

# Labor Market Continues to Slow

Based on 382 respondents to the June survey of a random sample of NFIB's member firms, surveyed through 6/30/2025.

EMBARGO 1 PM WEDNESDAY

The U.S. Bureau of Labor Statistics (BLS) reported that in May, 139,000 jobs were added to the U.S. economy. Revisions to estimates for March and April totaled 95,000 fewer than initially reported. The unemployment rate was unchanged at 4.2 percent. Employment grew in health care, leisure and hospitality, and social assistance, while federal government employment continued to decline.

NFIB's June Small Business Economic Trends survey found that 36 percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 2 points from May. Thirty percent have openings for skilled workers (unchanged), and 13 percent have openings for unskilled labor (unchanged for the fifth consecutive month).

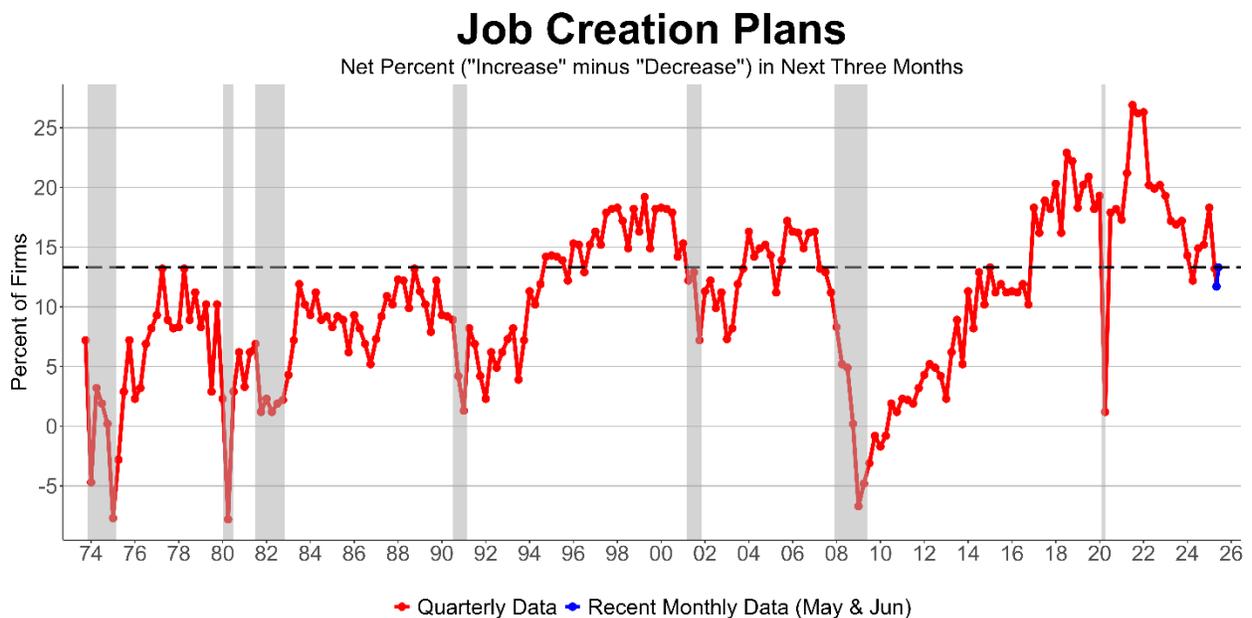


Job openings were the highest in the construction, manufacturing, and transportation industries, and the lowest in finance and agriculture. Job openings in construction were up 5 points from last month, and up 2 points from June 2024.

