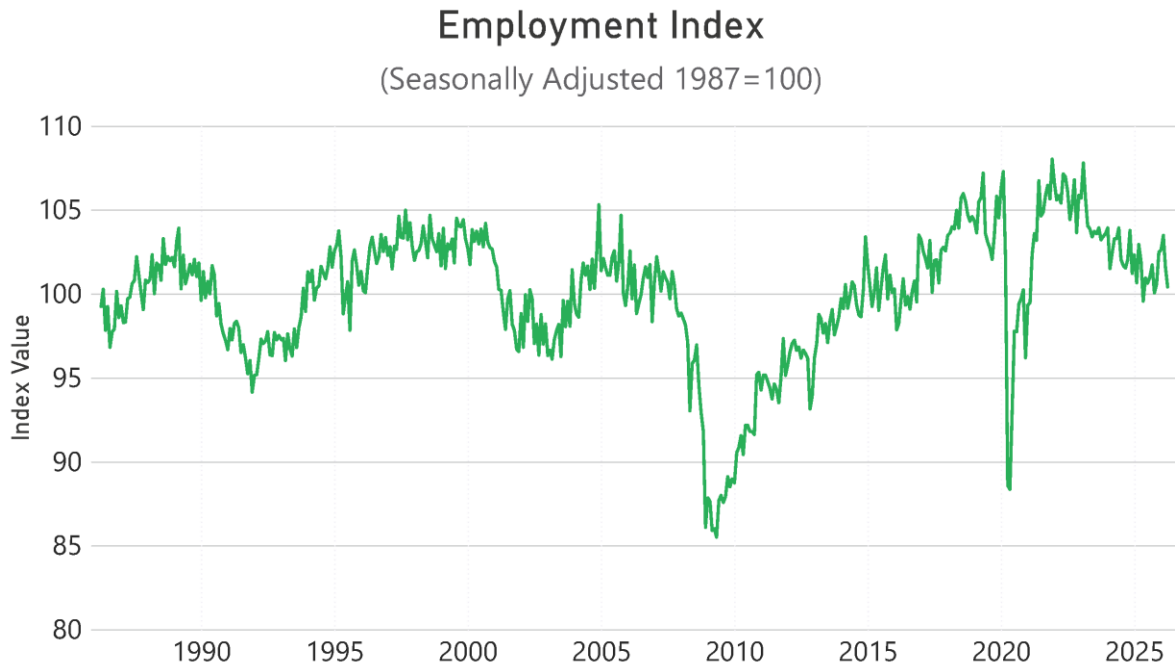


Small Business Employment Index Falls Again Due to Easing Compensation Pressures

Based on 953 respondents to the April survey of a random sample of NFIB's member firms, surveyed through 4/30/2026.

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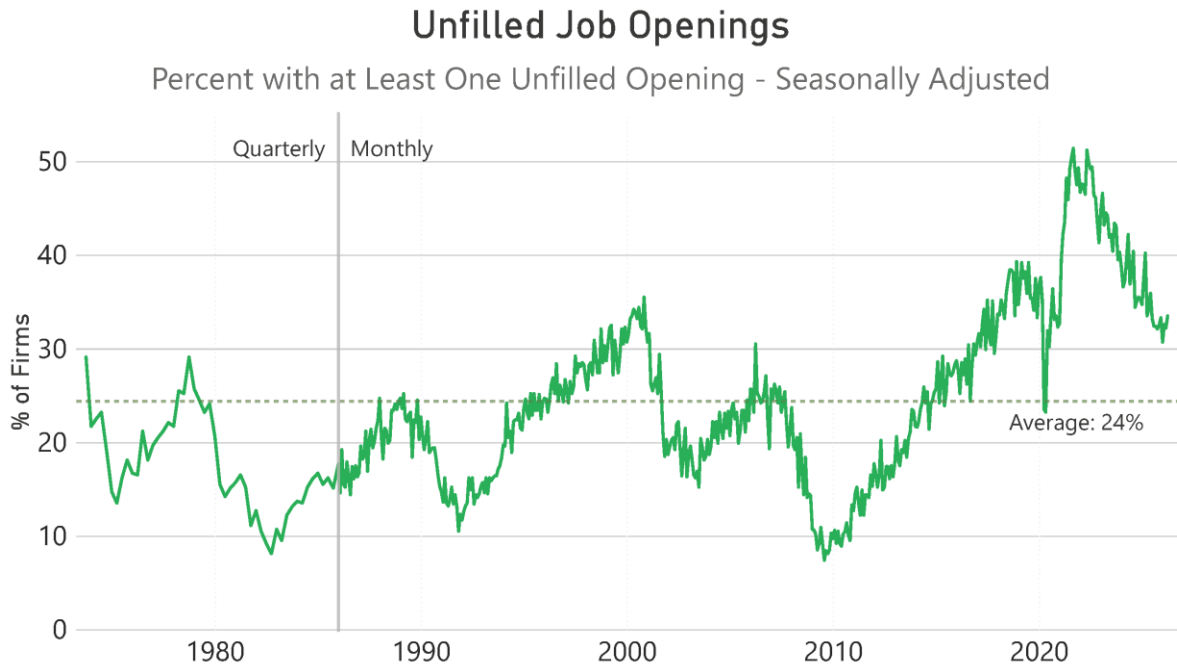


The NFIB Small Business Employment Index is a new measure of the current state of the small business labor market. The Index integrates actual and planned changes in employment and employee compensation into a singular data point. A higher Index reflects an overall tighter labor market; a lower Index reflects an overall weaker labor market.

