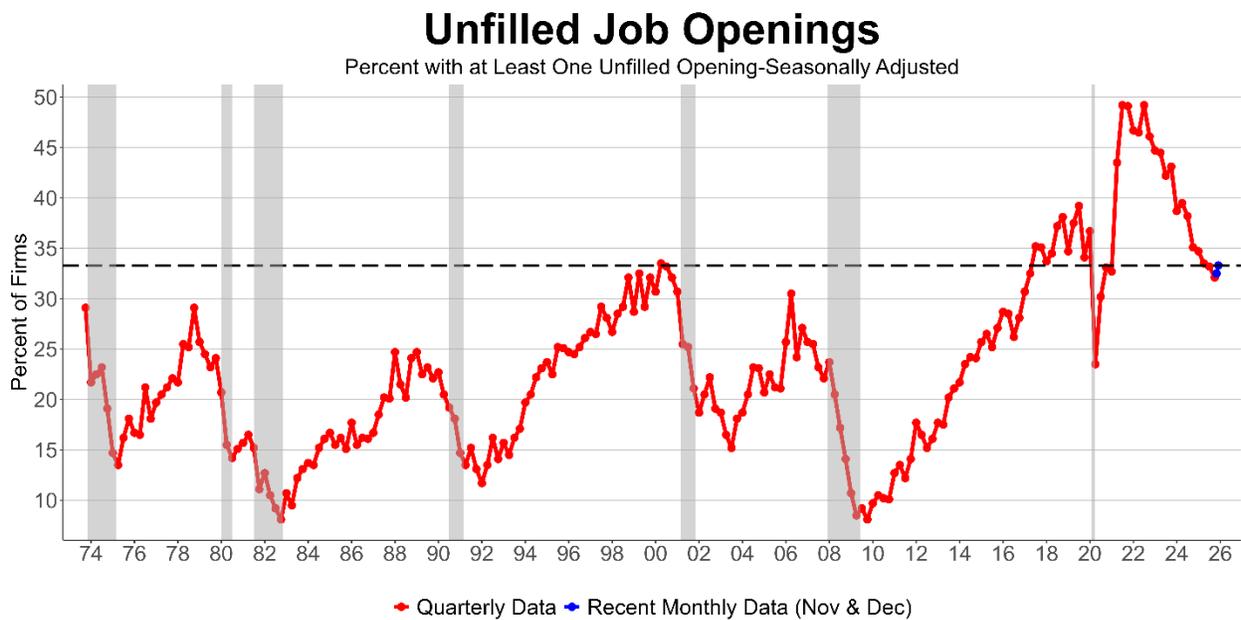


Compensation Pressures Escalate in December

Based on 429 respondents to the December survey of a random sample of NFIB's member firms, surveyed through 12/31/2025.

