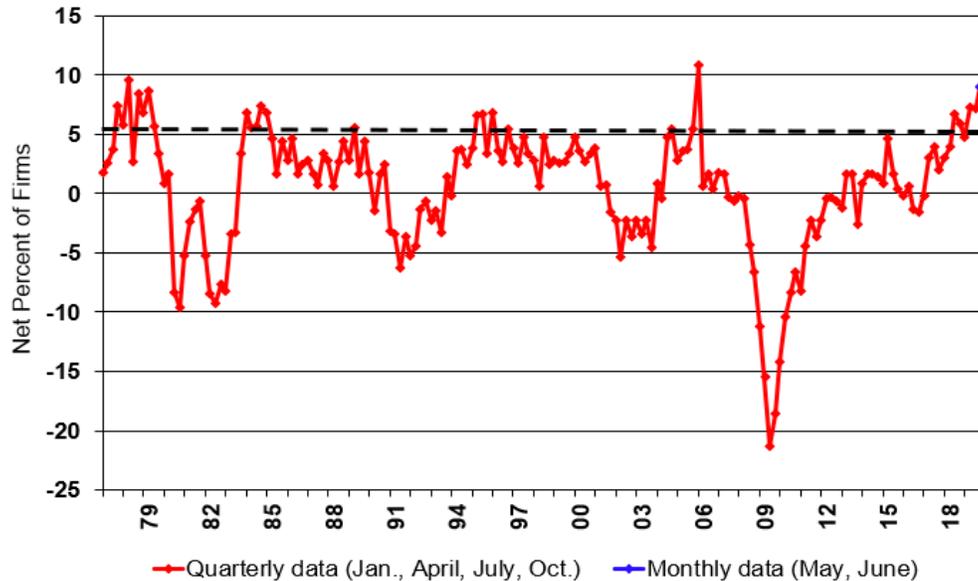


Job Creation Continues Strong in June

(Based on 606 respondents to the JUNE survey of a random sample of NFIB's member firms, surveyed through 6/28/19)
EMBARGO 1 PM THURSDAY

Net Percent of Owners Increasing Employment

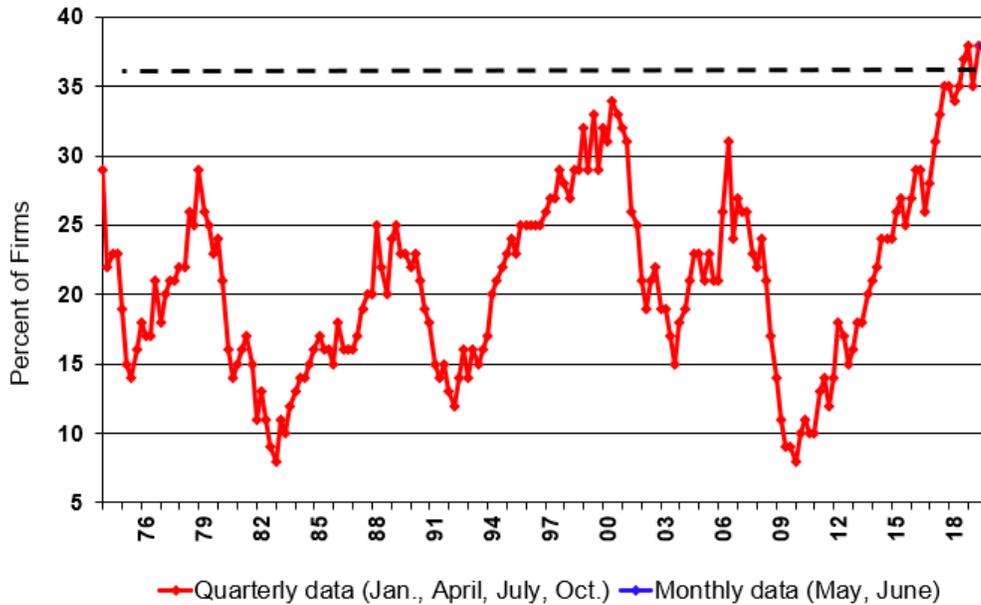


Job creation slowed in June, but remained solid, adding 0.21 workers per firm on average, down from 0.32 workers in April and May (including those making no change in employment), marking the 19th consecutive month of employment growth. Twelve percent (down 1 point) reported increasing employment an average of 4.3 workers per firm and 7 percent (up 3 points) reported reducing employment an average of 4.6 workers per firm (seasonally adjusted). The shortage of potential employees relative to the demand for them is slowing economic growth. The demand for workers has not faded and remains at record levels.