The Employment Index fell in April, from 101.6 to 100.4. This is the second consecutive month that the Index declined. The current reading is now below the 2025 average of 101.2, but slightly above the historical average of 100.0. This decline is indicative of further weakness in the labor market.

In April, 34% (seasonally adjusted) of small business owners reported job openings they could not fill in the current period, up 2 points from March and the highest level since June 2025. Unfilled job openings remain above the historical average of

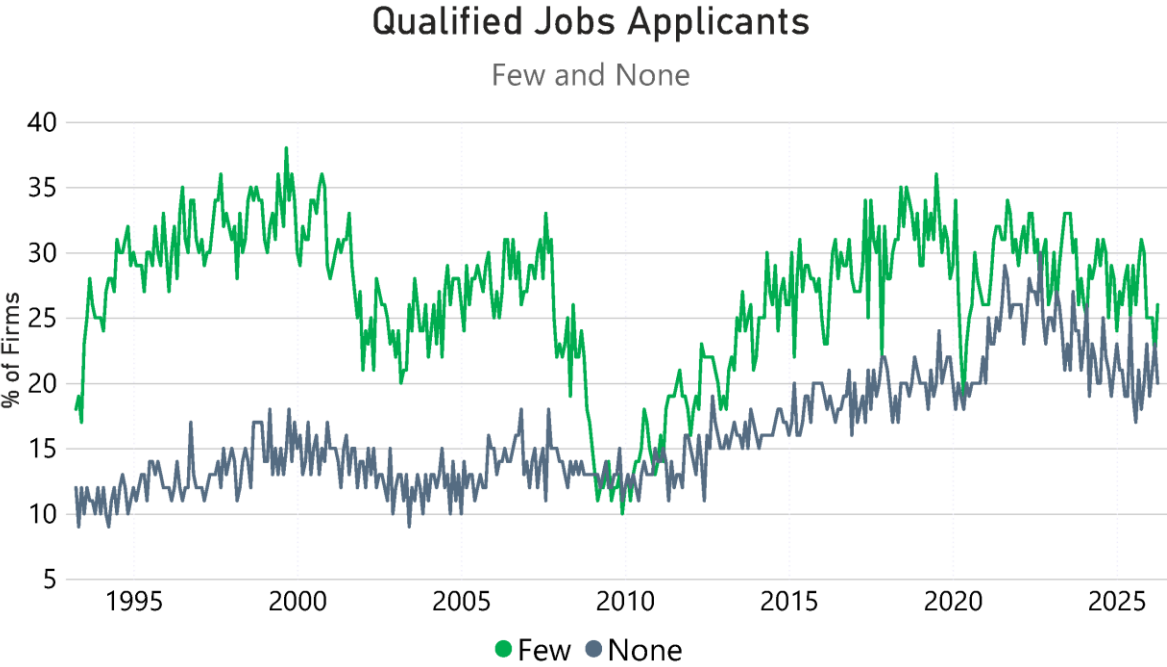
24%. Twenty-nine percent have openings for skilled workers (up 2 points), and 13% have openings for unskilled labor (up 1 point).



Looking ahead, a seasonally adjusted net 13% of owners plan to create new jobs in the next three months, up 1 point from March and close to the average of net 11%.



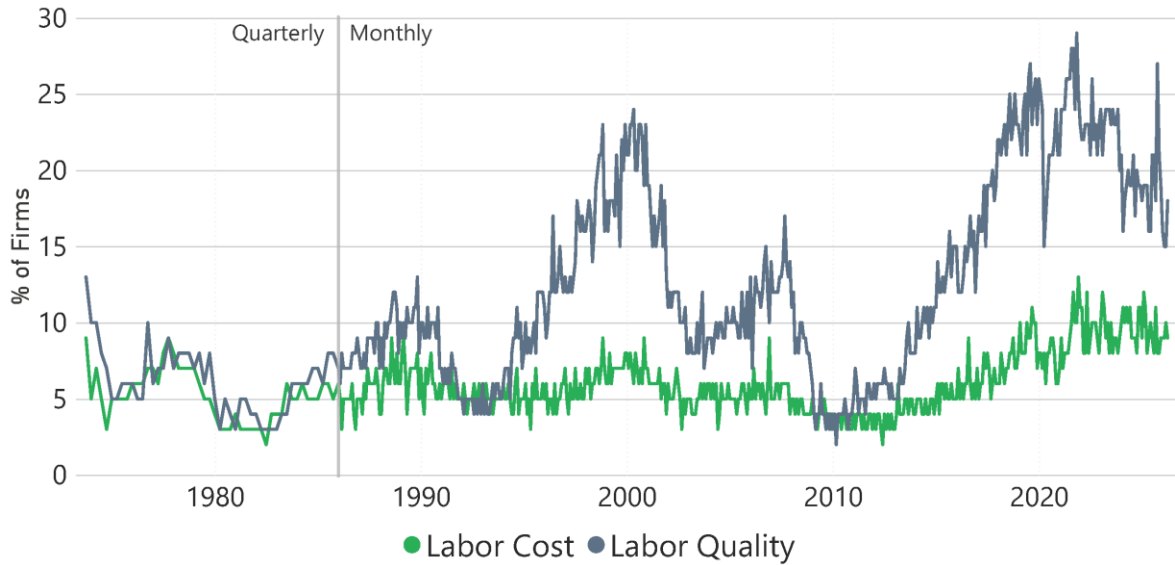
Overall, 53% of owners reported hiring or trying to hire in April, up 1 point from March. Forty-six percent (87% of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (up 1 point). Twenty-six percent reported few qualified applicants (up 4 points), and 20% reported none (down 3 points).



