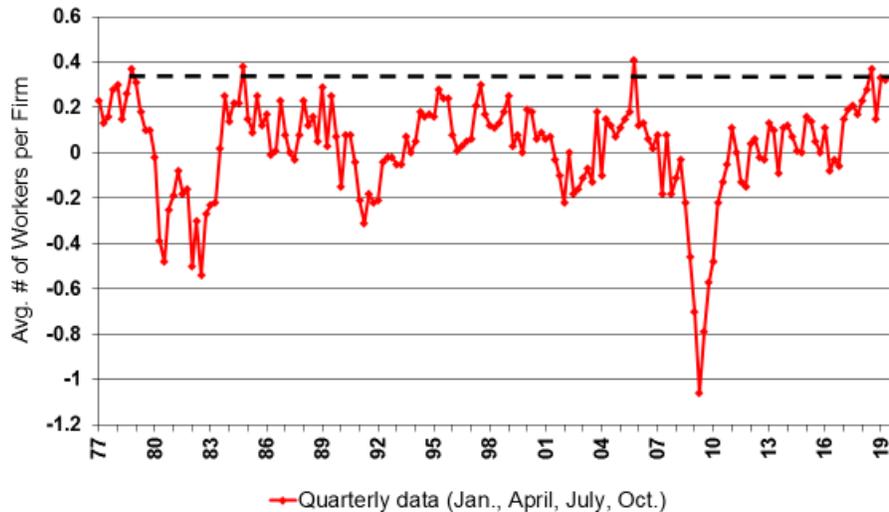


JOB CREATION CONTINUES STRONG IN APRIL

(Based on 1735 respondents to the APRIL survey of a random sample of NFIB's member firms, surveyed through 4/29/19)
EMBARGO 1 PM THURSDAY

Average Change in Employment Per Firm

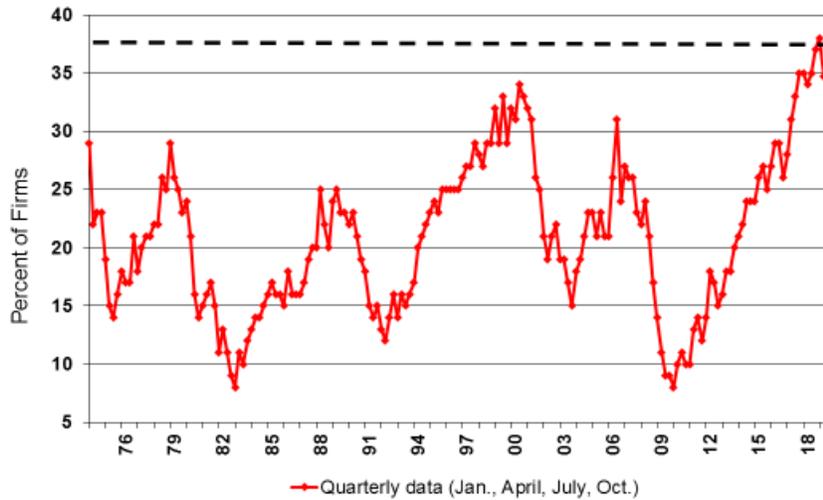


More new jobs were created in April, although at a slower pace than in the last quarter, with a net addition of 0.32 workers per firm. Twelve percent (unchanged) reported increasing employment an average of 3.0 workers per firm and 5 percent (unchanged) reported reducing employment an average of 2.9 workers per firm (seasonally adjusted).

Fifty-seven percent reported hiring or trying to hire (down 3 points), but 49 percent (86 percent of those hiring or trying to hire) reported few or no qualified applicants for the positions they were trying to fill, down 6 points from March. Twenty-four percent of owners cited the difficulty of finding qualified workers as their Single Most Important Business Problem, 1 point below the record high. In construction, 39 percent cited it as their top problem, 32 percent in manufacturing, but only 15 percent in professional services.

