October Small Business Jobs Numbers Strengthen

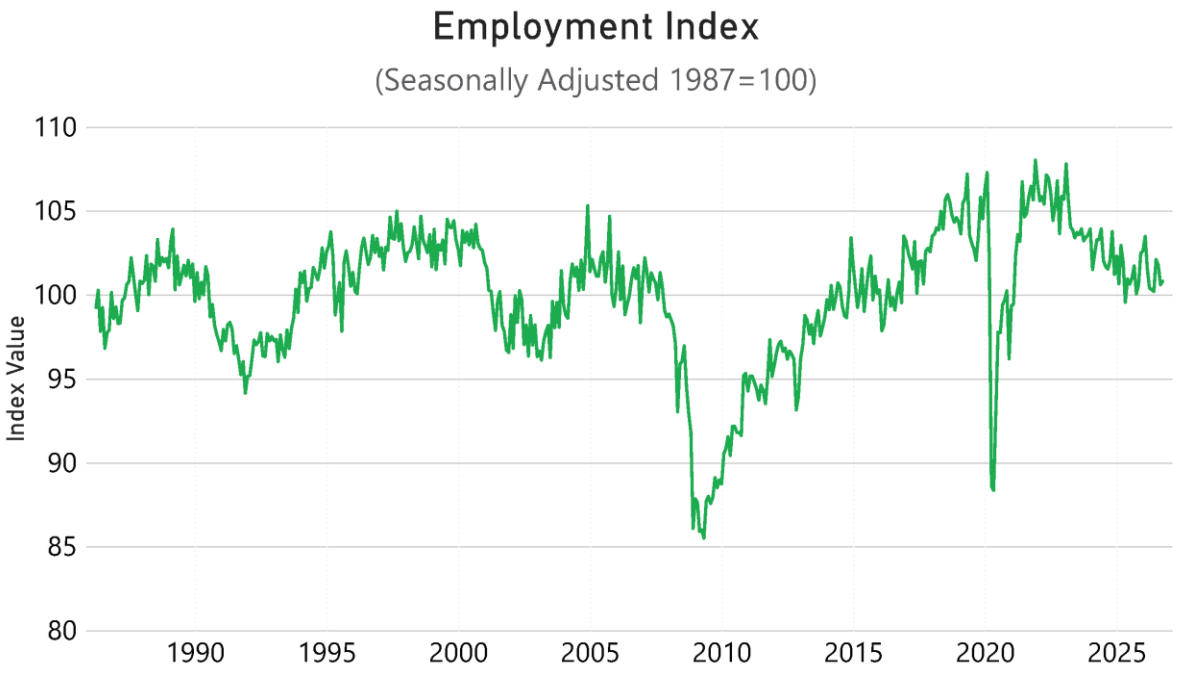
Based on 759 respondents to the October survey of a random sample of
NFIB's member firms, surveyed through 10/29/2026.
EMBARGO 1 PM THURSDAY

Key Insights:
October's jobs report showed a reversal of declines from the previous month, as job openings and hiring activity increased. Both compensation measures also increased, as owners try to attract workers. Reports of "labor quality or availability"[1] as the single most important problem remains elevated. While most of the gains were on the small side, the widespread improvements across all metrics was a clearly positive shift.

