

# NFIB SMALL BUSINESS ECONOMIC TRENDS

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March 2021

## SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	22%	4	15%
Plans to Make Capital Outlays	20%	-3	-12%
Plans to Increase Inventories	4%	2	8%
Expect Economy to Improve	-8%	11	42%
Expect Real Sales Higher	0%	8	31%
Current Inventory	3%	-2	-8%
Current Job Openings	42%	2	8%
Expected Credit Conditions	-3%	3	12%
Now a Good Time to Expand	11%	5	19%
Earnings Trends	-15%	-4	-15%
Total Change		+26	100%

Based on a Survey of Small and Independent Business Owners

**NFIB**  
**SMALL BUSINESS**  
**ECONOMIC TRENDS**

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*NFIB Research Center has collected Small Business Economic Trends Data with Quarterly surveys since 1973 and monthly surveys since 1986. The sample is drawn from the membership files of the National Federation of Independent Business (NFIB). Each was mailed a questionnaire and one reminder. Subscriptions for twelve monthly SBET issues are \$250. Historical and unadjusted data are available, along with a copy of the questionnaire, from the NFIB Research Center. You may reproduce Small Business Economic Trends items if you cite the publication name and date and note it is a copyright of the NFIB Research Center. © NFIB Research Center. ISBS #0940791-24-2. Chief Economist William C. Dunkelberg and Director of Research and Policy Analysis Holly Wade are responsible for the report.*

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# SUMMARY

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## OPTIMISM INDEX

The Optimism Index rose to 98.2, an increase of 2.4 points from February. March's reading was the first return to average historical readings since last November. Seven of the 10 Index components improved and three declined. The NFIB Uncertainty Index increased 6 points to 81. The increase was primarily due to shifts in owners being more uncertain about whether it is a good time to expand their business and make capital expenditures in the coming months. Forty-two percent of owners reported job openings that could not be filled, an increase of 2 points and a record high reading. Sales expectations over the next three months improved 8 points to a net zero percent of owners a good directional change, but a historically still a very low level. Earnings trends over the past three months declined 4 points to a net negative 15 percent.

## LABOR MARKETS

Strong job growth continued for small businesses in March. Firms increased employment by 0.42 workers per firm on average over the past few months. Forty-two percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 2 points from February, a record high reading. The March reading is 20 points higher than the 48-year historical average of 22 percent. Thirty-four percent have openings for skilled workers (up 1 point) and 19 percent have openings for unskilled labor (up 3 points). Owners are frustrated with mounting unfilled job openings as qualified and willing candidates are scarce. Fifty percent of the job openings in construction are for skilled workers, down 1 point. Fifty-five percent of construction firms reported few or no qualified applicants (down 6 points) and 38 percent cited the shortage of qualified labor as their top business problem (up 3 points). Overall, 56 percent reported hiring or trying to hire in March, unchanged from February. Owners have plans to fill open positions, with a seasonally adjusted net 22 percent planning to create new jobs in the next three months, up 4 points from February and 11 points above the 48-year historical average. Fifty-one percent (91 percent of those hiring or trying to hire) of owners reported few or no "qualified" applicants for the positions they were trying to fill in March (unchanged). Twenty-eight percent of owners reported few qualified applicants for their open positions (up 2 points) and 23 percent reported none (down 2 points).

## CAPITAL SPENDING

Fifty-nine percent reported capital outlays in the last six months, up 2 points from February. Of those making expenditures, 41 percent reported spending on new equipment (up 1 point), 26 percent acquired vehicles (down 2 points), and 14 percent improved or expanded facilities (up 2 points). Six percent acquired new buildings or land for expansion (up 2 points) and 11 percent spent money for new fixtures and furniture (down 1 point). Twenty percent plan capital outlays in the next few months, down 3 points from February. Owners are not planning on investing in their businesses as expected future sales and business conditions remain below average.

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This survey was conducted in March 2021. A sample of 5,000 small-business owners/members was drawn. Five hundred fourteen (514) usable responses were received — a response rate of 10.3 percent.

## **SALES AND INVENTORIES**

A net negative 6 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down 8 points from February. The net percent of owners expecting higher real sales volumes improved 8 points to a net negative 0 percent, a nice improvement but leaving expectations historically very weak. Expected sales is a major driver of decisions to invest in new capital, new inventory, and new employees. The net percent of owners reporting inventory increases decreased 2 points to a net negative 5 percent. This is likely a result of sales exceeding the firm's ability to acquire new inventory to replace what is sold. A net 3 percent of owners view current inventory stocks as "too low" in March, down 2 points from February but remaining at historically high levels. A net 4 percent of owners plan inventory investment in the coming months, up 2 points from February.

