

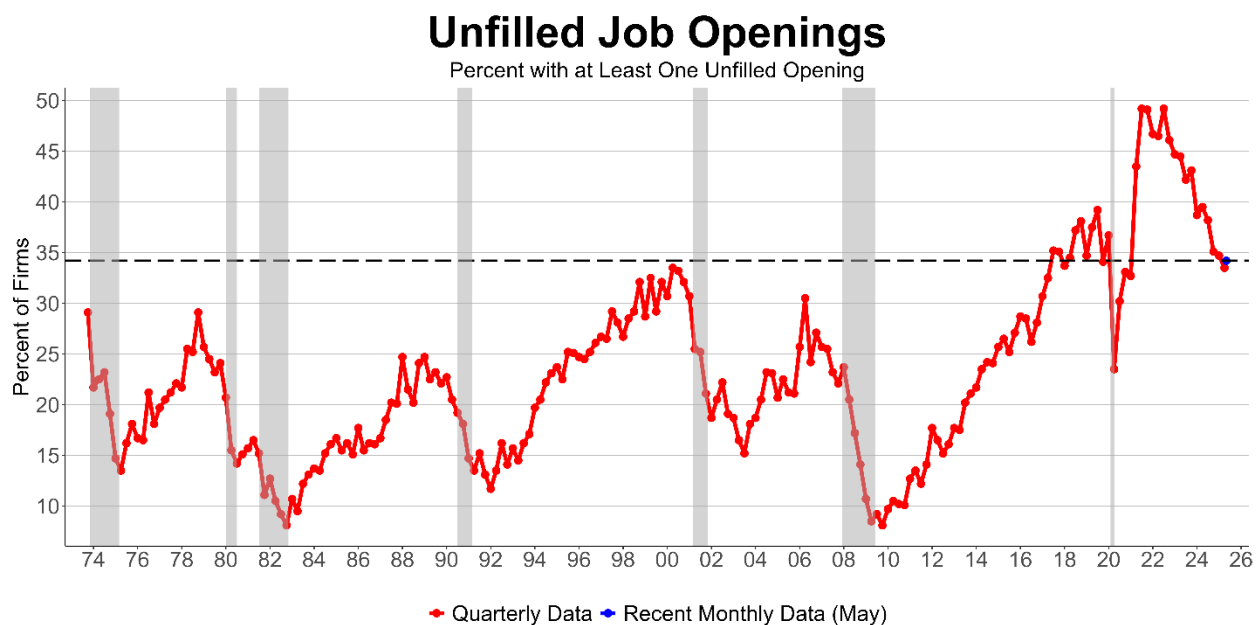
Labor Market Continues to Weaken, Slowly

Based on 485 respondents to the May survey of a random sample of NFIB's member firms, surveyed through 5/31/2025.

EMBARGO 1 PM THURSDAY

The U.S. Bureau of Labor Statistics (BLS) reported that in April, 177,000 jobs were created in the U.S. economy. Revisions to estimates for February and March totaled 58,000 fewer than previously reported. The unemployment rate was unchanged at 4.2 percent. Employment grew in health care, transportation and warehousing, financial activities, and social assistance, while federal government employment declined.

NFIB's April Small Business Economic Trends survey found that 34 percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, unchanged from April. The last time job openings were below 34 percent (seasonally adjusted) was in January 2021 (Covid recession). Thirty percent have openings for skilled workers (up 1 point) and 13 percent have openings for unskilled labor (unchanged for the fourth consecutive month).