## Industry- Percent with Job Openings

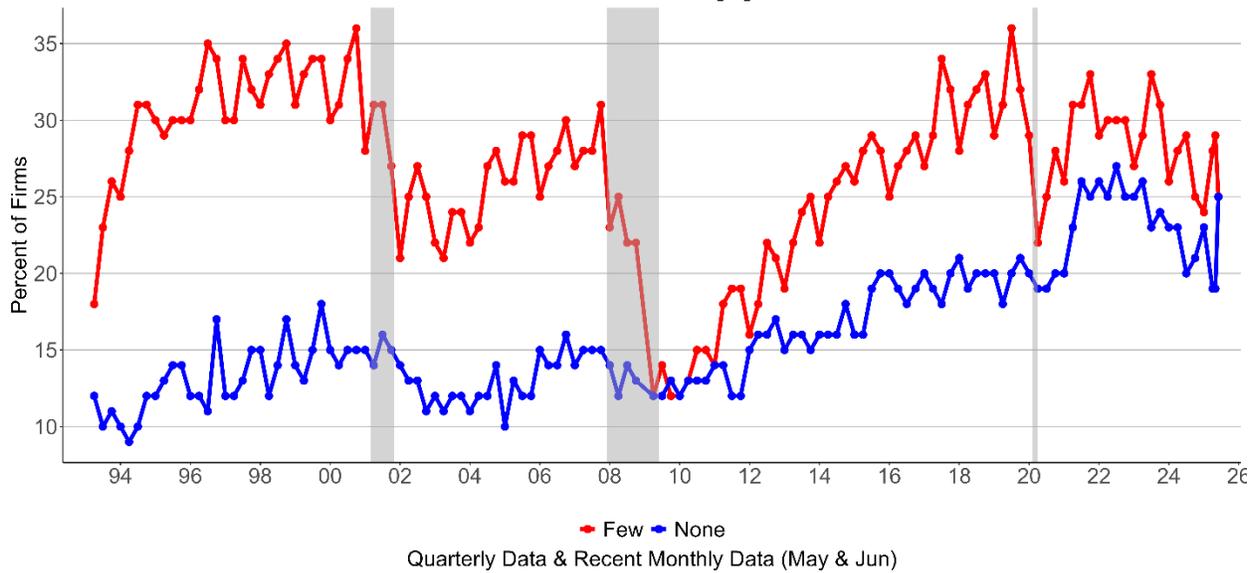
Industry	June 2025	June 2024
Construction	53%	51%
Manufacturing	45%	33%
Transportation	44%	50%
Professional services	41%	37%
Services	37%	38%
Wholesale	31%	37%
Retail	29%	38%
Finance	27%	14%
Agriculture	20%	20%

A seasonally adjusted net 13 percent of owners plan to create new jobs in the next three months, up 1 point from May. Job creation plans remain weak compared to recent history.



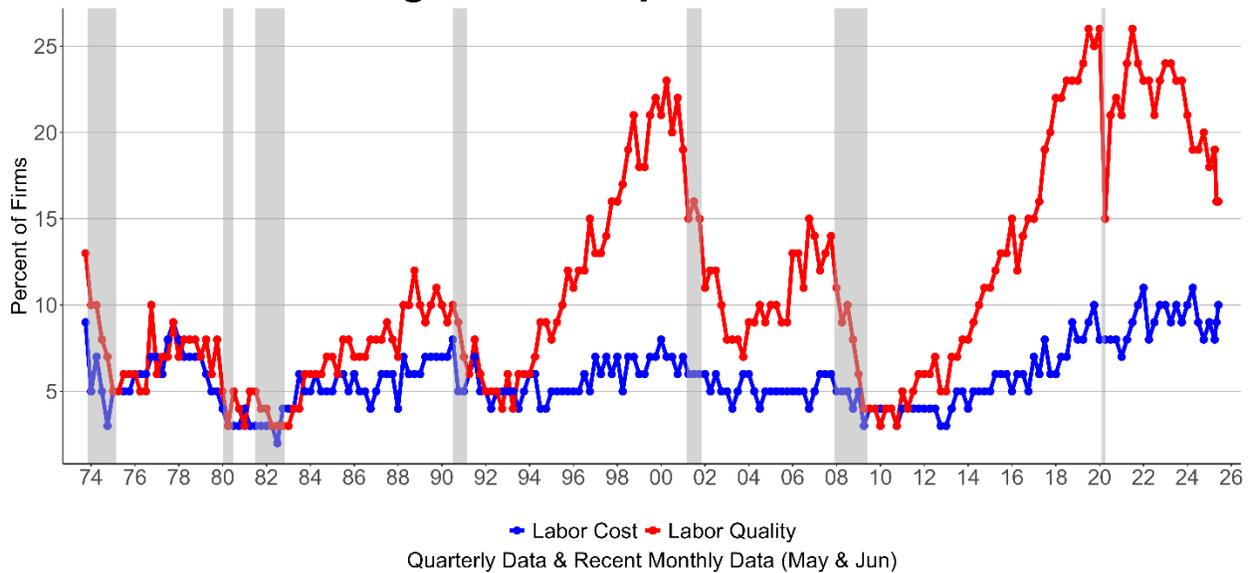
Overall, 58 percent of owners reported hiring or trying to hire in June, up 3 points from May. Fifty percent (86 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (up 2 points). Twenty-five percent of owners reported few qualified applicants for their open positions (down 4 points), and 25 percent reported none (up 6 points).