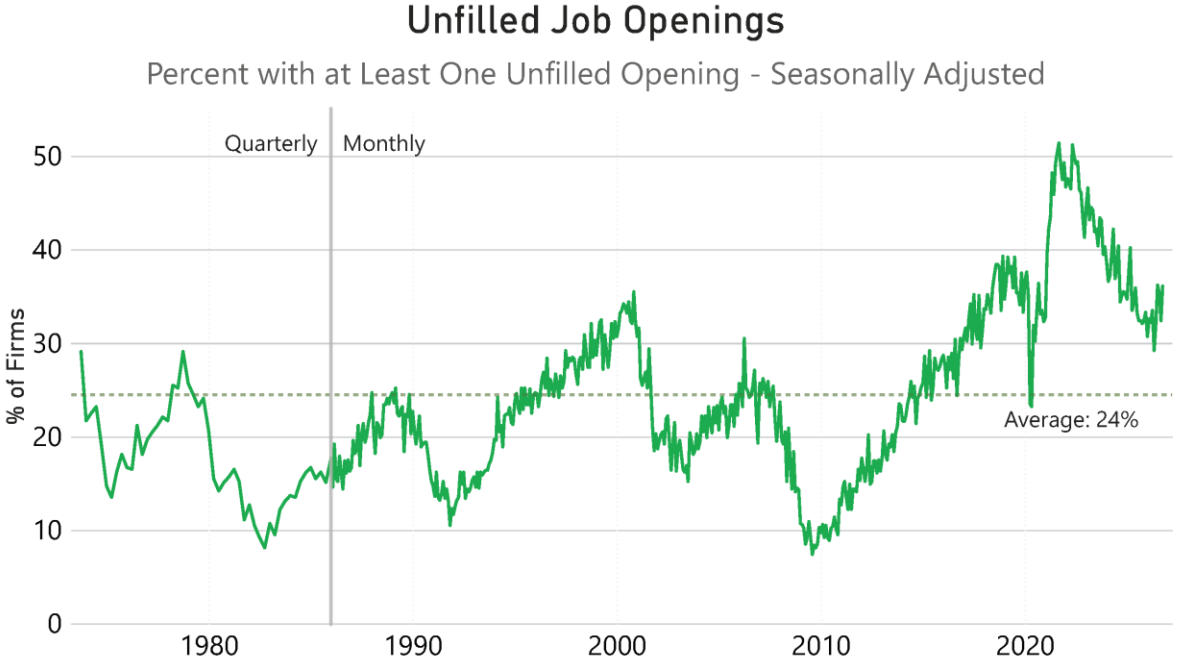
- Hiring plans and actual hiring activity increased in October. Plans to increase employment over the next three months rose 1 point to a net 18% (seasonally adjusted), and the percent of owners reporting hiring or trying to hire in October increased 5 points to 56%.
- Job openings rose 4 points in October to 36% (seasonally adjusted), 12 points above the historical average.
- Reports of labor quality or availability as the single most important problem fell 1 point from September to 25%; however, the current level is 13 points above the historical average.
- Reports of labor costs as the single most important problem rose 1 point to 7%, up 1 point from September's lowest level since December 2020.
- Both compensation measures increased in October and remain above their historical averages. A seasonally adjusted net 29% reported raising compensation (up 1 point), and a net 24% (seasonally adjusted) plan to raise compensation in the next three months (up 4 points).

The NFIB Small Business Employment Index was nearly flat in October, rising 0.2 points in October to 100.8. The current reading is below the 2025 average of 101.2, but remains above the historical average of 100.0.

[1] In June, the Single Most Important Problem response category was revised from "Quality of Labor" to "Quality or Availability of Labor."



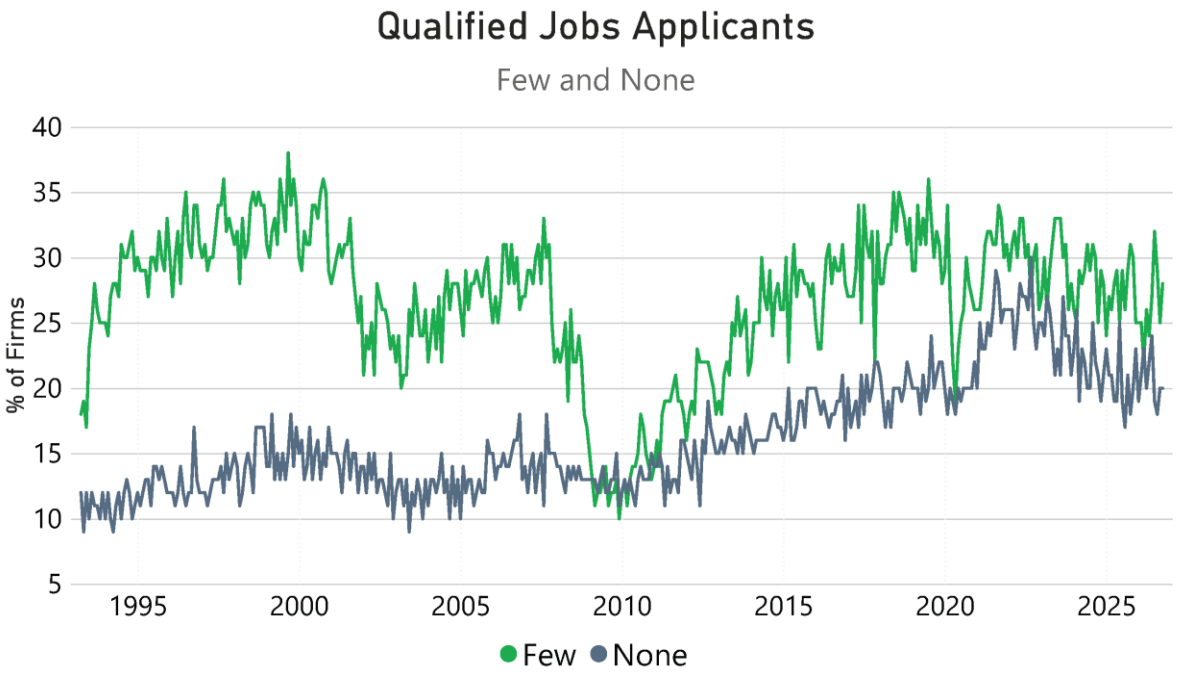
In October, 36% (seasonally adjusted) of small business owners reported job openings they could not fill in the current period, up 4 points from September and 12 points above the historical average. Job openings for skilled workers increased in October. Thirty-one percent have openings for skilled workers (up 4 points), and 15% have openings for unskilled labor (down 1 point).



