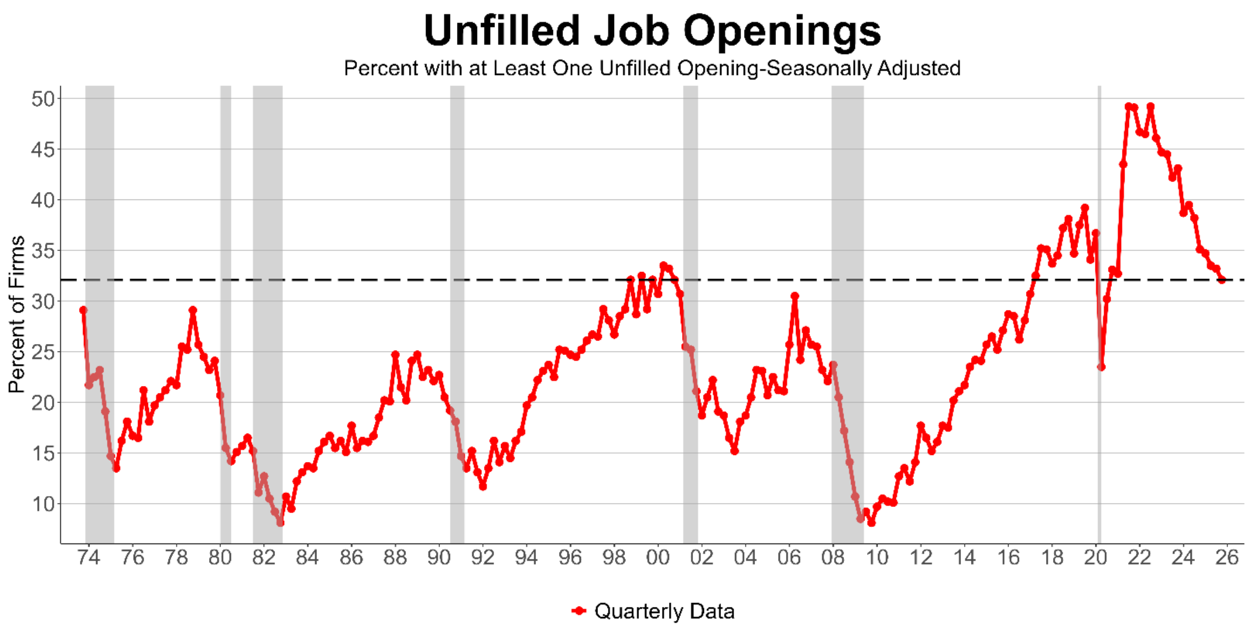
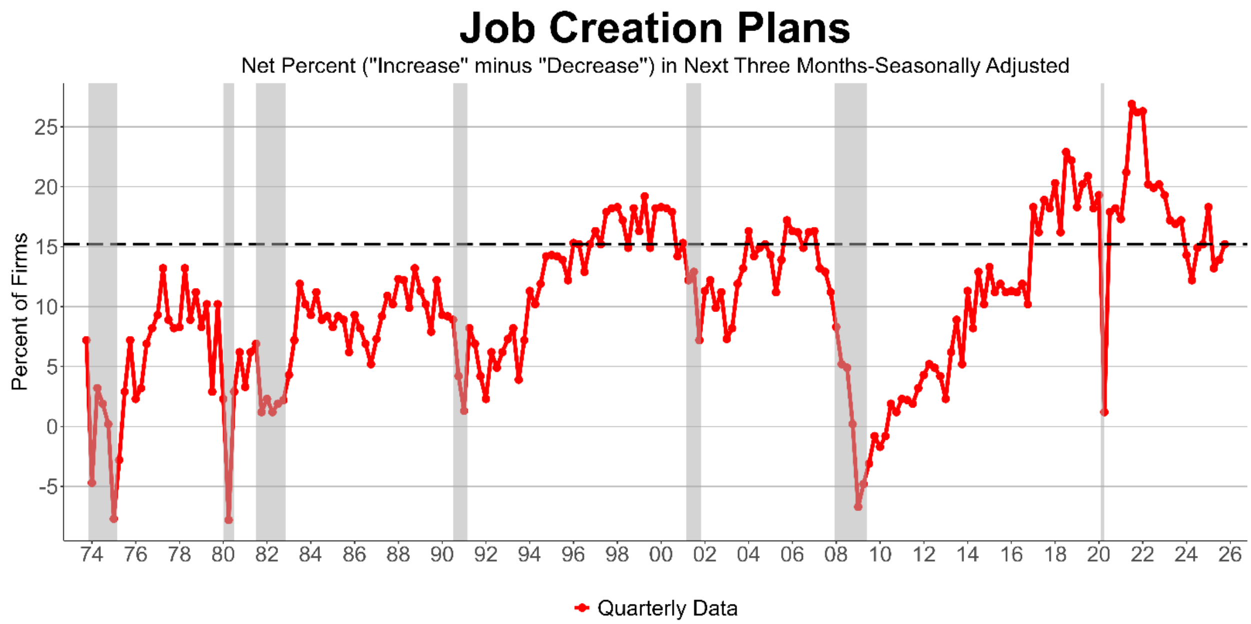
Latest Data Shows, Solid But Slowing Job Growth