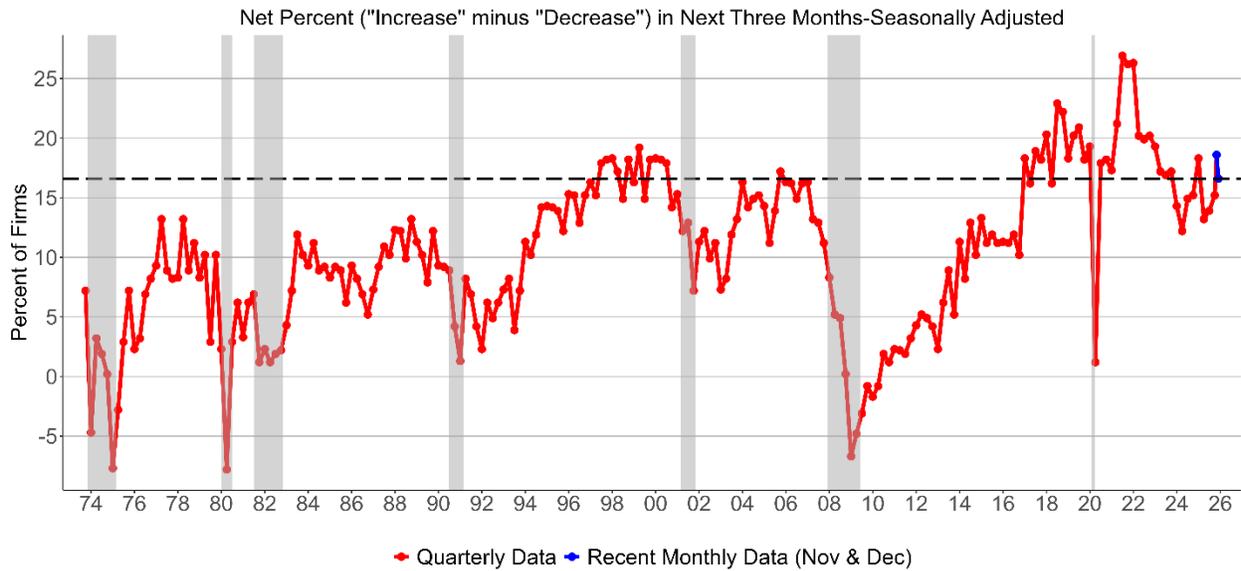
EMBARGO 1 PM THURSDAY

In December, 33% (seasonally adjusted) of small business owners reported job openings they could not fill in the current period, unchanged from November. Unfilled job openings remain above the historical average of 24%. Twenty-eight percent have openings for skilled workers (up 2 points), and 10% have openings for unskilled labor (down 2 points).



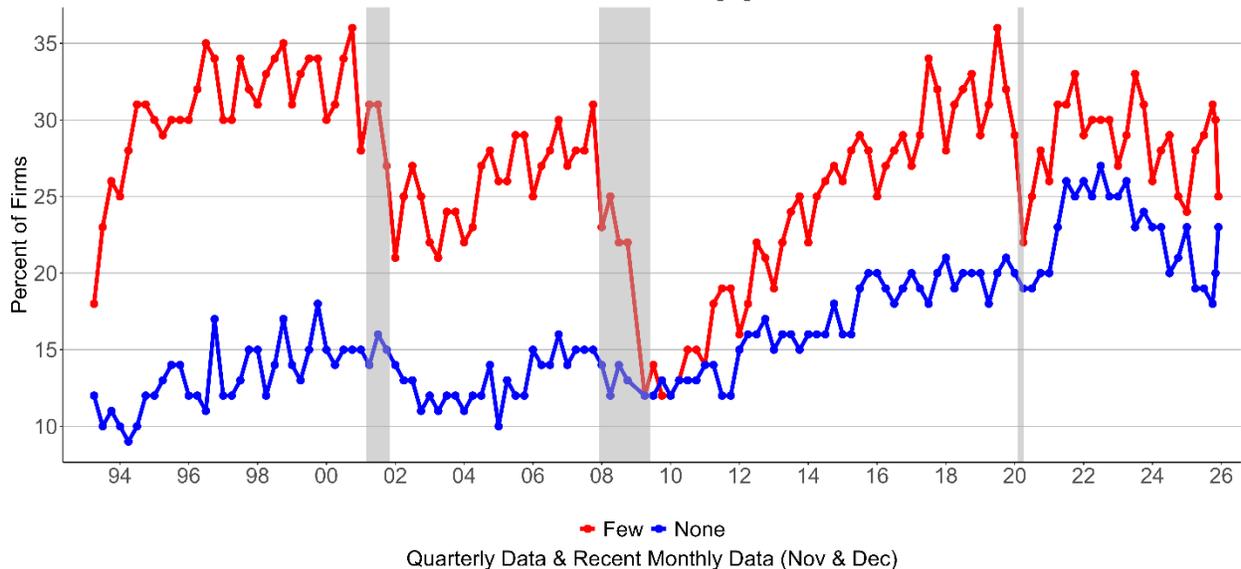
A seasonally adjusted net 17% of owners plan to create new jobs in the next three months, down 2 points from November.

Job Creation Plans



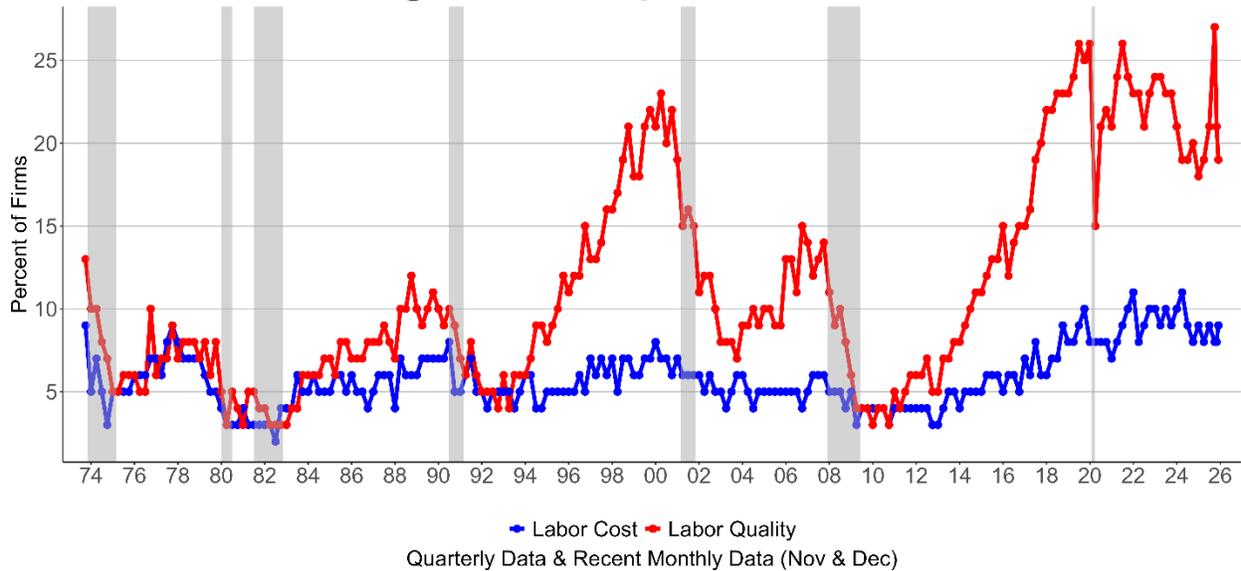
Overall, 53% of owners reported hiring or trying to hire in December, down 3 points from November. Forty-eight percent (91% of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (down 2 points). Twenty-five percent reported few qualified applicants (down 5 points), and 23% reported none (up 3 points).

