

More Small Businesses Than Ever Raising Compensation; The latest NFIB employment report shows a historic worker shortage beginning to ease.

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FULL TEXT

A record number of U.S. small firms raised compensation last month, and a record number plan to lift wages in the coming months. That's according to the latest monthly employment report from the National Federation of Independent Business, due out later today. Workers will find out whether the compensation increases will exceed inflation and therefore allow employees to enjoy real wage gains.

Seasonally adjusted, a net 44% of firms participating in the survey reported raising compensation, an increase of two percentage points from the September reading and a new 48-year record high. NFIB Chief Economist William Dunkelberg adds:

A net 32 percent plan to raise compensation in the next three months, up 2 points from September's record high reading. Raising compensation is the main resource available for owners to retain their current employees and compete for new talent.

As the owners of small firms are busy lifting wages, it is perhaps not surprising that their historically difficult time finding workers seems to have gotten just a little less difficult in September. According to the NFIB report: Forty-nine percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 2 points from September. The number of unfilled job openings far exceeds the 48-year historical average of 22 percent...

Overall, 62 percent reported hiring or trying to hire in October, down 5 points from September. Owners' plans to fill open positions remain at record high levels, with a seasonally adjusted net 26 percent planning to create new jobs in the next three months, unchanged from September but still the fifth highest reading in the 48-year history of the survey and well above the historical average reading of a net 11 percent.

Fifty-eight percent (94 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (down 4 points). Thirty-three percent of owners reported few qualified applicants for their open positions (down 1 point) and 25 percent reported none (down 3 points). Again, the reductions hint at an improvement in labor market conditions.

Here's hoping that this hint becomes a trend of robust job creation in coming months as Americans return to the work force.

James Freeman is the co-author of "The Cost: Trump, China and American Revival."

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(Lisa Rossi helps compile Best of the Web.)

More Small Businesses Than Ever Raising Compensation

Credit: By James Freeman

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