Based on 984 respondents to the October survey of a random sample of NFIB's member firms, surveyed through 10/31/2025.
EMBARGO 1 PM THURSDAY

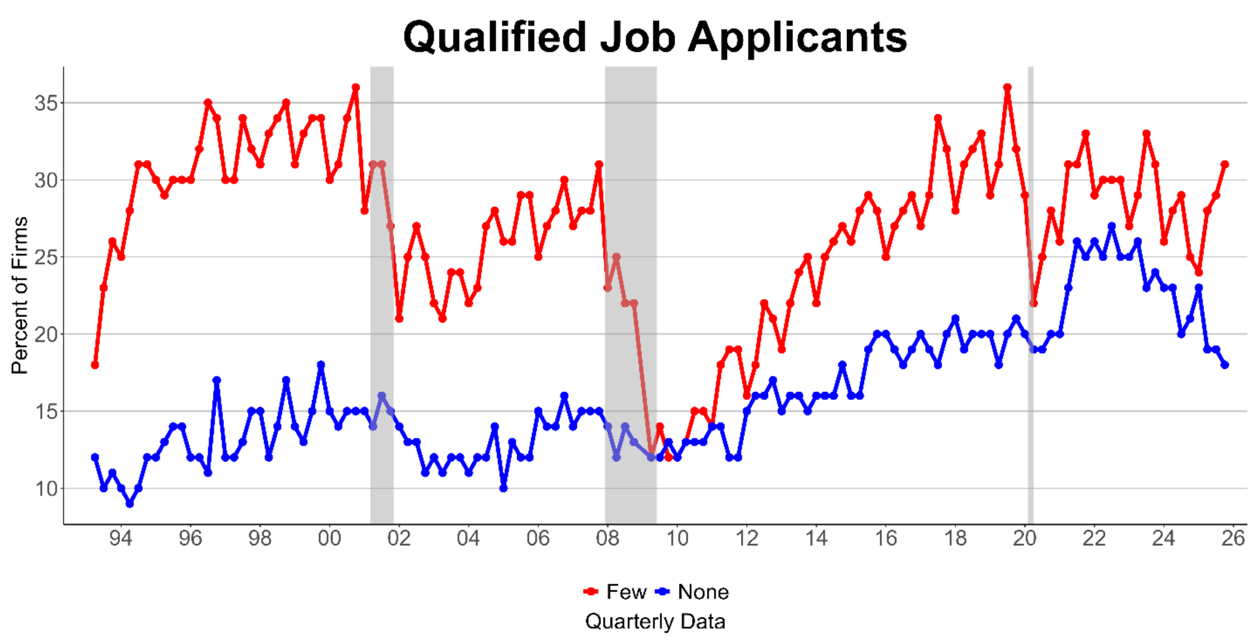
In October, 32% (seasonally adjusted) of all owners reported job openings they could not fill in the current period, unchanged for the second consecutive month. Before August, the last time unfilled job openings hit 32% was in December 2020. Twenty-eight percent have openings for skilled workers (unchanged from September), and 11% have openings for unskilled labor (down 2 points).