Qualified Job Applicants



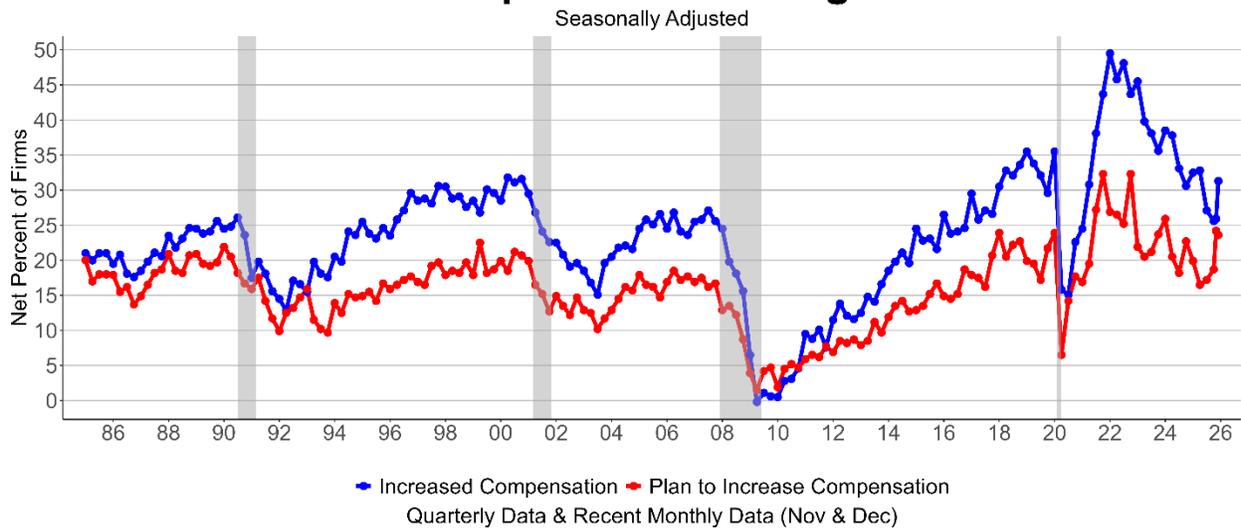
In December, 19% of small business owners cited labor quality as their single most important problem, down 2 points from November. Labor costs, reported as the single most important problem by small business owners, rose 1 point to 9%.

Single Most Important Problem



In December, a seasonally adjusted net 31% reported raising compensation, up 5 points from November. A net 24% (seasonally adjusted) plan to raise compensation in the next three months, unchanged from November.

Planned and Actual Labor Compensation Changes



The December small business jobs report continues to show a mixed employment picture with increased compensation pressures, an elevated but stable level of job openings, slowing hiring plans, and fewer reporting labor as their biggest challenge.

Economic conditions continue to support the small business labor market overall, with smaller pockets of significant labor constraints.

Quotes from NFIB Members

“We are unable to find anyone willing to work. We have to pass on jobs because we do not have enough employees.” – Manufacturing, TN

“We are a niche business, requiring highly skilled employees. We lost three and are struggling to meet customers’ expectations. Most of our work is custom fabrication of vehicles, including engine swaps, custom paint and body modifications. Very difficult to find and retain people with these specialized skills.” – Services, TX

“Businesses that find a way to improve the number of skilled employees and maintain that aspect of business will be able to exceed expectations they set for themselves. The construction industry is lacking currently with skilled numbers of employees and the future looks worse. This holds back any possibility of a small business expansion, simply because there is a lack of people to get them there.” – Construction, MO

“Qualified applicants? Where are they?” – Retail, MO