

Job Openings and Hiring Plans Rebound In June

Compensation Pressures Cool

Based on 405 respondents to the June survey of a random sample of NFIB's member firms, surveyed through 6/29/2026.

EMBARGO 1 PM THURSDAY

Key Insights:

Hiring plans and job openings rebounded in June after particularly weak results in May. Additionally, small businesses reported lower levels of qualified applicants, though they are pulling back slightly on raises.

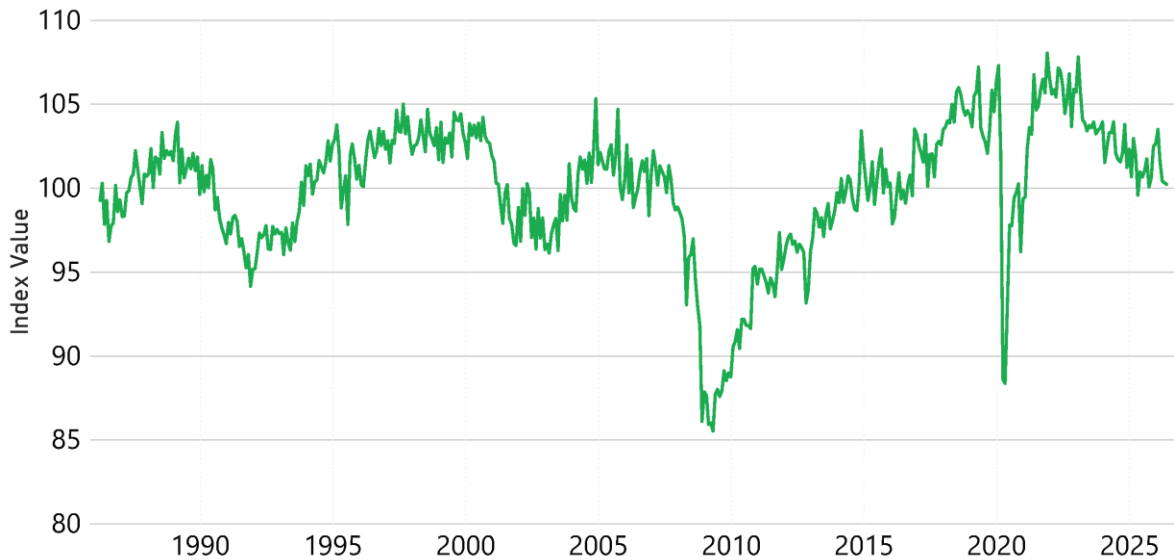
- Job openings rose 3 points in June to 32%, rebounding from May's lowest level since May 2020.
- Reports of few or no qualified workers reached their highest level since September 2024 at 51%.
- Hiring plans in the next three months rose 2 points from May to a net 11%, matching its historical average.
- Reports of labor costs as the single most important problem fell 6 points from May's historical high to 8%.
- Both labor compensation measures declined in June. A seasonally adjusted net 28% reported raising compensation, and a net 17% (seasonally adjusted) plan to raise compensation in the next three months.

The NFIB Small Business Employment Index is a 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 remained essentially flat in June, registering 100.2 in June compared to 100.3 in May. This is the fourth consecutive month in which the Index has declined. The current reading is below the 2025 average of 101.2 but remains slightly above the historical average of 100.0.

Employment Index

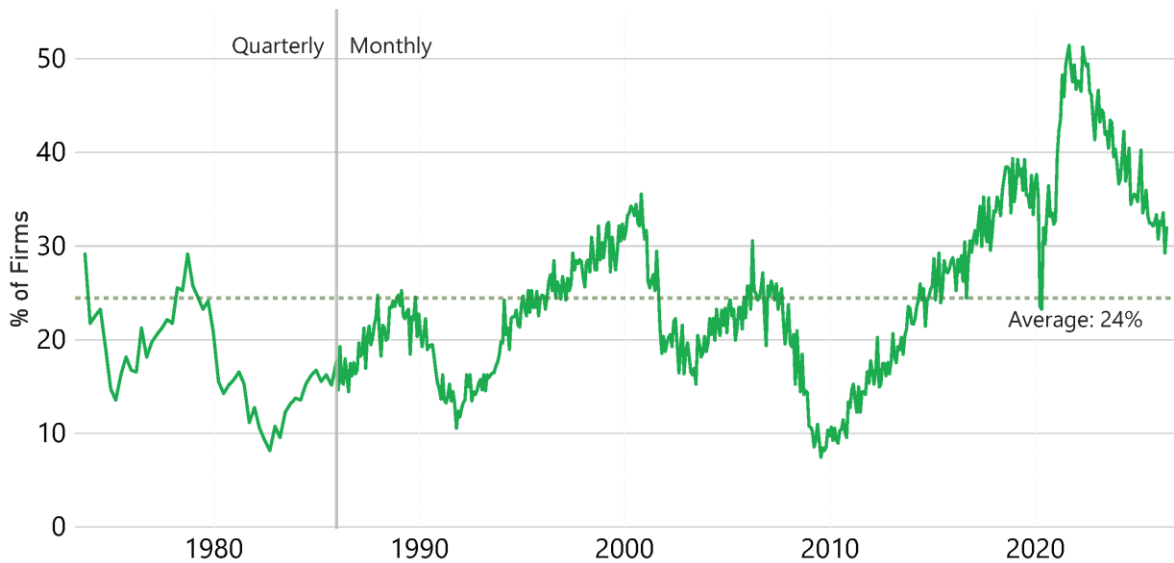
(Seasonally Adjusted 1987=100)



In June, 32% (seasonally adjusted) of small business owners reported job openings they could not fill in the current period, up 3 points from May's lowest level since May 2020. Twenty-seven percent have openings for skilled workers (unchanged), and 12% have openings for unskilled labor (up 3 points).