## **COMPENSATION AND EARNINGS**

Seasonally adjusted, a net 28 percent reported raising compensation (up 3 points), the highest level in the past 12 months. A net 17 percent plan to raise compensation in the next three months, down 2 points. Seven percent cited labor costs as their top business problem (down 2 points) and 24 percent said that labor quality was their top business problem, unchanged from February and the top overall concern. The frequency of reports of positive profit trends declined 4 points to a net negative 15 percent reporting quarter on quarter profit improvement. Sales have not yet improved enough for owners to report higher earnings. Among owners reporting lower profits, 46 percent blamed weaker sales, 15 percent cited the usual seasonal change, 10 percent cited a higher cost of materials, 5 percent cited labor costs, 5 percent cited lower prices, and 4 percent cited higher taxes or regulatory costs. For owners reporting higher profits, 68 percent credited sales volumes, 12 percent cited usual seasonal change, and 7 percent cited higher prices.

## **CREDIT MARKETS**

Two percent of owners reported that all their borrowing needs were not satisfied (unchanged). Twenty-seven percent reported all credit needs met (down 1 point) and 59 percent said they were not interested in a loan (up 1 point). A net 1 percent reported their last loan was harder to get than in previous attempts (unchanged). One percent reported that financing was their top business problem (unchanged). The net percent of owners reporting paying a higher rate on their most recent loan was 0 percent, up 2 points from February. The average rate paid on short maturity loans was 5.1 percent, up 0.2 points from February. Twenty-three percent of all owners reported borrowing on a regular basis (down 3 points).

## **INFLATION**

The net percent of owners raising average selling prices increased 1 point to a net 26 percent, seasonally adjusted. Unadjusted, 8 percent (down 2 points) reported lower average selling prices and 36 percent (up 1 point) reported higher average prices. Price hikes were most frequent in wholesale (65 percent higher, 5 percent lower) and retail (48 percent higher, 5 percent lower). Seasonally adjusted, a net 34 percent plan price hikes (unchanged).

# COMMENTARY

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Forecasters are making upward revisions to their expected 2021 performance for the U.S. economy, and especially for the first half. Some observers (for example, Ambassador John Kerry) say that the “Great Reset” is taking place, and this is an “exciting time.” The government has sent trillions of dollars to consumers. If they spend it (buying goods and services), GDP (the output of goods and services) will surge. Likely, any surge in spending will come earlier in the year and fade at the end as the government spigot is turned off. Small businesses are clearly hiring, viz. almost a million new jobs, most in the private sector, and would hire more if more qualified applicants showed up. Still, total employment is about 7 million lower than in 2020 February.

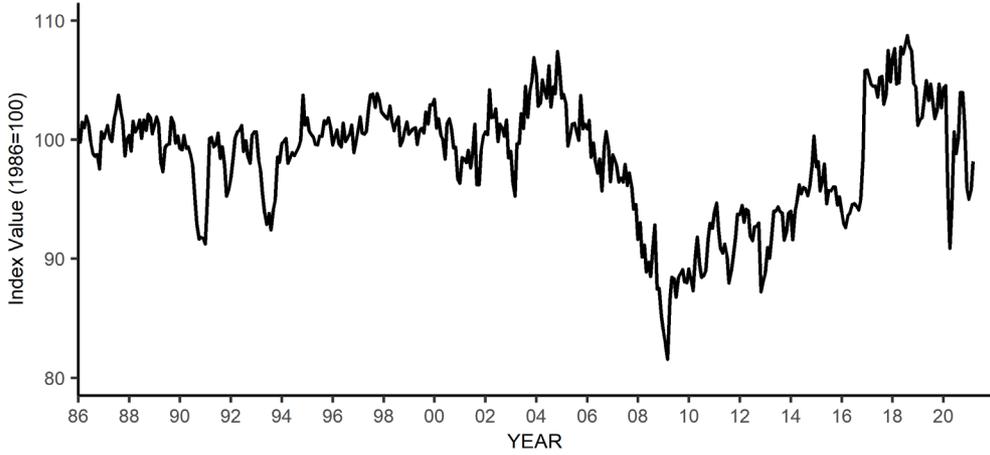
The Federal Reserve remains committed to keeping interest rates low. Small business borrowers are reporting the lowest loan rates in 48 years. This is the fuel that puts stock market values at record levels (as well as house prices). Inflation remains calm, mostly because there is excess capacity for producing anything world-wide (except housing where inflation is due to a shortage of new homes and oil, as supply constraints such as production are restricted). It is insidious. Once it gets a grip on economic decision making, it is hard to curb its advance.