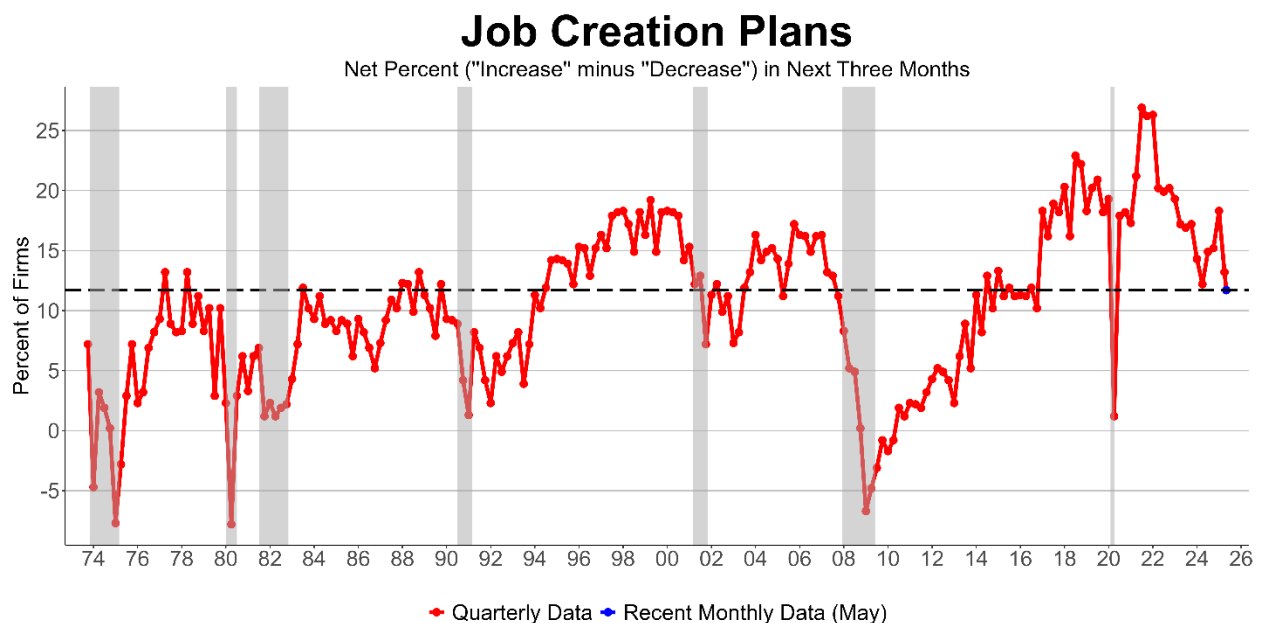
Job openings were the highest in the construction, transportation, and manufacturing industries, and the lowest in the wholesale and professional services industries. Job openings in construction were down 9 points from last month, and down 6 points from May 2024. The percent of job openings in all reported

industries except wholesale are lower, and significantly lower for most, from last year.

