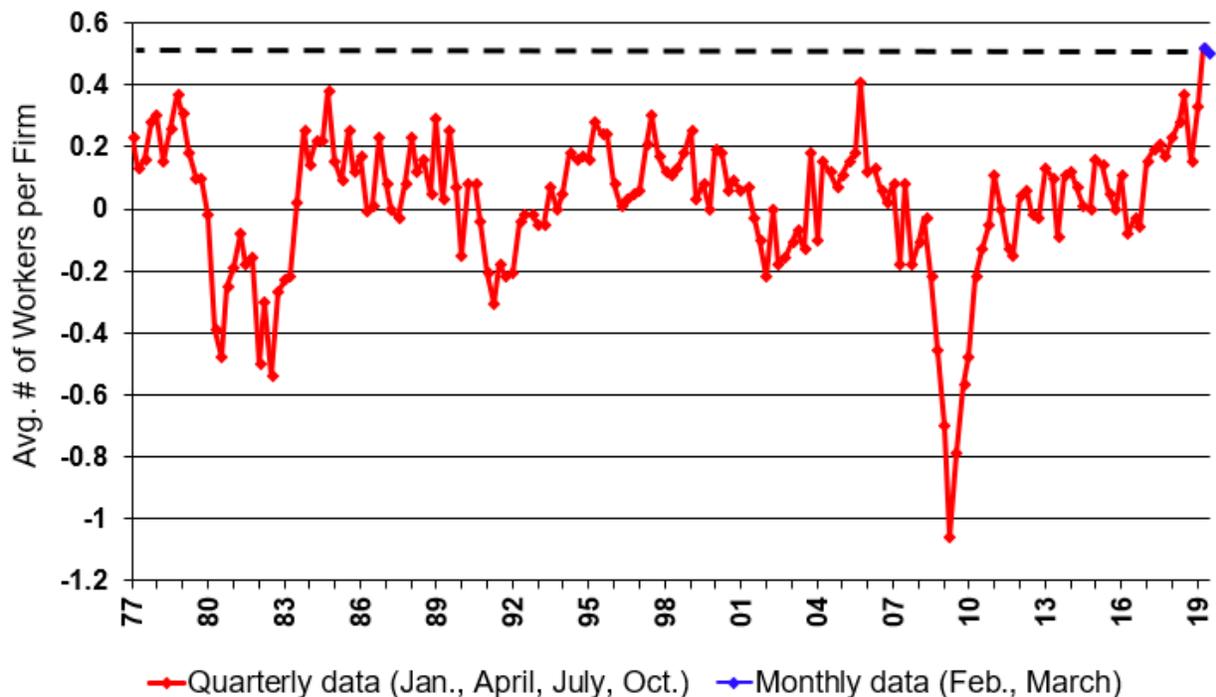


JOB CREATION OPENED STRONG IN 2019

(Based on 643 respondents to the MARCH survey of a random sample of NFIB's member firms, surveyed through 3/30/19)
EMBARGO 1 PM THURSDAY

