10.5 Per Cent of Small Businesses Expected to Increase Their Headcount This Summer

Contributed by Federation of Small Businesses
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A dramatic change is set to take place in the jobs market over the summer months with many more small businesses expected to hire staff.Â New data from the FSB suggests five times as many small firms are planning to increase headcounts in summer months compared to the second quarter of 2014, delivering a further boost to the employment rate.

Small businesses have already helped to bring the UK unemployment rate to the lowest levels in over five years. The FSB's data suggests that further improvements in the labour market are about to take place over the coming three months.
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The FSB has long highlighted the importance the small business sector in the fight to create jobs and this research shows the hiring appetite of small firms as confidence continues to build. It builds on a report from IPPR released earlier this year which found that small businesses were responsible for creating four in five private sector jobs between 2010 and 2013. The FSB wants to see government harness this job creating potential by creating the right environment for business growth.
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In addition, investment intentions remain strong for FSB members. This quarter, one in four firms (25.6%) expects to increase capital investment over the next 12 months, well up from Q2 in 2013. The FSB believes business investment helps to boost productivity, which in turn feeds through into higher wages and living standards.
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Key findings show:

-Net balance of 10.5% of firms expect to increase headcounts over the next quarter
-If realised, these jobs created by small firms will help to offset the decline in public sector employment projected by the OBR of roughly 700,000 over the next five years.

John Allan, National Chairman, Federation of Small Businesses, said:

"This data shows the economic potential of small businesses in 2014 â€“ we are becoming stronger and bolder and getting people back to work. Small firms are bringing down employment faster than expected and helping out nation lead the global recovery.
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"We still want government to prioritise support and help for small businesses â€“ there is still much work to be done â€“ we need to increase our exports, we need to address skills shortages and we need to improve access to finance."