economy experienced solid growth.



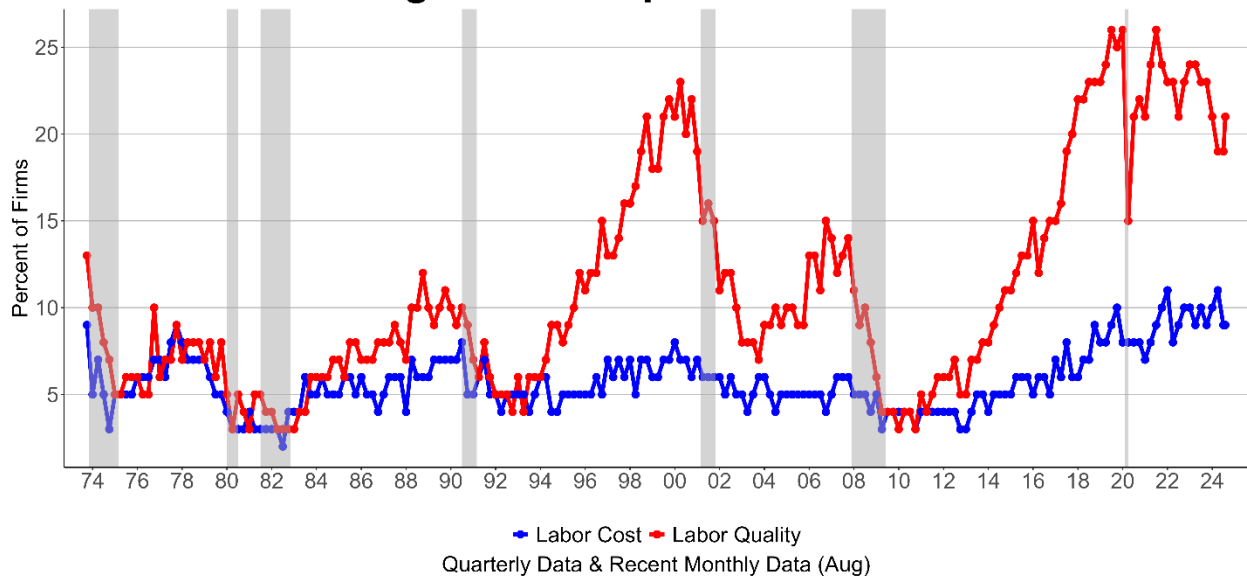
Overall, 62 percent reported hiring or trying to hire in August, up 5 points from July. Fifty-six percent (90 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (up 7 points and the highest since September 2023). Thirty-one percent of owners reported few qualified applicants for their open positions (up 2 points) and 25 percent reported none (up 5 points).

Qualified Job Applicants



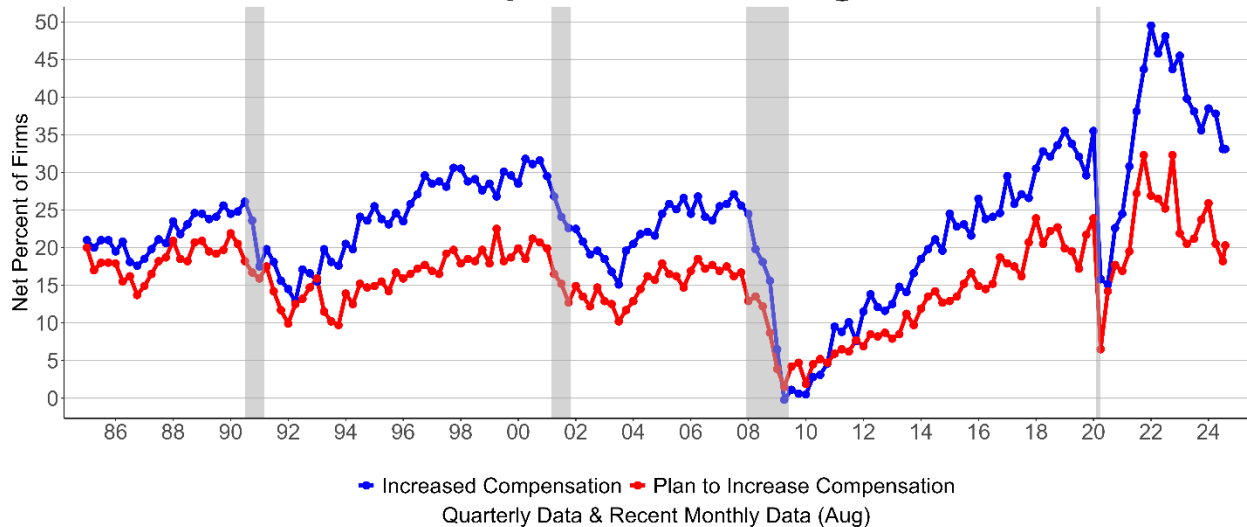
The percent of small business owners reporting labor quality as their top small business operating problem rose 2 points from July to 21 percent. The last time labor quality was at this level was January of this year. Labor cost reported as the single most important problem for business owners was unchanged at 9 percent, 4 points below the highest reading of 13 percent reached in December 2021.

Single Most Important Problem



Seasonally adjusted, a net 33 percent reported raising compensation, unchanged from July and the lowest reading since April 2021. A net 20 percent (seasonally adjusted) plan to raise compensation in the next three months, up 2 points from July.

Planned and Actual Labor Compensation Changes



The Department of Labor reported that for the past year (in the past 12 months ending in March), job creation was overstated by 818,000 workers, consistent with owners' reports of frustrated attempts to hire and fill open positions. Job openings were historically high, but there were few qualified workers applying for the jobs. The manufacturing, construction, and transportation sectors continue to need more workers as the economy continues to grow. Government hiring and supported projects through IRA and CHIPS Act funding has dominated the employment picture. Overall, the economy is slowing and will report weaker private sector growth in the coming quarters.