

FINANCIAL TIMES

US SMALL BUSINESSES SAY LABOUR SHORTAGES WORSENERD IN SEPTEMBER

By Matthew Rocco
October 7, 2021

A record number of small businesses say they cannot find enough qualified workers, adding to signs that labour shortages are holding back the recovery from the coronavirus crisis.

The National Federation of Independent Business said 51 per cent of small business owners reported job openings that could not be filled in September, the second consecutive month that reports of labour shortages hit an all-time high, according to a new survey. In August, half of small businesses said they could not find enough staff.

"More and more small business owners are struggling to find workers for their open positions," said NFIB chief economist Bill Dunkelberg. "For most small employers, labour costs are the largest operating outlay and owners will be compelled to pass those costs on to their customers by raising prices."

A net 42 per cent of respondents in the NFIB's survey said they raised compensation, which also marked the highest level on record dating back 48 years.

About two-thirds of small employers hired or tried to hire new workers in September. Among those businesses, 92 per cent said they had few or no qualified applicants for open positions.

The labour department's employment report on Friday is expected to show the US economy added 500,000 last month. The pace of hiring dipped in August with employers creating 235,000 new jobs, even after job openings hit another record of 10.9m at the end of July.