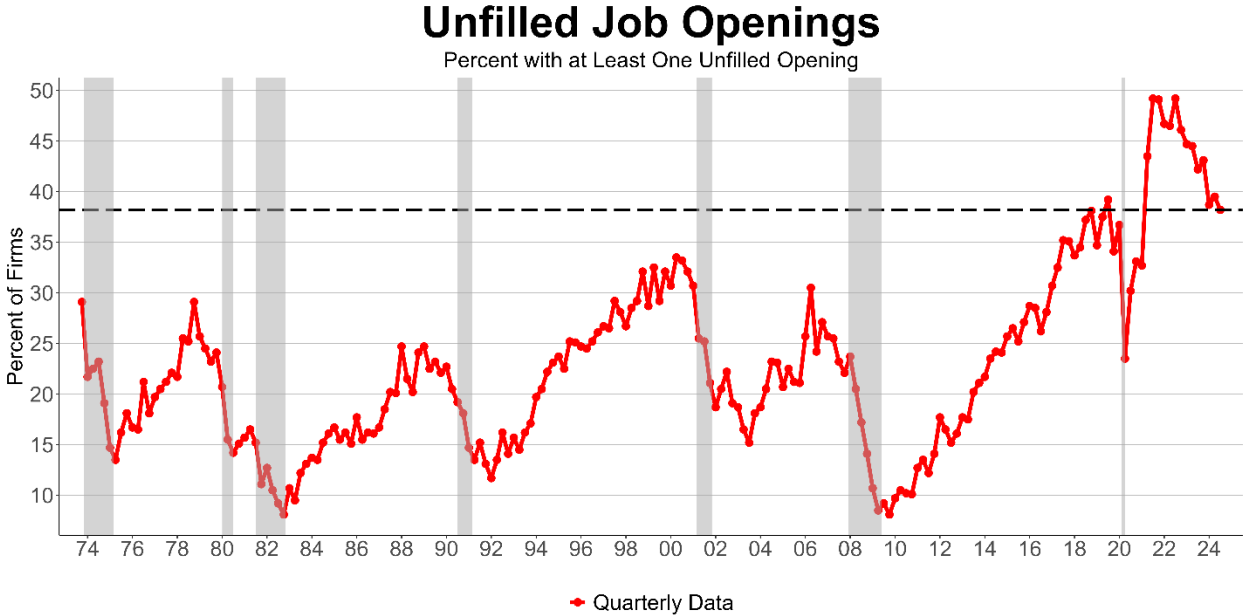


Frequency of Compensation Hikes Falls to Lowest Level Since April 2021.

Based on 1309 respondents to the July survey of a random sample of NFIB's member firms, surveyed through 7/29/2024.
EMBARGO 1 PM THURSDAY

The U.S. Bureau of Labor Statistics (BLS) reported that, in June, 206,000 jobs were created in the U.S. economy. Revisions to estimates for April and May were down 110,000, leaving the net increase in jobs over three months at 96,000. NFIB's July jobs report found solid employment hiring plans among small business owners, and the second strong month of actual success at filling job openings.

In NFIB's July survey, 38 percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 1 point from June. Thirty-two percent have openings for skilled workers (up 1 point) and 16 percent have openings for unskilled labor (unchanged).