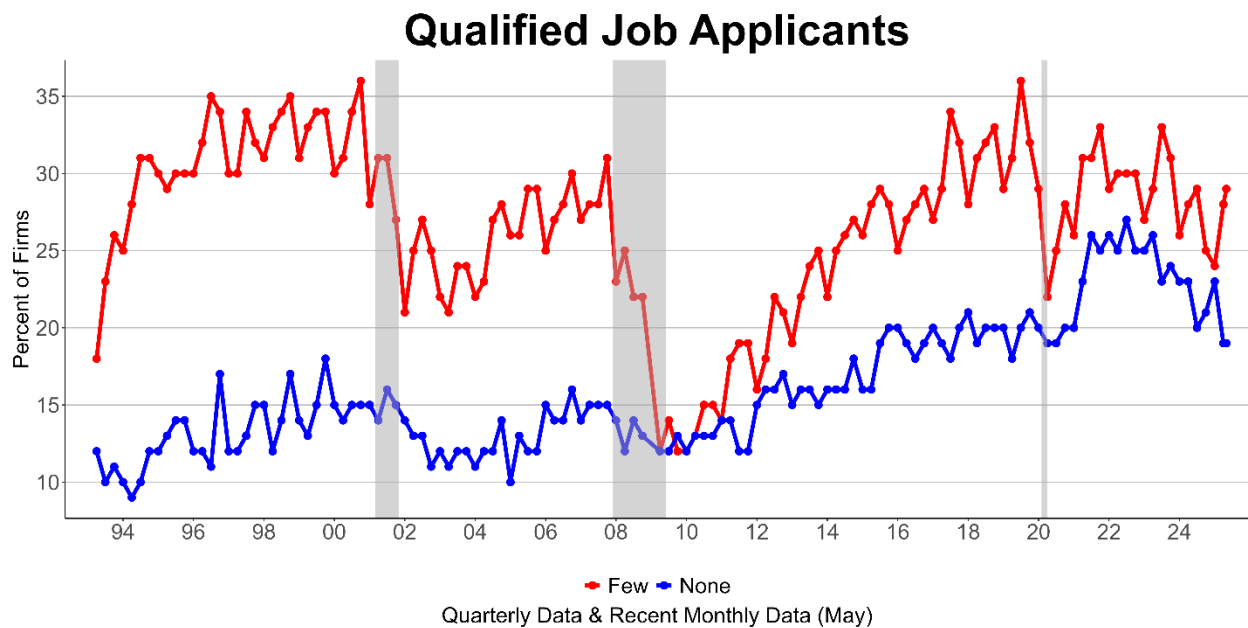
Industry- Percent with Job Openings

Industry	May 2025	May 2024
Construction	48%	54%
Transportation	43%	52%
Manufacturing	40%	52%
Retail	37%	36%
Services	33%	50%
Finance	30%	40%
Agriculture	22%	20%
Wholesale	20%	26%
Professional services	18%	47%

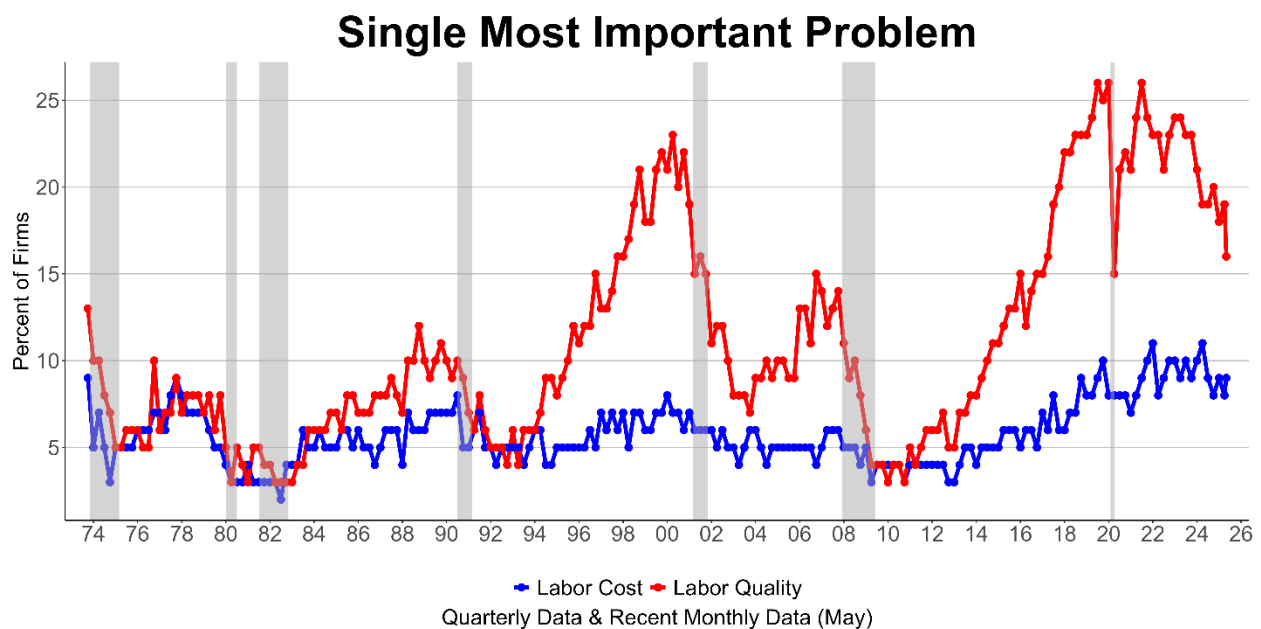
A seasonally adjusted net 12 percent of owners plan to create new jobs in the next three months, down 1 point from April. Job creation plans remain in weak territory compared to recent history.