Average Change in Employment Per Firm

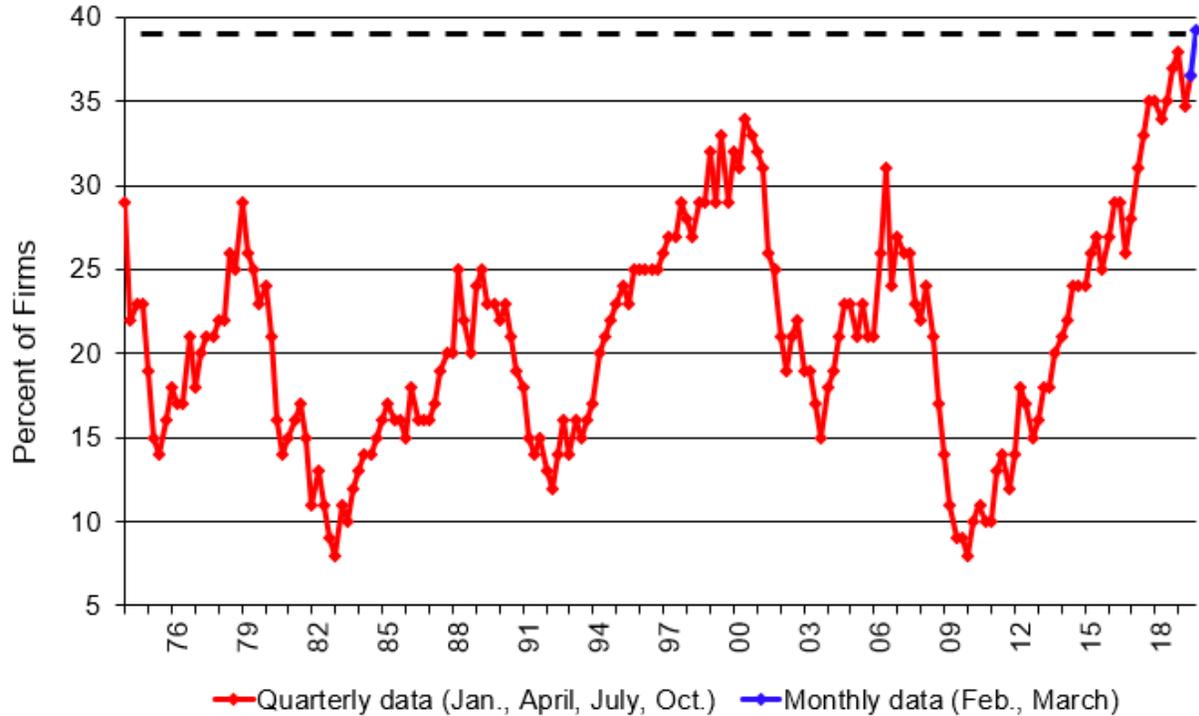


Job creation was solid in March with a net addition of 0.50 workers per firm (including those making no change in employment), close to February's record of 0.52, and up from 0.33 in January. Twelve percent (unchanged) reported increasing employment an average of 2.7 workers per firm and 1 percent (down 2 points) reported reducing employment an average of 2.4 workers per firm (seasonally adjusted), one of the lowest percentage of owners reporting reductions in survey history. Owners are trying to hold on to the employees that they have due to a highly competitive labor market.

Sixty percent reported hiring or trying to hire (up 3 points), but 54 percent (90 percent of those hiring or trying to hire) reported few or no qualified applicants for the positions they were trying to fill (up 5 points). "Qualified" includes having position-appropriate skills but also encompasses poor appearance, attitude, social skills, unreasonable wage expectations, and work history. Twenty-one percent of owners cited the difficulty of finding qualified workers as their Single Most Important Business Problem, only 4 points below the record high.

Unfilled Job Openings

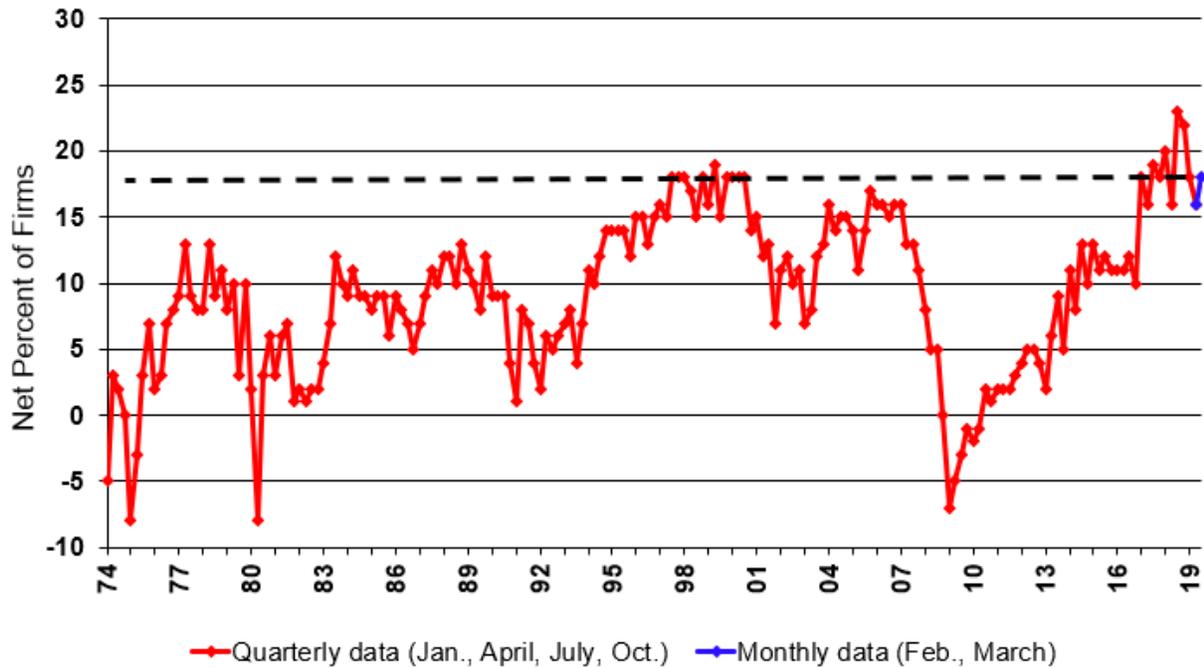
Percent with at Least One Unfilled Opening