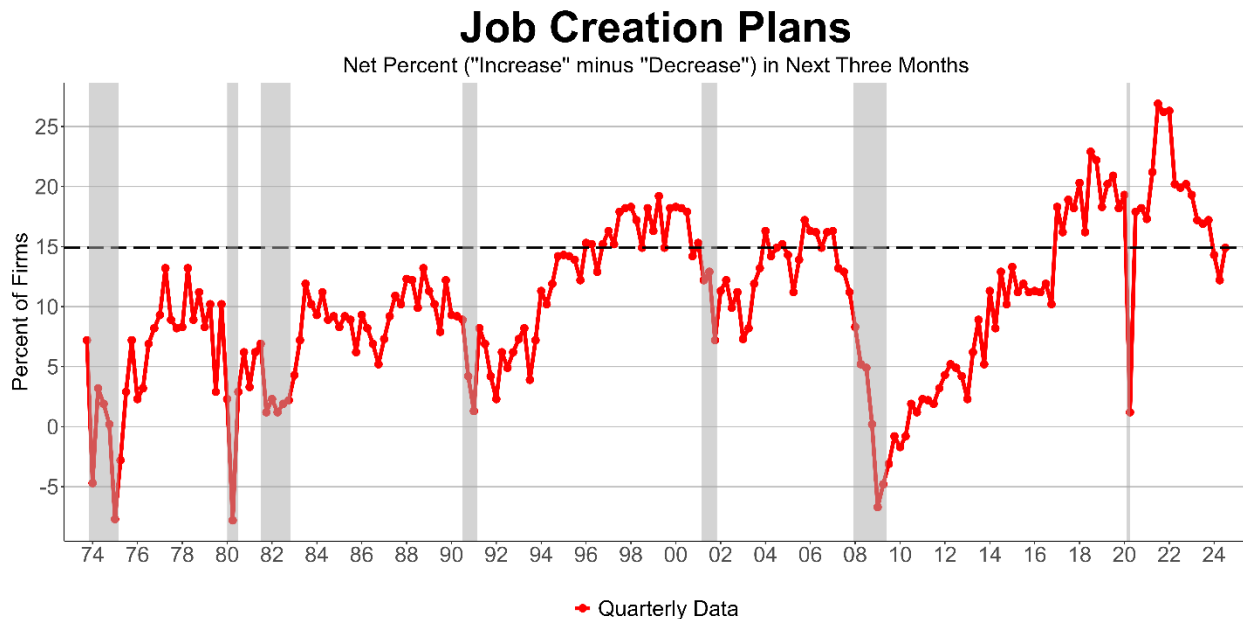


Job openings in construction were up 4 points from last month and over half of the firms (55 percent) have a job opening they can't fill. Job openings were the highest in the construction, transportation, and retail sectors, and the lowest in the agriculture and finance sectors. Overall, the percent 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

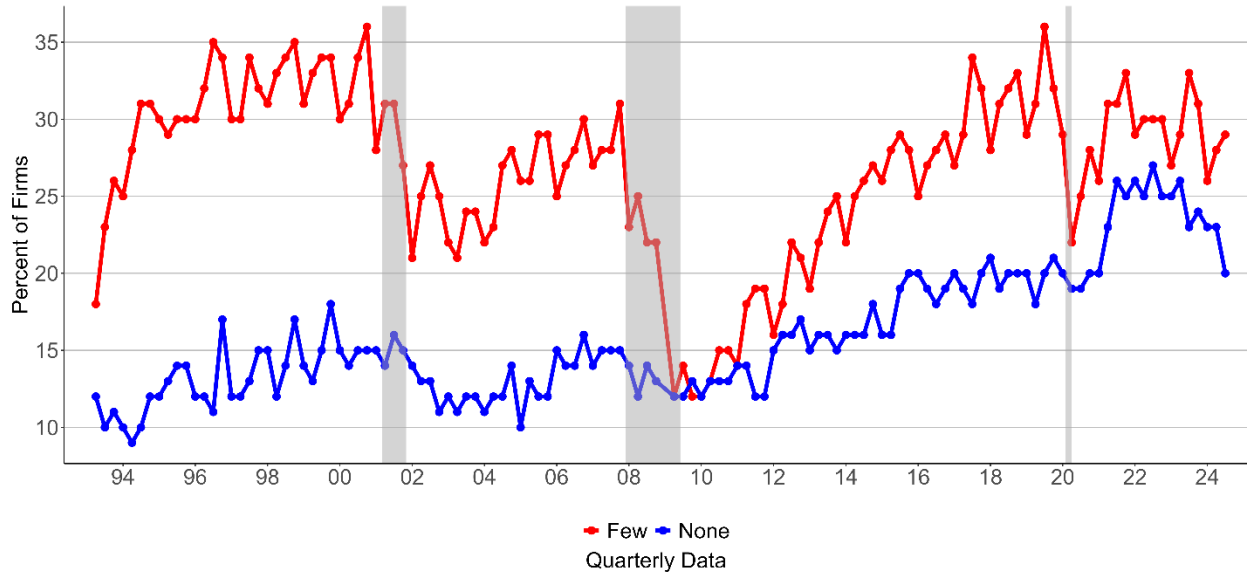
Industry	July 2024	July 2023
Construction	55%	61%
Transportation	45%	47%
Retail	42%	41%
Services	41%	44%
Manufacturing	38%	50%
Wholesale	33%	47%
Professional services	27%	28%
Agriculture	24%	32%
Finance	24%	27%