Fifty-eight percent reported hiring or trying to hire (down 4 points), but 50 percent (86 percent of those hiring or trying to hire) reported few or no qualified applicants for the positions they were trying to fill. "Qualified" includes having position-appropriate skills but also encompasses appearance, attitude, social skills, unreasonable wage expectations, and work history. Twenty-one percent of all owners cited the difficulty of finding qualified workers as their Single Most Important Business Problem, a clear indication that a shortage of qualified workers is slowing growth. In transportation, 39 percent cited it as their #1 problem. In construction, 37 percent reported the same.

Unfilled Job Openings

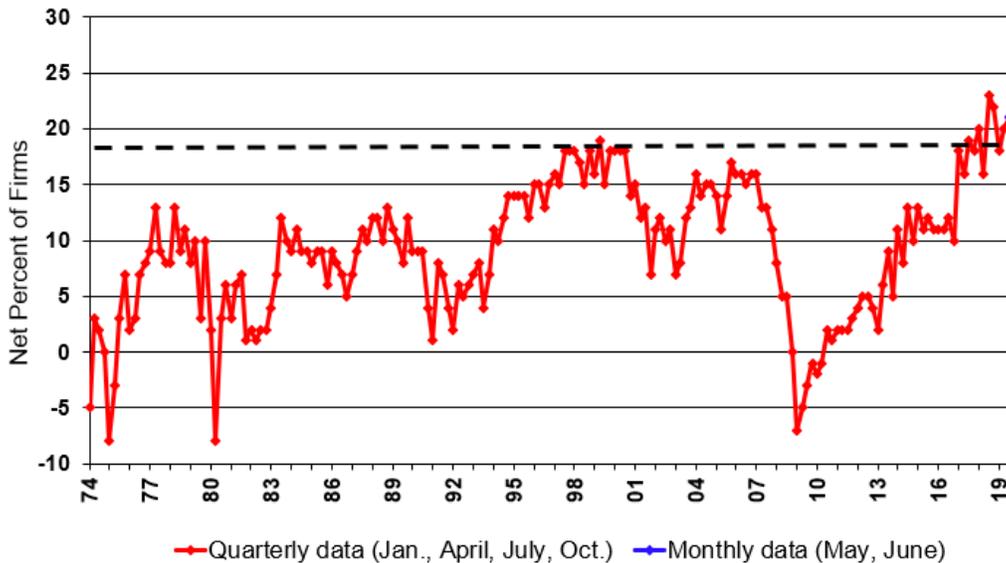
Percent with at Least One Unfilled Opening



Thirty-six percent of all owners reported job openings they could not fill in the current period, down 2 points from May. In construction, 49 percent had openings and 90 percent of the openings were for skilled workers. Sixty-nine percent in transportation services had job openings, 87 percent for skilled workers. Ten percent of all firms reported using temporary workers.