## Qualified Job Applicants



In June, 16 percent of small business owners cited labor quality as their single most important problem, remaining unchanged from May. The last time complaints about labor quality fell below 16 percent was in April 2020. Labor costs reported as the single most important problem for business owners rose 1 point from May to 10 percent.

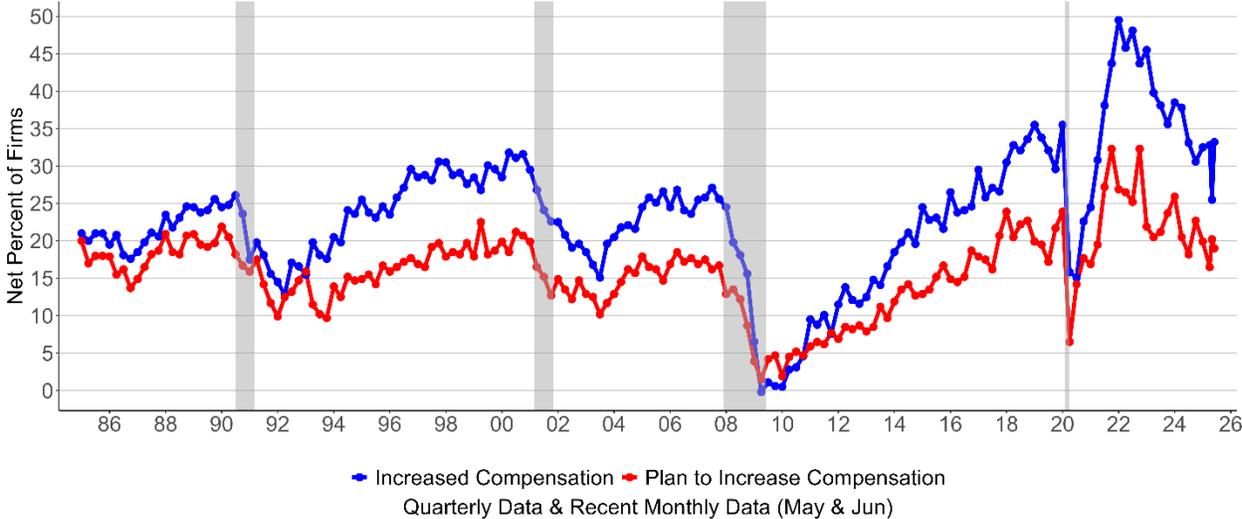
## Single Most Important Problem



Seasonally adjusted, a net 33 percent reported raising compensation, up 7 points from May and the largest monthly increase since January 2020. A net 19 percent

(seasonally adjusted) plan to raise compensation in the next three months, down 1 point from May.

### Planned and Actual Labor Compensation Changes



The labor market is clearly slowing down, although it remained steady as it absorbed the dramatic decline in government hiring. Labor tightness is now confined to specific industry sectors. Several independent GDP forecast models have turned negative in recent months, reinforcing predictions of a possible recession. This remains the big unknown. Hiring will remain tepid, and the unemployment rate will change little for now.