Main Street is doing better and will benefit from the huge stimulus. Their ability to take advantage will still depend on government anti-Covid regulations. Opening up the economy could be the largest “stimulus” government could provide. There are major dislocations (in education for example) that will shape the local economies impacted by very different policies and it will take time for bad policy decisions to be exposed and remedied by the governments that created them.

## OVERVIEW - SMALL BUSINESS OPTIMISM

### OPTIMISM INDEX

Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)



### OPTIMISM INDEX

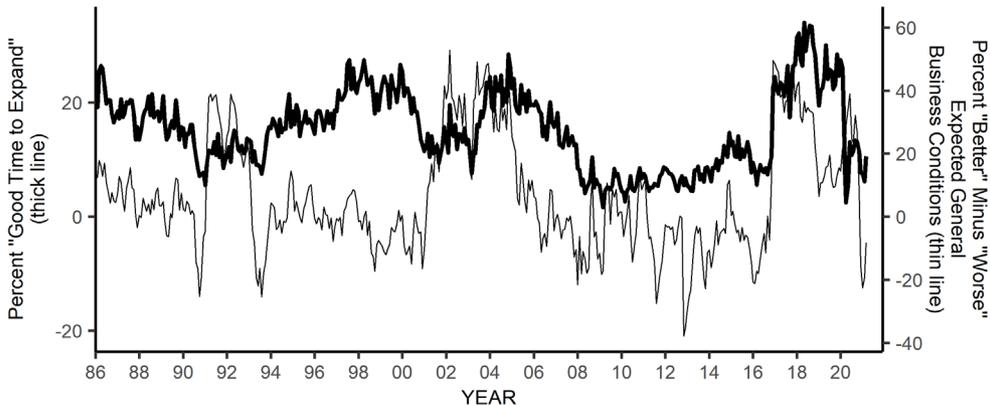
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	93.9	92.9	92.6	93.6	93.8	94.5	94.6	94.4	94.1	94.9	98.4	105.8
<b>2017</b>	105.9	105.3	104.7	104.5	104.5	103.6	105.2	105.3	103.0	103.8	107.5	104.9
<b>2018</b>	106.9	107.6	104.7	104.8	107.8	107.2	107.9	108.8	107.9	107.4	104.8	104.4
<b>2019</b>	101.2	101.7	101.8	103.5	105.0	103.3	104.7	103.1	101.8	102.4	104.7	102.7
<b>2020</b>	104.3	104.5	96.4	90.9	94.4	100.6	98.8	100.2	104.0	104.0	101.4	95.9
<b>2021</b>	95.0	95.8	98.2									

## SMALL BUSINESS OUTLOOK

### OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to March 2021  
(Seasonally Adjusted)



## SMALL BUSINESS OUTLOOK (CONTINUED)

### OUTLOOK FOR EXPANSION

Percent Next Three Months "Good Time to Expand"  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	10	8	6	8	9	8	8	9	7	9	11	23
<b>2017</b>	25	22	22	24	23	21	23	27	17	23	27	27
<b>2018</b>	32	32	28	27	34	29	32	34	33	30	29	24
<b>2019</b>	20	22	23	25	30	24	26	26	22	23	29	25
<b>2020</b>	28	26	13	3	5	13	11	12	13	13	12	8
<b>2021</b>	8	6	11									

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
March 2021

Reason	Good Time	Not Good Time	Uncertain
<b>Economic Conditions</b>	8	19	18
<b>Sales Prospects</b>	4	1	2
<b>Fin. &amp; Interest Rates</b>	1	0	0
<b>Cost of Expansion</b>	0	3	1
<b>Political Climate</b>	0	21	16
<b>Other / Not Available</b>	0	4	2