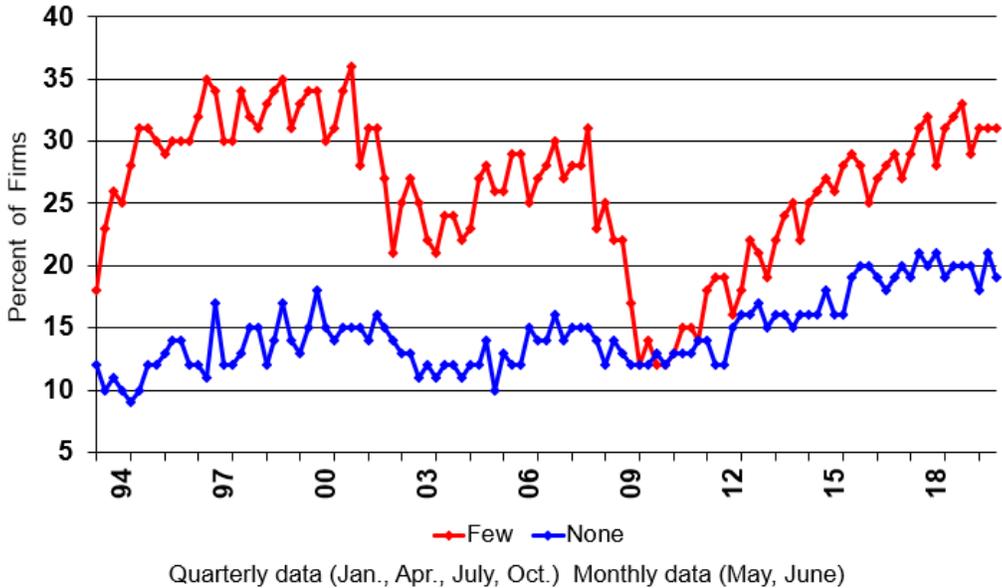
Job Creation Plans

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



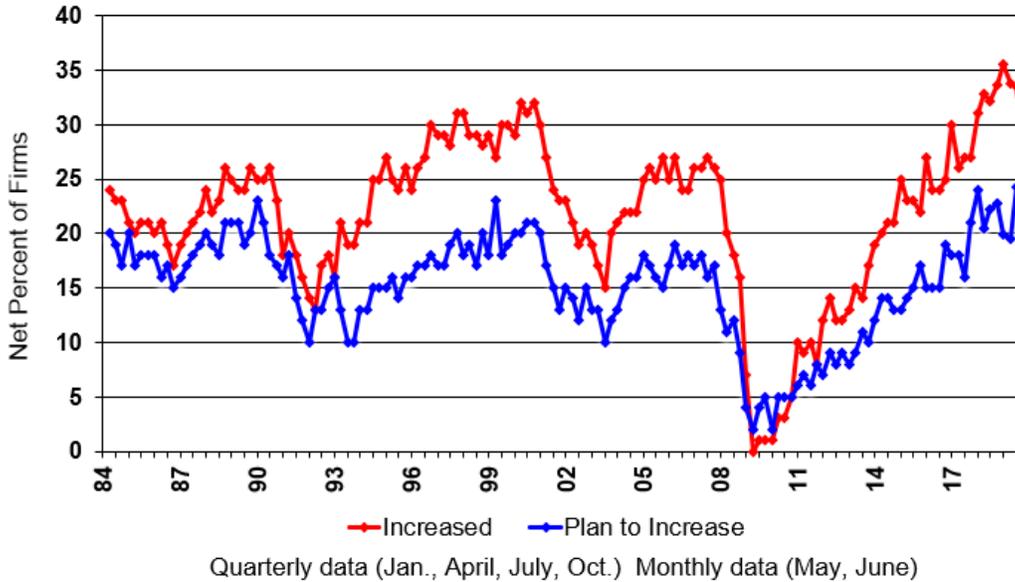
A seasonally-adjusted net 19 percent plan to create new jobs, down 2 points. Not seasonally adjusted, 23 percent plan to increase total employment at their firm (down 6 points), and 3 percent plan reductions (unchanged). Thirty-two percent in construction plan to increase their employment, only 5 percent plan reductions. In transportation, 61 percent plan to increase employment, 4 percent plan reductions. Few owners are reducing employment, indicating that initial claims for unemployment will remain historically low.

Qualified Job Applicants



Thirty-one percent have openings for skilled workers (down 1 point) and 14 percent have openings for unskilled labor (down 2 points). Thirty-one percent of owners reported few qualified applicants (down 2 points) and 19 percent reported none (down 2 points). Reports of “few or no qualified applicants” were very high in construction (57 percent) and manufacturing (55 percent).

Planned and Actual Labor Compensation Changes



Twenty-eight percent of owners reported raising worker compensation, down 6 points from May, but historically strong. Owners have been reporting raising worker compensation (wages and benefits) at historically near record percentages for over a year and the results are showing up in reports of wage gains in the economy, with less skilled jobs posting stronger gains. Job creation will be more than what is needed to keep the unemployment rate steady (about 100,000 new jobs).