Thirty-nine percent of all owners reported job openings they could not fill in the current period, up 2 points from February and equal to the record high. Twelve percent reported using temporary workers (down 2 points). In construction, 57 percent reported open positions, 51 percent in manufacturing, and 46 percent in transportation.

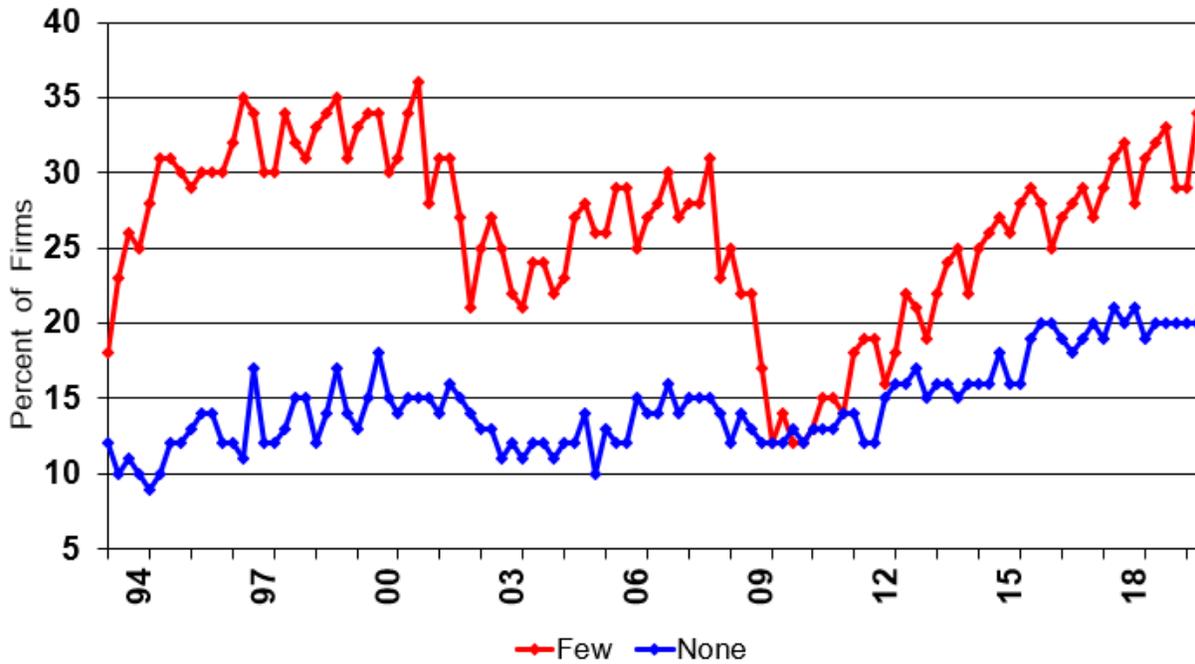
Job Creation Plans

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



A seasonally-adjusted net 18 percent plan to create new jobs, up 2 points from February's reading. Not seasonally adjusted, 28 percent plan to increase total employment at their firm (up 2 points), and 2 percent plan reductions. Job creation plans were strongest in construction (net 45 percent) and manufacturing (net 23 percent).

