

# Small businesses keep labor market flying

Job openings at small businesses fire on all cylinders—despite Federal interest rate increases

DIAMOND  
MANAGEMENT



14

percent fewer job openings by larger employers compared to 2019



500

or fewer employees with revenue between \$1 and \$40 million is how the SBA defines a small business

55

percent of all job openings in any given month are created by small businesses

50 percent more job openings in April were by small/mid-sized employers compared to 2019



80

percent of all job openings in any given month are created by small and midsize businesses

33

million small businesses fuel the American economy

99.9

percent of the nation's businesses fall into the category of small/mid-sized



**Small business**—sensitive to rising interest rates—rely on lending to launch and operate their businesses

SOURCE: U.S. EMPLOYERS ADDED A SOLID 206,000 JOBS IN JUNE IN A SIGN OF CONTINUED ECONOMIC STRENGTH, PAUL WISEMAN, AP, CHART 1.—SMALL BUSINESS OPTIMISM INDEX FROM THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS, CHART 2.—STATISTA, IN MAY 2024, A NET 16 PERCENT OF SURVEYED SMALL BUSINESS OWNERS IN THE UNITED STATES HAD PLANS TO INCREASE EMPLOYMENT IN THE COMING THREE MONTHS, ADDITIONALLY, AROUND 42 PERCENT OF SAID THAT THEY HAD CURRENT JOB OPENINGS. CHART 3.—AP REPORTS; FEDERAL RESERVE BANK OF ST. LOUIS; DATA—VALUES REPRESENT THE UPPER LIMIT OF THE TARGET RANGE FOR OVERNIGHT LOANS BETWEEN BANKS.—SMALL BUSINESS OPTIMISM INDEX FROM THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS

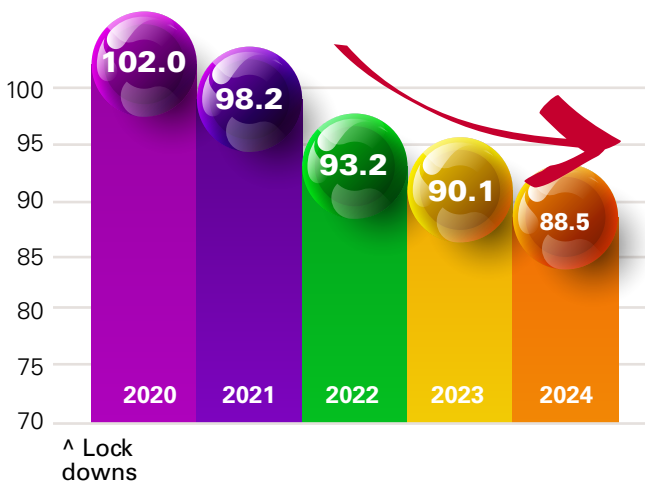
## Against the wind

Small business confidence has reached a 12 year low, lower than during lockdowns. Those who run 99.9 percent of U.S. businesses and hire over half of all American workers—are showing signs of stress from pervasive taxes, rising regulation and prices, and unfavorable business environment.

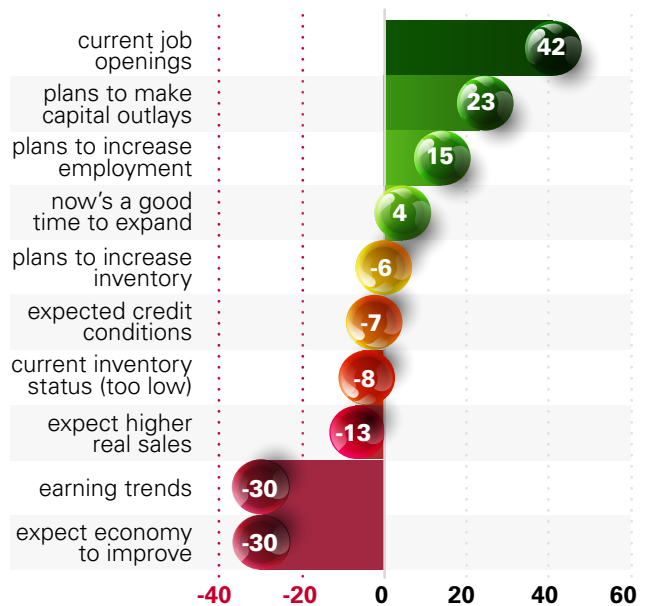


### Small business optimism index

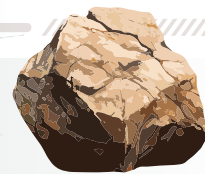
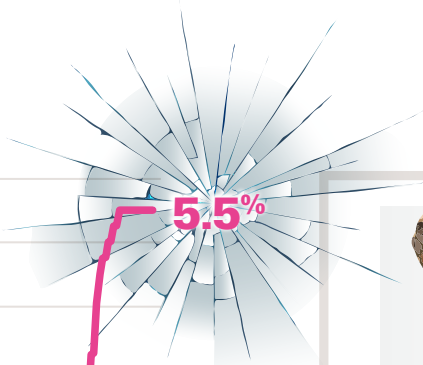
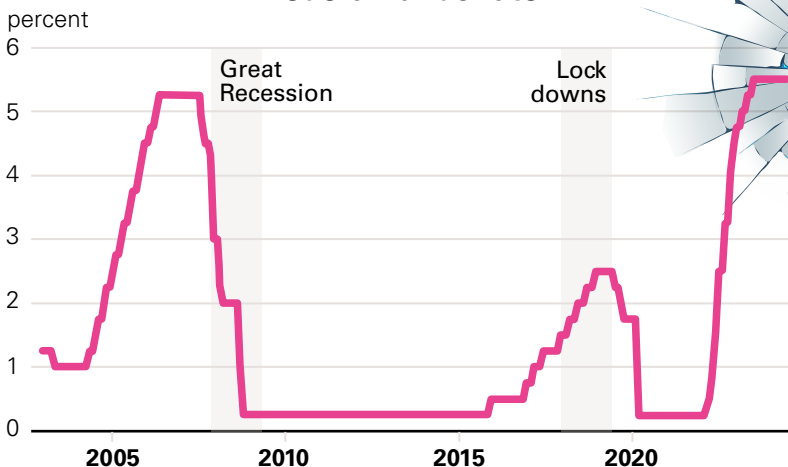
Small company CEOs are even more fearful of the future today than during the COVID-19 pandemic, when most businesses were shuttered. The confidence numbers have decreased every year for the last four years.



### Small business optimism outlook



### Federal funds rate



**11**

number of Fed increases (2022-23) to its benchmark interest rate in an attempt to subdue the worst inflation in 4 decades