Looking ahead, a seasonally adjusted net 18% of owners plan to create new jobs over the next three months, up 1 point from September.

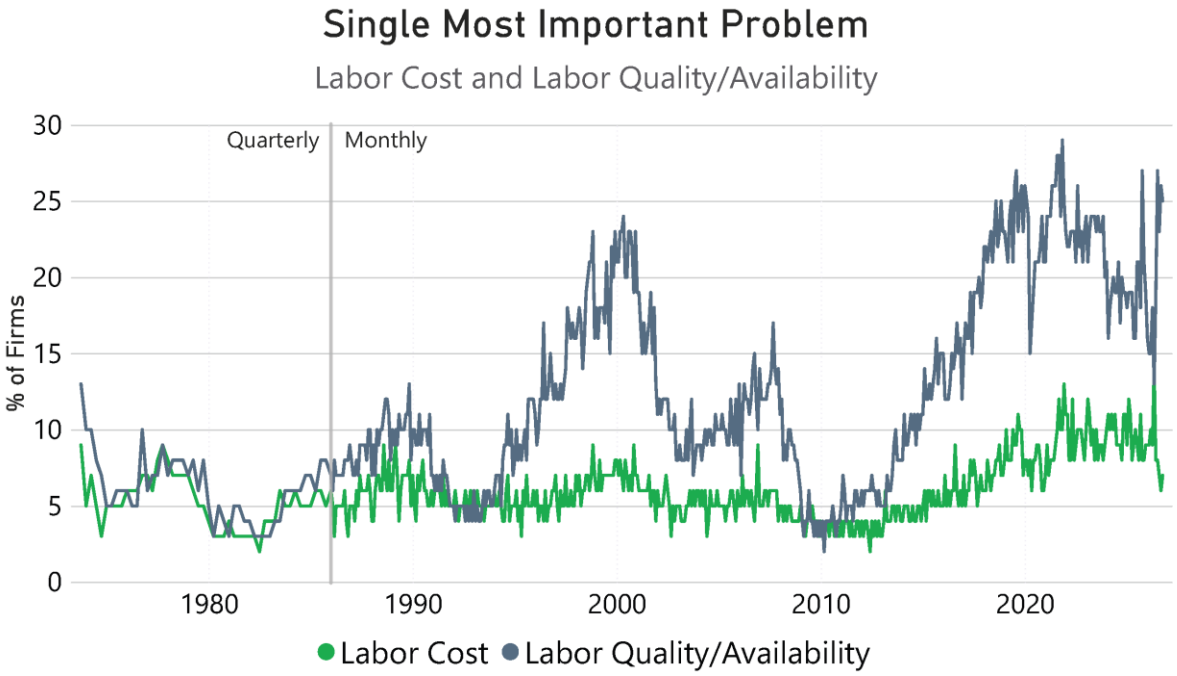


Actual hiring activity increased 5 points from September, with 56% of owners reporting hiring or trying to hire in October. Forty-eight percent (86% of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (up 3 points). Twenty-eight percent reported few qualified applicants (up 3 points), and 20% reported none (unchanged).