Unfilled Job Openings

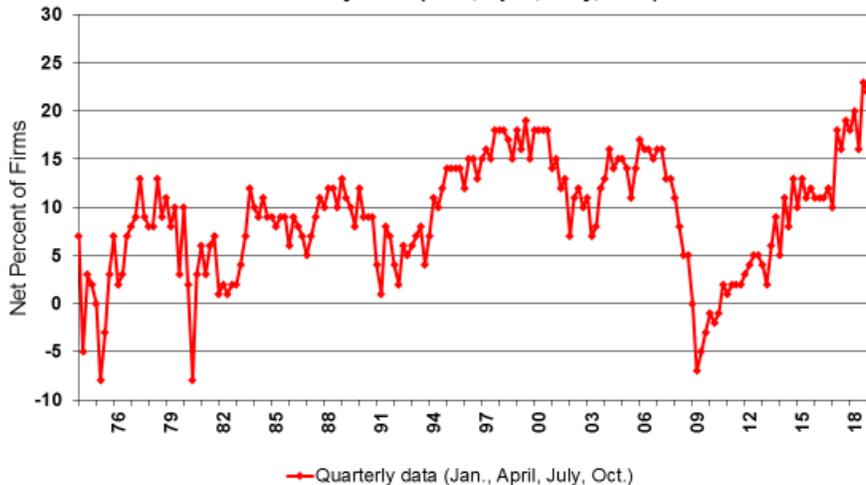
Percent with at Least One Unfilled Opening
Quarterly data (Jan., April, July, Oct.)



Thirty-eight percent of all owners reported job openings they could not fill in the current period, down 1 point from the record high. In construction, 52 percent had openings, 49 percent (94 percent of the openings) were for skilled workers. Sixty percent in transportation services had skilled openings, 22 percent for unskilled workers. Thirteen percent reported using temporary workers (up 1 point).

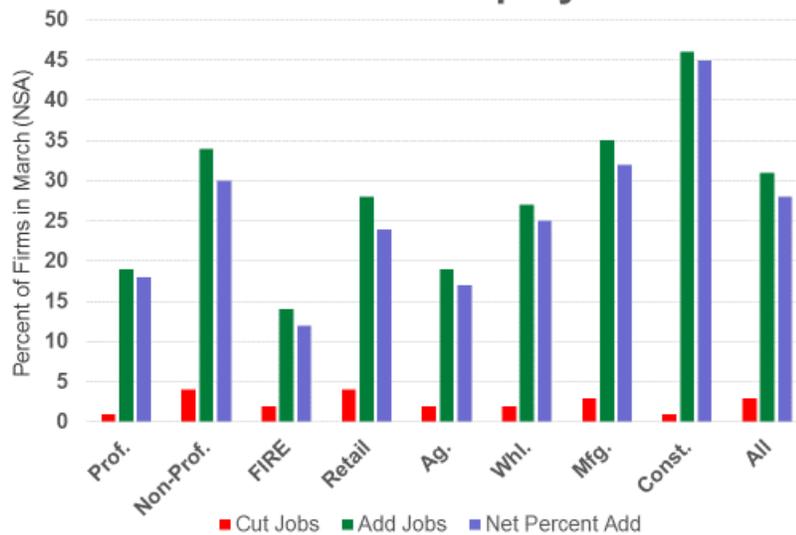
Job Creation Plans

Net Percent ("Increase" minus "Decrease") in Next Three Months
Quarterly data (Jan., April, July, Oct.)

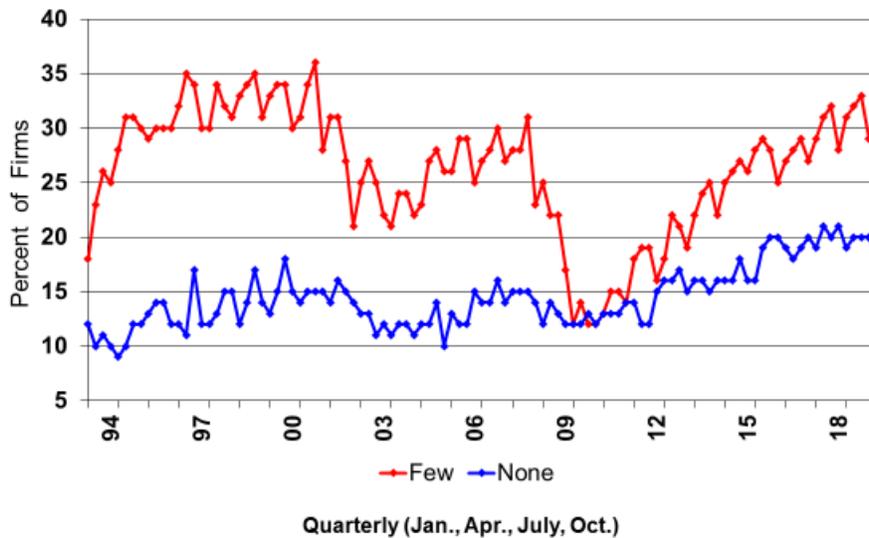


A seasonally-adjusted net 20 percent plan to create new jobs, up 2 points. Not seasonally adjusted, 31 percent plan to increase total employment at their firm (up 3 points), and 3 percent plan reductions (up 1 point). Forty-six percent in construction plan to increase their employment, only 1 percent plan reductions. Plans are also strong in manufacturing, transportation and non-professional services. Few owners are reducing employment, indicating that initial claims for unemployment will remain historically low.