A seasonally adjusted net 15% of owners plan to create new jobs in the next three months, down 1 point from September. This marks the first decline since hiring plans started to increase in May 2025. Firms remain interested in hiring but are finding it difficult to fill openings.



Overall, 56% of owners reported hiring or trying to hire in October, down 2 points from the previous month. Forty-nine percent (88% of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (down 1 point). Thirty-one percent reported few qualified applicants (up 2 points), and 18% reported none (down 3 points). The last 12 months show clear movement towards a somewhat easier hiring environment, as the percent reporting “Few” has strongly exceeded the percent reporting “None.”



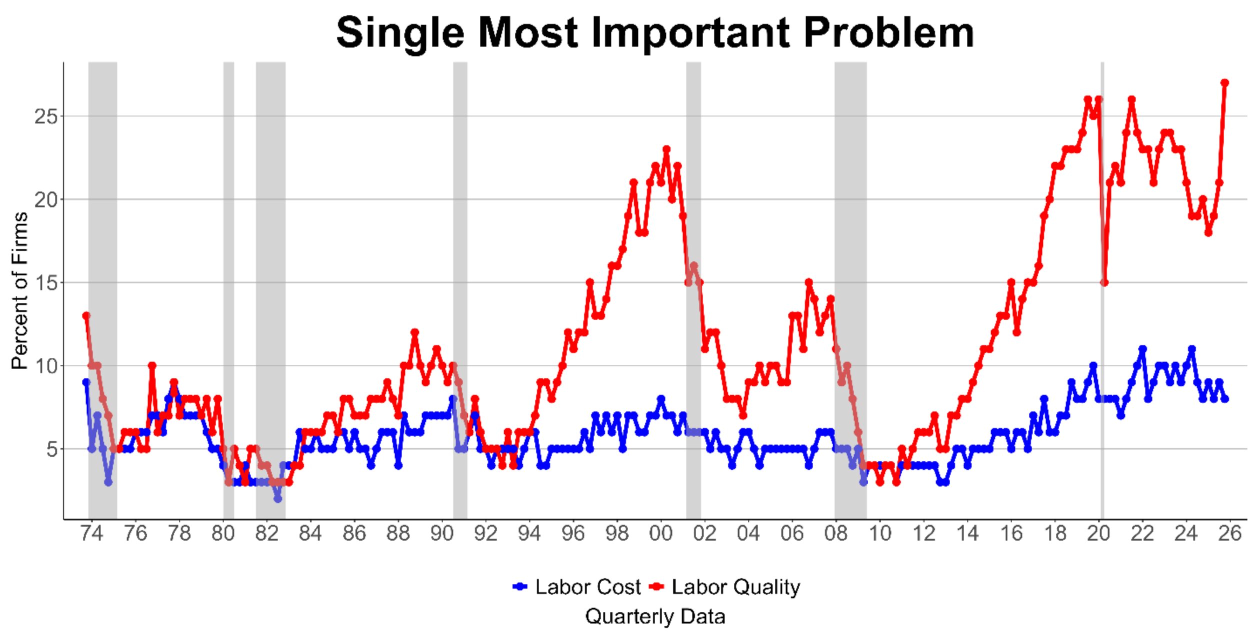
In October, 27% of small business owners cited labor quality as their single most important problem, up 9 points from the previous month and the highest level since the record high of 29% in November 2021.

Labor quality reported as the single most important problem was the highest in the construction, transportation, and professional services industries, and lowest in finance and agriculture. Nearly half (49%) of small businesses in the construction industry reported labor quality as their single most important problem, 22 points higher than for all firms. Only 13% of businesses in the finance industry reported labor quality as their single most important problem.