Unfilled Job Openings

Percent with at Least One Unfilled Opening - Seasonally Adjusted



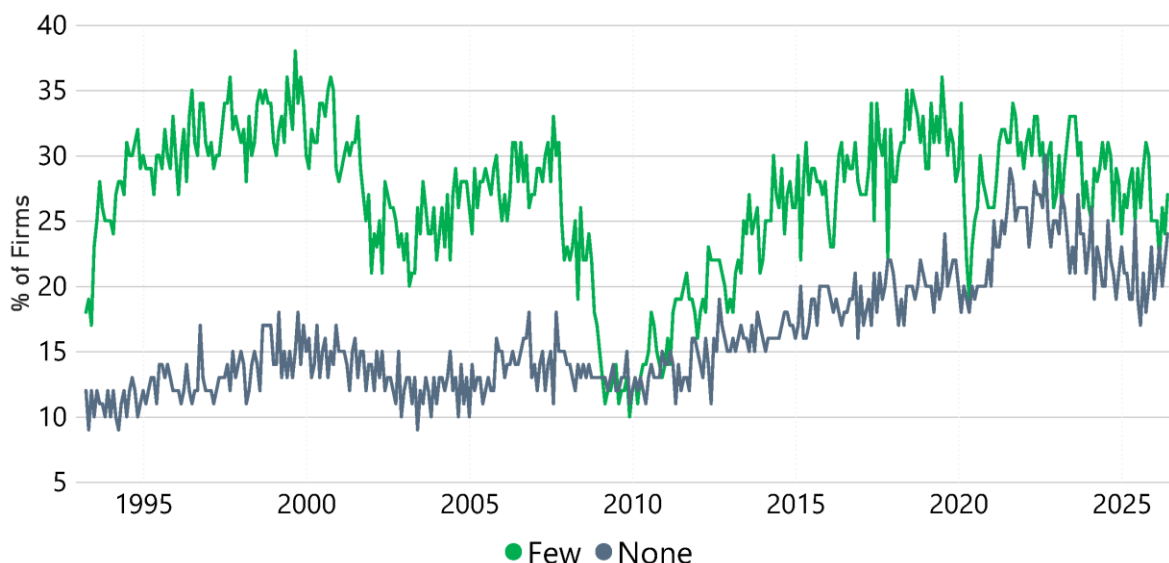
Looking ahead, a seasonally adjusted net 11% of owners plan to create new jobs in the next three months, up 2 points from May. Plans to hire are currently at their historical average of a net 11%.



Overall, 62% of owners reported hiring or trying to hire in June, up 7 points from May. Fifty-one percent (84% of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (up 5 points). This marks the highest level since September 2024. Twenty-seven percent reported few qualified applicants (up 3 points), and 24% reported none (up 2 points).