In April, 18% of small business owners identified labor quality as their single most important problem, up 3 points from March and above the historical average of 12%. Nine percent of business owners reported labor costs as their single most important problem, down 1 point from March.

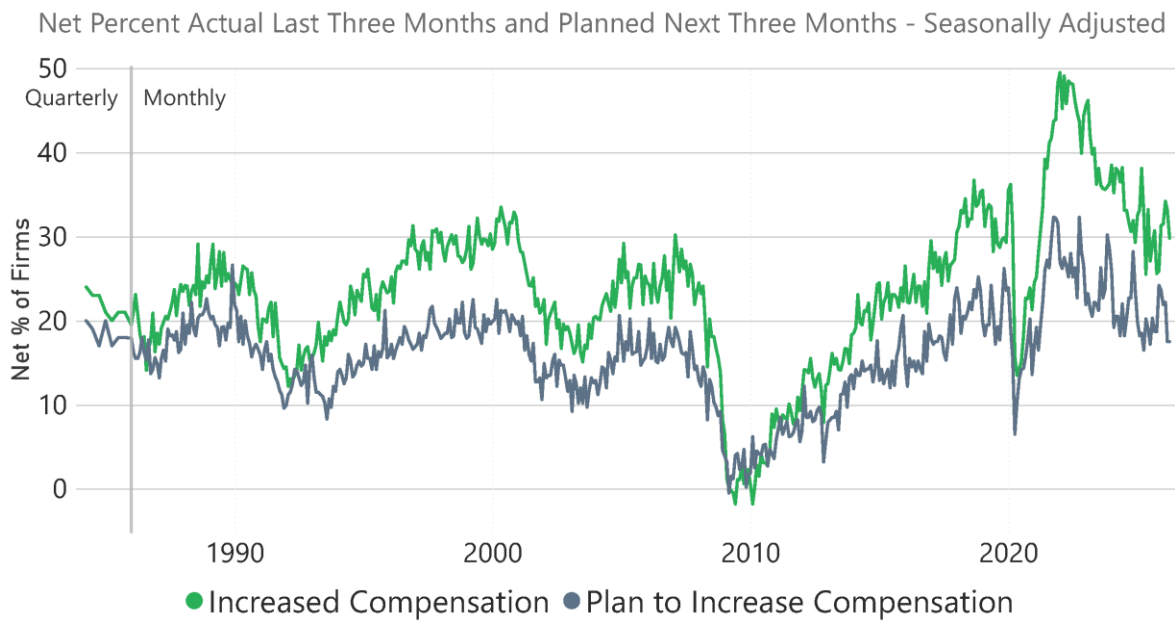
Single Most Important Problem

Labor Cost and Labor Quality



In April, a seasonally adjusted net 30% reported raising compensation, down 3 points from March. A net 18% (seasonally adjusted) plan to raise compensation in the next three months, unchanged from March.

Planned and Actual Labor Compensation Changes



Quotes from NFIB Members

"In our rural northern California area, qualified/skilled/knowledgeable help is nonexistent. Unskilled is nonexistent." – Retail, CA

"It's impossible to find good mechanics. We did not have this problem twenty years ago. Also, our competitors are having the same problem of finding people with automotive skills." – Services, CA

"I'm on a livestock farm and it is impossible to find help. Any warm body expects \$20/hour for what should be a minimum wage job." – Agriculture, TN

"The economy isn't nearly as bad for my business outlook as the upcoming workforce is. Skilled trades is going to be tough in rural areas very soon!" – Services, MI

"It is difficult to find qualified auto technicians that want to progress in this field." – Services, NY

"Finding both skilled and unskilled labor is increasingly difficult. There seems to be a lack of good work ethic and pride in one's labor." – Retail, SD

"My main concern is the lack of quality employees available in our area. Many people don't want to work a full 40 hours a week, are not as skilled as they say they are, and have no idea how to budget money and run out before payday. We need to train the next generation better." – Construction, FL

"We need employees. There are no qualified mechanics that are applying for our job openings. That included needing a repair expert for on the farm repairs." – Services, VT