Qualified Job Applicants

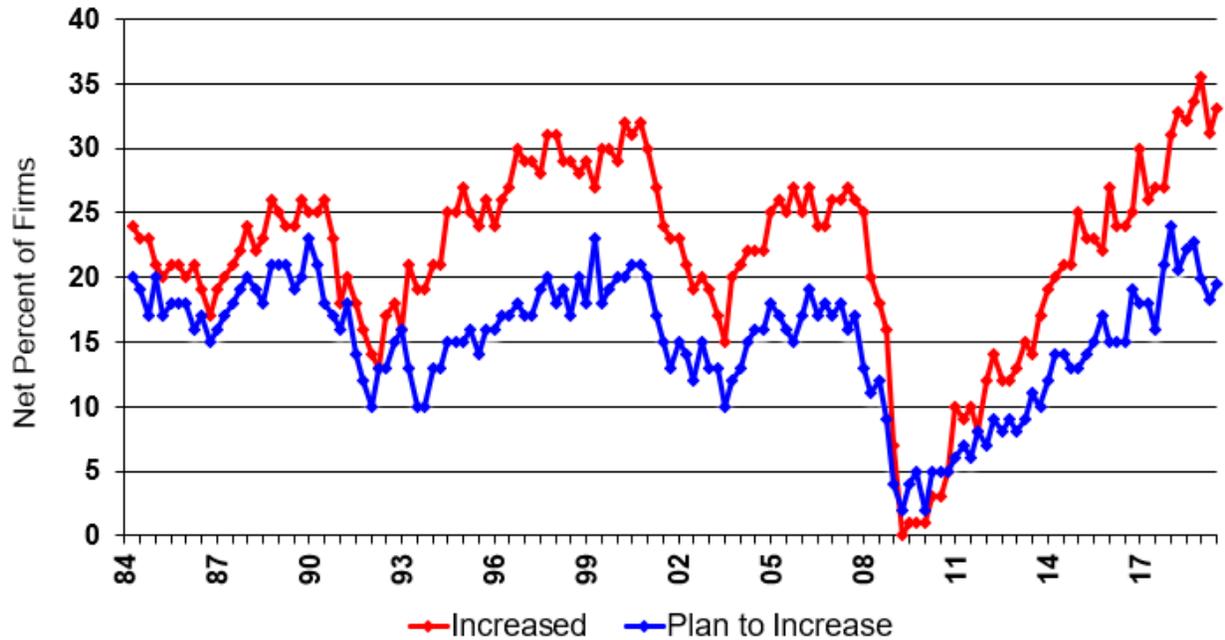


Quarterly data (Jan., Apr., July, Oct.) Month data (Feb., March)

Labor markets are tight for both skilled and unskilled workers, making it difficult for owners to achieve their hiring goals. Thirty-three percent have openings for skilled workers (up 2 points) and 14 percent have openings for unskilled labor. Thirty-four percent of owners reported few qualified applicants (up 5 points) and 20 percent reported none. The strength of the labor market indicators is a strong signal of very positive owner views about the economy. Hiring is an “investment,” and clearly owners look for an economy that will provide a good return on their labor investments.

Wage costs are rising as owners must pay more to attract and retain needed workers from a well-picked over pool of potential applicants. A net 33 percent reported higher compensation in March, up 2 points. Twenty percent (net) planned increases in the next few months (up 2 points), a good leading indicator of future compensation gains.

Planned and Actual Labor Compensation Changes



Quarterly data (Jan., April, July, Oct.) Monthly data (Feb., March)

Concerns about labor cost were expressed by 8 percent of the owners (Most Important Business Problem), down 2 points from last month's 45-year record high reading. Complaints are highest in transportation (11 percent), retail (16 percent), and professional services (18 percent). Overall, reports of rising compensation are holding at historically high levels.

We are at full employment and labor supply is now a headwind to growth. In construction for example, only 6 percent complain about the cost of labor but 34 percent lament about the lack of qualified workers. Pay is not the issue; it's finding someone to pay. The strength in hiring plans and the record-high levels of job openings is a positive indicator for economic growth. Hiring a worker is an investment. The wide-spread willingness of small business owners to increase employment indicates that they see an economy that will be solid enough to deliver a return on their labor investment.