Qualified Jobs Applicants

Few and None

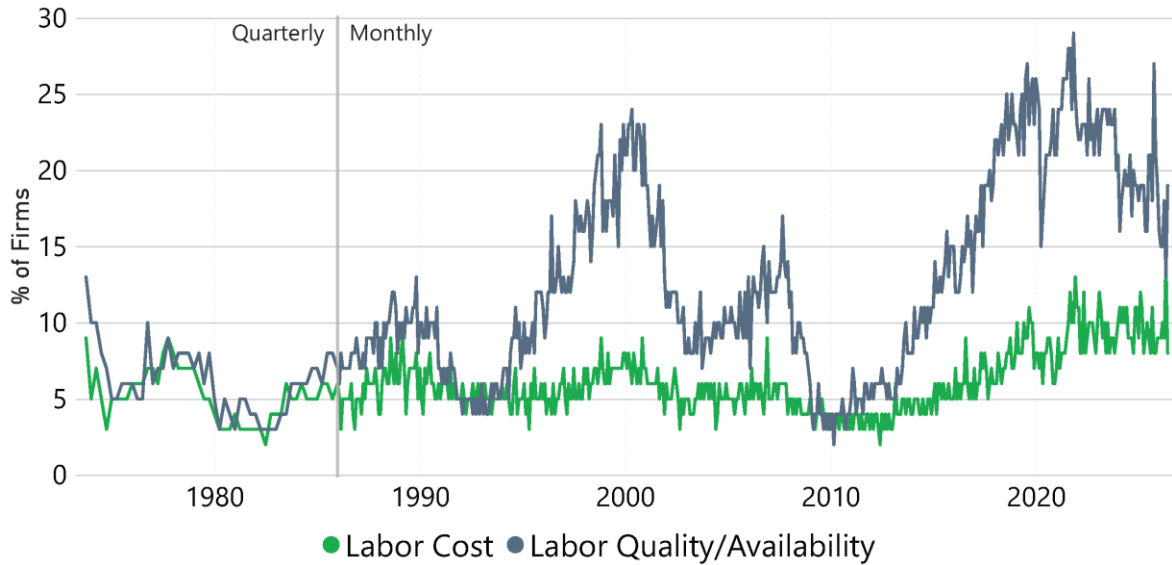


In June, 19% of small business owners identified "labor quality or availability"¹ as their single most important problem, up 6 points from May's lowest level since December 2016. While reports of labor quality or availability as the single most important problem rose in June, reports of labor costs eased. Eight percent of business owners reported labor costs as their single most important problem, down 6 points from May's historic high reading.

¹ The Single Most Important Problem response category was revised from "Quality of Labor" to "Quality or Availability of Labor."

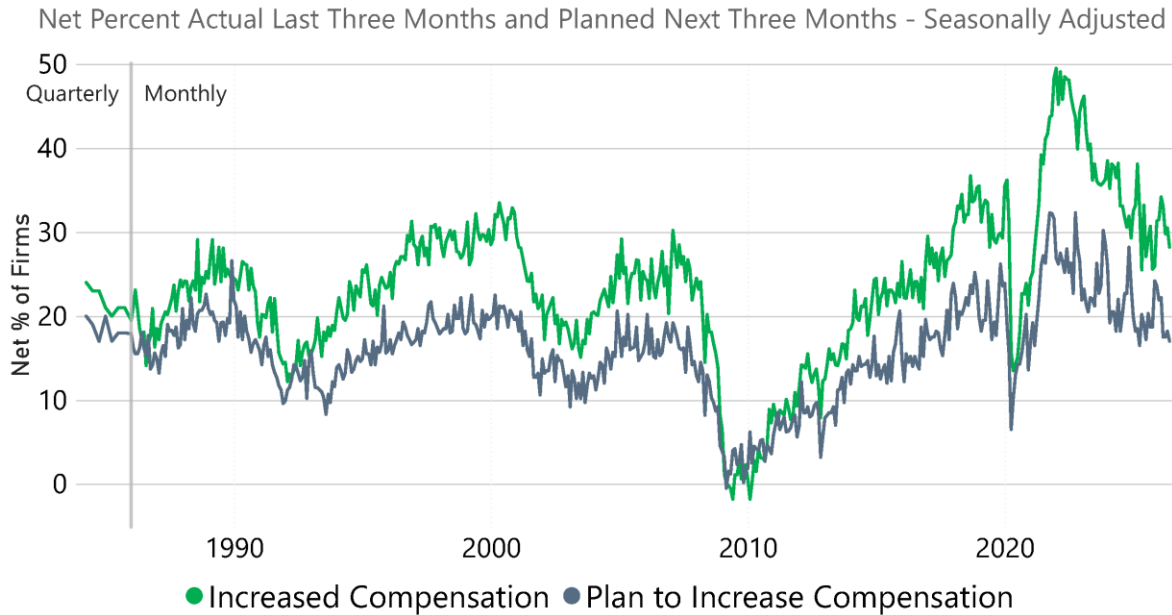
Single Most Important Problem

Labor Cost and Labor Quality/Availability



In June, both labor compensation measures declined. A seasonally adjusted net 28% reported raising compensation, down 3 points from May and the lowest reading of the year. A net 17% (seasonally adjusted) plan to raise compensation in the next three months, down 1 point from May.

Planned and Actual Labor Compensation Changes



Quotes from NFIB Members

“One of the biggest challenges is recruiting and retaining qualified plumbing technicians with experience. Because we are located outside of a major metropolitan area, attracting skilled candidates to a smaller town can be more difficult.” – Construction, SC

“Labor rates had to go up because the cost of living is extremely high. Employees are struggling to find decent places to rent within their means and availability. Fuel costs for the business are extremely high. Business and health insurance are getting out of reach. [We] need more tax breaks for small businesses to offset higher labor rates, fuel costs, and insurance rates. The good is that there are more opportunities for work in our area.” – Agriculture, IN

“The need for labor is the top need. We struggle to find good people to hire. It is so bad it makes it impossible to grow even though the sales are out there for the taking.” – Manufacturing, KS

“Skilled labor is hard to find. Good techs are hard to find, and [we] have to pay top dollar and then increase labor rates to cover. So [this is] hurting service businesses.” – Services, PA

“Unskilled labor is very tough to find! [...] Other businesses would like to contract us (they can't find people, so we get more work). However, we have to turn work away due to not being able to hire anyone! Yes, it's 'just' a cleaning job – but we pay competitive rates, offer paid vacation, paid holidays, insurance, retirement plan, etc. – and still can't find anyone!” – Services, WI

“Finding skilled labor to do my work is slowing my growth.” – Professional/business services, VA