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



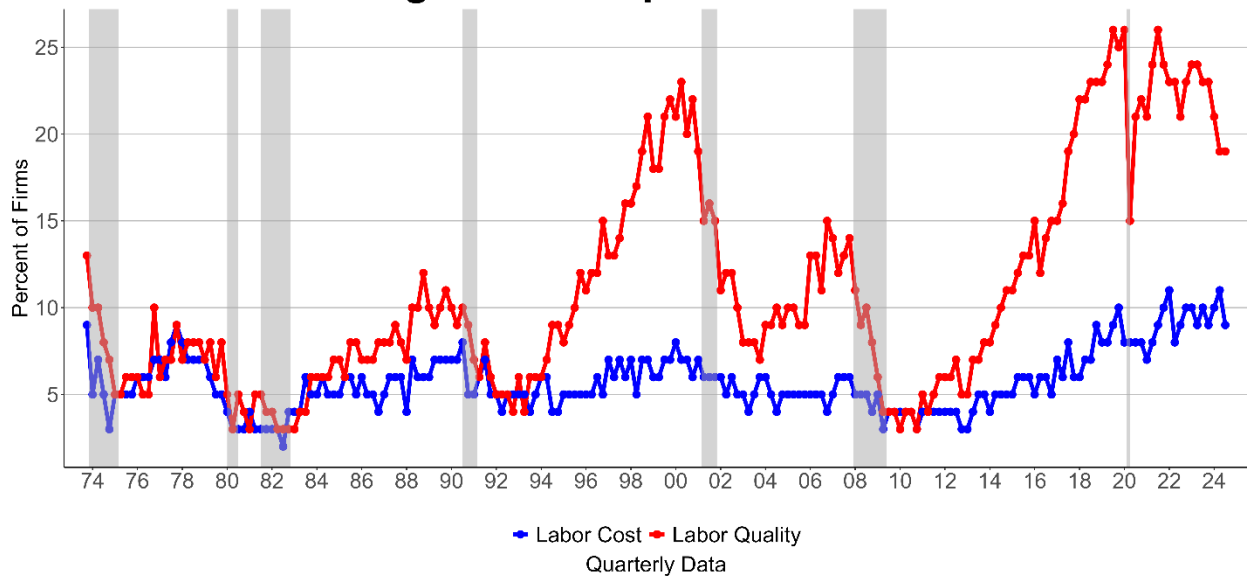
Overall, 57 percent reported hiring or trying to hire in July, down 3 points from June. Forty-nine percent (86 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (down 2 points). Twenty-nine percent of owners reported few qualified applicants for their open positions (down 2 points) and 20 percent reported none (unchanged).

Qualified Job Applicants



The percent of small business owners reporting labor quality as their top small business operating problem was unchanged from June at 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 fell 2 points to 9 percent, 4 points below the highest reading of 13 percent reached in December 2021.

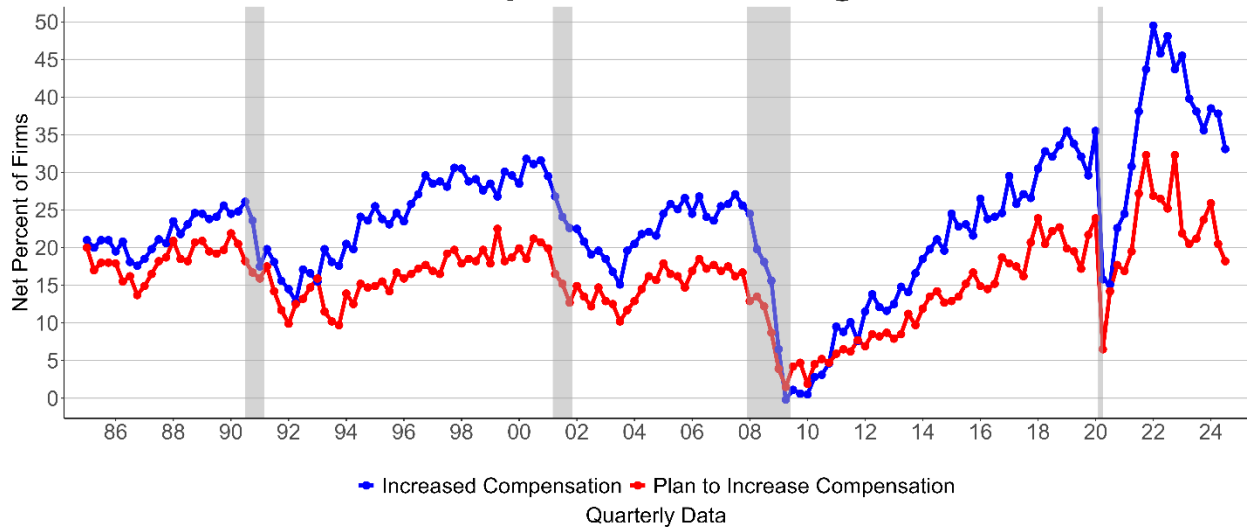
Single Most Important Problem



Seasonally adjusted, a net 33 percent reported raising compensation, down 5 points from June and the lowest reading since April 2021. A net 18 percent (seasonally

adjusted) plan to raise compensation in the next three months, down 4 points from June.

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 finally reporting solid net gains in employment over the last two months, following 11 months of mostly negative or only slightly positive gains. The employment situation will get a lot of attention between now and the election as candidates look for information to support their policy prescriptions.