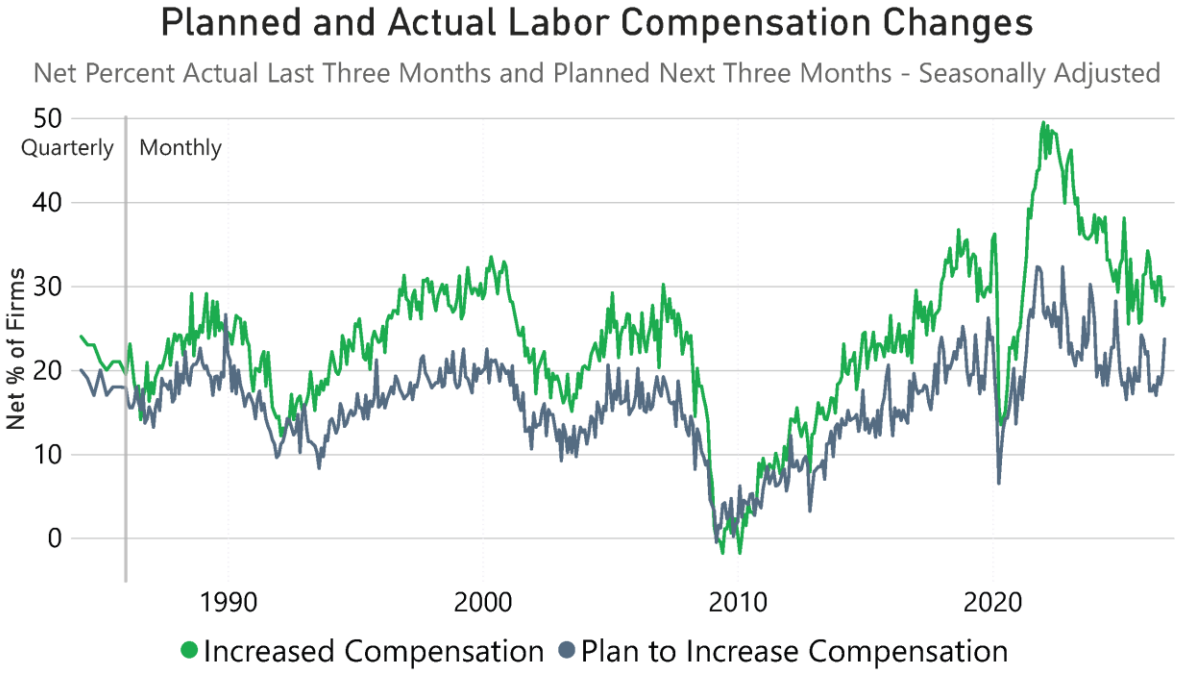


Twenty-five percent of small business owners identified "labor quality or availability"[2] as their single most important problem, down 1 point from September and remaining at a historically high level. The current reading is 13 points above the historical average of 12%. Seven percent of business owners reported labor costs as their single most important problem, up 1 point from September's lowest level since December 2020.

[2] In June, the Single Most Important Problem response category was revised from "Quality of Labor" to "Quality or Availability of Labor."



Both compensation measures increased in October. A seasonally adjusted net 29% reported raising compensation, up 1 point from September. A net 24% (seasonally adjusted) plan to raise compensation in the next three months, up 4 points from September and the highest level since December 2025. Both actual and planned compensation measures are above their historical averages.



Jobs numbers bounced back this month, with more owners reporting hiring and spending on wages. Small business demand for labor remains in tension with supply, as high numbers of owners continue reporting major difficulties finding skilled workers. This is a major barrier to growth. Monthly job growth numbers from BLS are low, but the consistent signal from Main Street is that they would be higher if only more quality workers were available.

Quotes from NFIB Members

“Our company has found it very hard to find qualified candidates to work in the construction inspection field. Candidates are either terminated for non-performance or quit after a few months.” – Professional/business services, PA

“The lack of skilled labor is very constricting in manufacturing. Our family owns several different businesses, so the workforce is a problem across most positions.” – Manufacturing, AZ

“The availability of tradesmen is a huge problem for business growth.” – Services, CA

“I fear the lack of skilled labor in the current marketplace; the work is getting harder to do. Not enough people, wages are up for skilled labor, and margins are lower. Frustrating! I would like to do more work, but without qualified labor, expansion is not an option at this time.” – Construction, MA

“Our biggest hindrance to growth is finding quality employees.” – Services, WV

“It is very difficult to hire skilled workers which limits the volume of work that can be done.” – Construction, PA

“It is hard to find skilled employees and retain them.” – Construction, GA

“It has been very challenging to find good help and it seems to continue as the trend.” – Construction, MA

“Finding professional worker such as physical therapist in rural Norther New Mexico is a challenge… Thus, business owners work very long days to cover the patient population.” – Professional/business services, NM

“Labor and fuel costs are the issues that keep me up at night. My customers continue to demand services, but I am having trouble keeping up. I have been unable to find reliable help (employees) for the last three years. I fear for the service industries.” – Agriculture, IL

“We are lacking skilled auto body and paint employees. We need more trade schools in this field.” – Services, CA

“Our company has found it very hard to find qualified candidates to work in the construction inspection field. Candidates are either terminated for non-performance or quit after a few months.” – Construction, PA

“Labor cost continues to escalate.” – Professional/business services, IL

“It is hard to find skilled employees and retain them.” – Professional/business services, GA

“It is very difficult to hire skilled workers, which limits the volume of work that can be done.” – Construction, PA

“The quality of help to hire is terrible.” – Agriculture, OH