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It's a Good Time for Small Businesses to Hire

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NEW YORK ([TheStreet](#)) -- If your business is on solid ground and you can afford it, now is an excellent time to hire, Industry experts say.

"Because labor costs are down and because there are a lot of unemployed people, the quality of applicants is better," says Bill Dunkelberg, chief economist for the National Federation of Independent Business and an economics professor at Temple University. "The question you have to answer is: If I pay these people, will they bring in enough extra revenue to cover their costs?"



Small-business employment fell last month, according to the NFIB's monthly optimism index, in negative territory as it has been for the past 32 of 36 months. Small businesses create two out of every three jobs in the U.S. each year, according to the Small Business Administration.

The picture is expected to brighten this year, the survey found, indicating the economic malaise of the past three years is easing and has provided opportunities for small-business owners gearing up.

Approximately 13% of all respondents reported "unfilled job openings," a four-point improvement compared with a month earlier, according to the findings. In the short term, 10% of respondents plan to hire over the next three months, while 9% plan work force reductions. Approximately 6% of employers plan to create jobs, up two points from December -- and the best reading in more than two years.

Now is a great time to hire because there are many people out of work and another group who stayed at their jobs through the recession but are unhappy, says Doug Williams, director of Internet marketing for ITX-Alesco Marketing and a former small-business consultant.

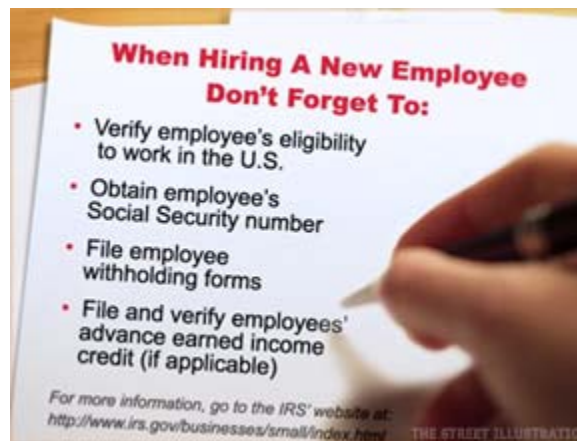
"It's a good chance to get good talent. Once the economy gets better, there is going to be a huge reshuffling of jobs," Williams says.

Entry Interviews Keep Hires on Track

Molly Brogan, the vice president of public affairs for the National Small Business Association, says a big determinant on whether companies should hire is access to working capital as well as business in the pipeline.

"One of the big issues is capital, and one of the things that we're seeing is a slight sign of [pickup] in the capital markets," Brogan says. "More small businesses reported being able to obtain adequate financing than they had in the last two years. The fact that credit markets are thawing is a good sign -- people will be able to finance those kinds of goals."

Other things to take into account include costs for additional benefits, not only for the short term but several years down the road and, most importantly, whether adding staff will change a business' regulatory guidelines.



Firms with more than 50 workers are subject to different regulations.

"The majority of our small businesses are under 20 employees, but for the larger folks it is a concern," Brogan notes. "It can be a disincentive for growth."

For business owners not ready to commit, they should consider hiring a temporary or part-time worker, which allows them make sure a worker is the right fit without having to pay full-time wages and other benefits, says Rob Wilson, president of human resources outsourcing firm Employco USA and a small-business expert, in an email.

Once a business owner decides to hire, social media can play an effective and efficient way to post job openings, says Neil Costa, founder and managing director of HireClix, a recruitment firm that caters to small and midsize firms in Gloucester, Mass.

Costa, who worked at job site Monster.com until April but decided to set out on his own, says small-business owners should avoid posting jobs on general job boards because they will get lost among the larger companies posting there.

He suggests using websites such as [Craigslist](#) and those that deal specifically with start-ups, including [StartUpHire](#).

He also suggests using [YouTube](#) videos to show what a job entails. The video can encourage those fit for the position to apply and to deter those who may not be a fit.

Video will play an increasing role in job fulfillment, Costa says.

"It's cost effective and shouldn't be overproduced," Costa says. "It's something that's visual and more people will connect with that."

-- *Written by Laurie Kulikowski in New York.*

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