Plans to Cut Jobs and to Increase Employment



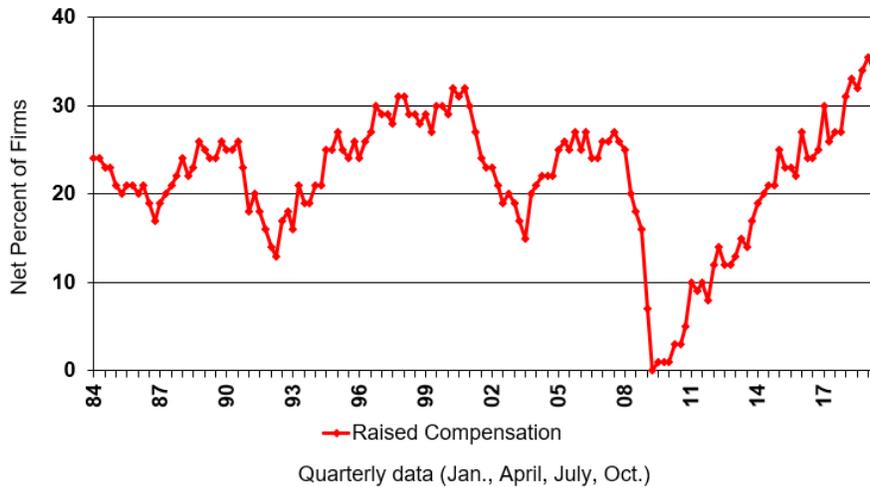
Qualified Job Applicants



Thirty-two percent have openings for skilled workers (down 1 point) and 15 percent have openings for unskilled labor (up 1 point). Thirty-one percent of owners reported few qualified applicants for their open positions (down 3 points) and 18 percent reported none (down 2 points). Sixty-nine percent in transportation reported few or no qualified applicants, 92 percent of those hiring or trying to hire. The continued strength of hiring plans and job openings are a sign of very positive owner views about the economy. Hiring is an “investment,” and clearly owners are expecting an economy that will provide a good return on their labor investments.

Changed Labor Compensation

Net Percent ("Higher" minus "Lower") Compared to Three Months Ago



The percent of business owners reporting that they increased employee compensation continued at solid rates. A net 34 percent reported higher compensation in April (up 1 point). A net 20 percent planned increases in the next few months (unchanged), a strong reading and a good leading indicator of future compensation gains. Labor cost as a top concern was expressed by 8 percent of the owners, unchanged but only 2 points below the 45 year record high reading reached in February.

The first quarter GDP reading was very solid at 3.2 percent, although 0.7 percent of that was from inventory accumulation and another 0.4 percent due to lower imports. Consumer spending was soft, and if it doesn't pick up in the second quarter, last quarter's inventory build will be a negative for GDP growth. On the plus side, state and local spending was up and the 0.3 percent handicap from the government shutdown will be missing in the second quarter. We are at full employment and labor supply is a headwind to growth. The strength in hiring plans and the record-high levels of job openings is a positive indicator for economic growth. Hiring a worker is an investment, involving training time and substantial training costs. The wide-spread willingness of owners to increase employment indicates that they see an economy that will be solid enough to deliver a return on their investment in labor as well as new capital.

According to NFIB's recently released Employee Training survey, small employers invest significant time and resources in training and improving the skills of their employees. These investments make substantial contributions to the productivity of workers in the economy. To secure these skills, employers find in-house training the best way for new or existing employees to transition to a new role. The biggest challenges employers face are retaining employees after investing resources to train them and the time commitment required by the owner, the employee being trained, and other employees involved with the training process. Time is money. The most valuable resource of any firm is the owners' time, and employee training competes with all other

business operations for that resource. The role of the small business sector in improving the productivity of the workforce is massive yet relatively invisible as it is intertwined with the daily operation of the firm. The resources used to improve skills have, however, provided a significant boost to the growth rate of the U.S. economy as firm “investments” in workers have clearly paid off for everyone.

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