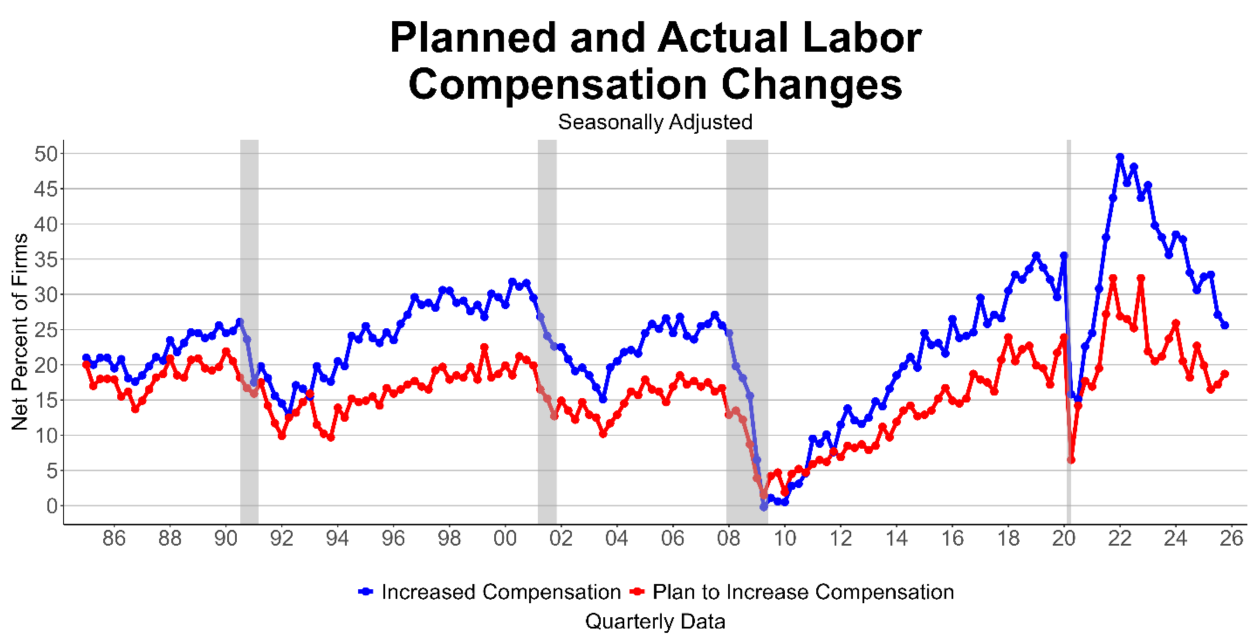
Percent Reporting Labor Quality as Single Most Important Problem

Industry	Oct. 2025	Oct. 2024
Construction	49%	31%
Manufacturing	27%	22%
Transportation	37%	15%
Wholesale	21%	14%
Retail	21%	15%
Agriculture	14%	13%
Finance	13%	16%
Services	27%	20%
Professional services	28%	18%
All firms	27%	20%

Labor costs reported as the single most important problem for business owners fell 3 points from September to 8%.



In October, a seasonally adjusted net 26% reported raising compensation, down 5 points from September. A net 19% (seasonally adjusted) plan to raise compensation in the next three months, unchanged from September. The downward trends in both of these metrics since their peaks in 2022 also speak to the calming labor market.



The post-Covid labor market appears to have mostly normalized on Main Street. Jobs are plentiful albeit declining (unfilled openings), while qualified applicants are scarce but increasing for some industries. The average net gain in employment was essentially 0, with 14% cutting jobs and 11% adding workers. Government statistics are muddled by the shutdown, which will likely end this month. The independent job market measures suggest the job market remains solid, even if slowing.

Quotes from NFIB Members:

"We could grow our business significantly if we could hire more skilled labor." - Construction, CA

"We supply truck drivers to trucking companies in the Southeast. For the age group 20-40, there is no labor for truck drivers. There are no drivers for this age group, and the older drivers are retiring or dying. Our clients have numerous trucks sitting with no bodies in them to drive." - Transportation, AL

"A major issue facing our company is employee retention. Even with good pay and excellent benefits, it seems difficult to attract and retain employees."- Manufacturing, PA

"Finding qualified workers is proving to be impossible." - Manufacturing, MO

"Finding labor is one of our major issues." - Construction, AZ

"Skilled labor is a major problem." - Construction, ME

"It is very difficult to find skilled labor. We need to teach the trades in high school again. Trade jobs can pay well, but there is a real shortage of people willing/able to do the job." - Auto Repair Shop, CA

"We are a feed mill, making livestock feed for the small to mid-sized producer. We cannot find affordable help that can do the physical labor this job requires. We are operating solely on family members that are doing everything from office work to mixing and loading feed." - Milling, MN