Overall, 55 percent of owners reported hiring or trying to hire in May, down 1 point from April. Forty-eight percent (86 percent 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-nine percent of owners reported few qualified applicants for their open positions (up 1 point) and 19 percent reported none (unchanged).

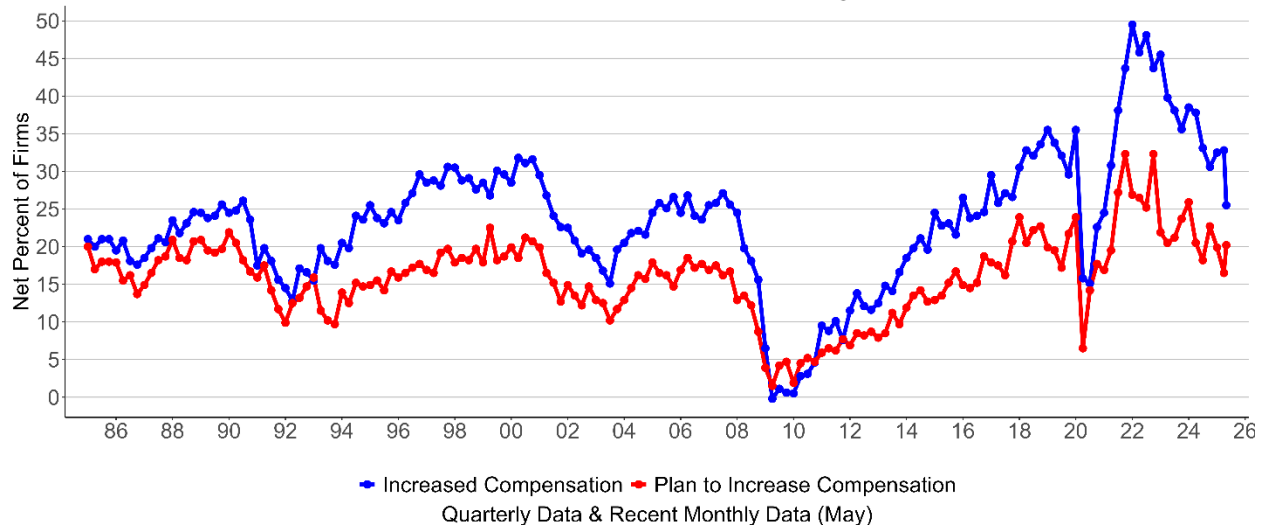


The percent of small business owners reporting labor quality as their top small business operating problem fell 3 points from April to 16 percent. The last time complaints about labor quality fell below 16 percent was in April 2020. Perhaps DOGE layoffs have increased the supply of qualified workers. Labor costs reported as the single most important problem for business owners rose 1 point from April to 9 percent.



Seasonally adjusted, a net 26 percent reported raising compensation, down 7 points from April and the lowest reading since February 2021. This was the greatest monthly decline since April 2020. A net 20 percent (seasonally adjusted) plan to raise compensation in the next three months, up 3 points from April. Clearly, the pressure of labor costs on inflation is easing.

Planned and Actual Labor Compensation Changes



Tariff-linked uncertainty continues to plague financial markets as well as spending and hiring on Main Street. Government (and public sector) job growth no longer leads economic growth. DOGE layoffs are being paid until September, so many have not rushed to join the officially unemployed, leaving the unemployment rate basically unchanged. The JOLTS data still shows plenty of potential workers who can fill a dwindling number of openings. Economic activity continues to drift downward but not sharply, while profits at the macro level remain solid in part from continued support from the Inflation Reduction Act and other large spending programs that are still largely intact.