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

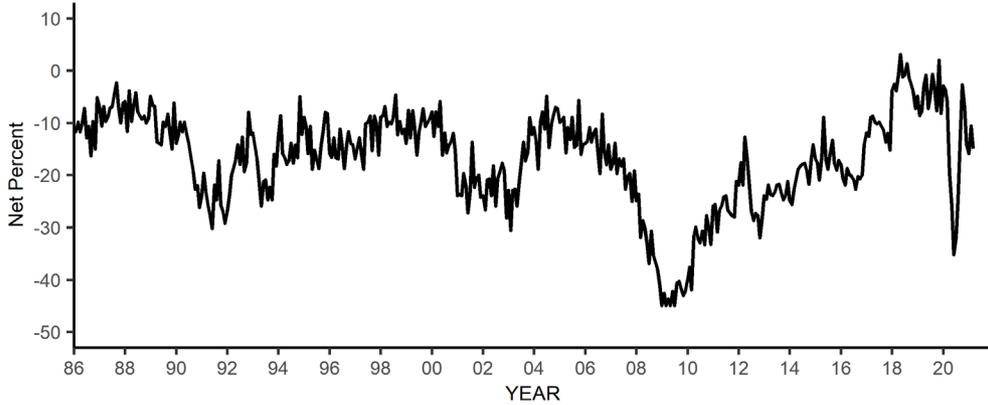
Net Percent ("Better" Minus "Worse") Six Months From Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-21	-21	-17	-18	-13	-9	-5	-12	0	-7	12	50
<b>2017</b>	48	47	46	38	39	33	37	37	31	32	48	37
<b>2018</b>	41	43	32	30	37	33	35	34	33	33	22	16
<b>2019</b>	6	11	11	13	16	16	20	12	9	10	13	16
<b>2020</b>	14	22	5	29	34	39	25	24	32	27	8	-16
<b>2021</b>	-23	-19	-8									

## SMALL BUSINESS EARNINGS

### EARNINGS

Actual Last Three Months  
January 1986 to March 2021  
(Seasonally Adjusted)



### ACTUAL EARNINGS CHANGES

Net Percent ("Higher" Minus "Lower") Last Three Months  
Compared to Prior Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-18	-21	-22	-19	-20	-20	-21	-23	-20	-21	-20	-14
<b>2017</b>	-12	-13	-9	-9	-10	-10	-10	-11	-11	-14	-12	-15
<b>2018</b>	-4	-3	-4	-1	3	-1	-1	1	-1	-3	-4	-7
<b>2019</b>	-5	-9	-8	-3	-1	-7	-5	-1	-3	-8	2	-8
<b>2020</b>	-3	-4	-6	-20	-26	-35	-32	-25	-12	-3	-7	-14
<b>2021</b>	-16	-11	-15									

### MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
March 2021

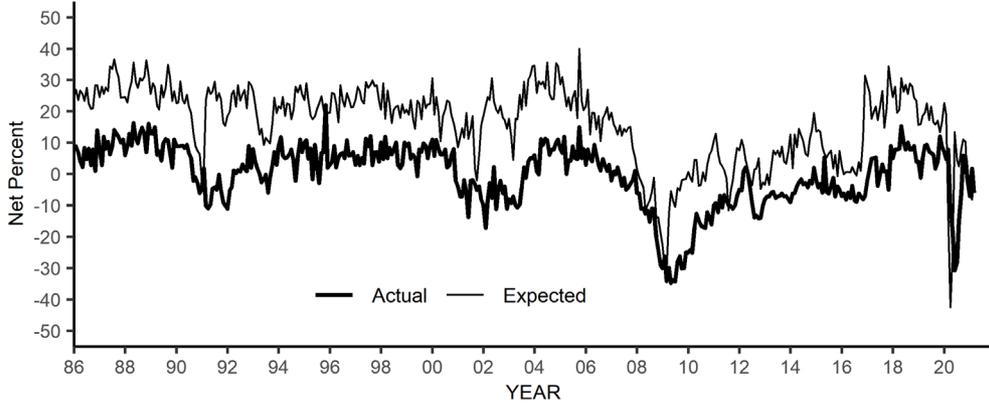
Reason	Current Month	One Year Ago	Two Years Ago
<b>Sales Volume</b>	18	9	10
<b>Increased Costs*</b>	7	6	7
<b>Cut Selling Prices</b>	2	3	2
<b>Usual Seasonal Change</b>	6	8	9
<b>Other</b>	3	1	5

\* Increased costs include labor, materials, finance, taxes, and regulatory costs.

## SMALL BUSINESS SALES

### SALES

Actual (Prior Three Months) and Expected (Next Three Months)  
*January 1986 to March 2021*  
*(Seasonally Adjusted)*



### ACTUAL SALES CHANGES

Net Percent ("Higher" Minus "Lower") Last Three Months  
 Compared to Prior Three Months  
*(Seasonally Adjusted)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-7	-6	-8	-6	-8	-4	-8	-9	-6	-7	-8	-7
<b>2017</b>	-2	2	5	5	5	-4	0	3	1	1	-5	9
<b>2018</b>	5	8	8	8	15	10	8	10	8	8	9	4
<b>2019</b>	4	-1	5	9	9	7	7	6	2	4	12	9
<b>2020</b>	7	5	8	-11	-19	-31	-28	-15	-6	6	5	-2
<b>2021</b>	-7	2	-6									

### SALES EXPECTATIONS

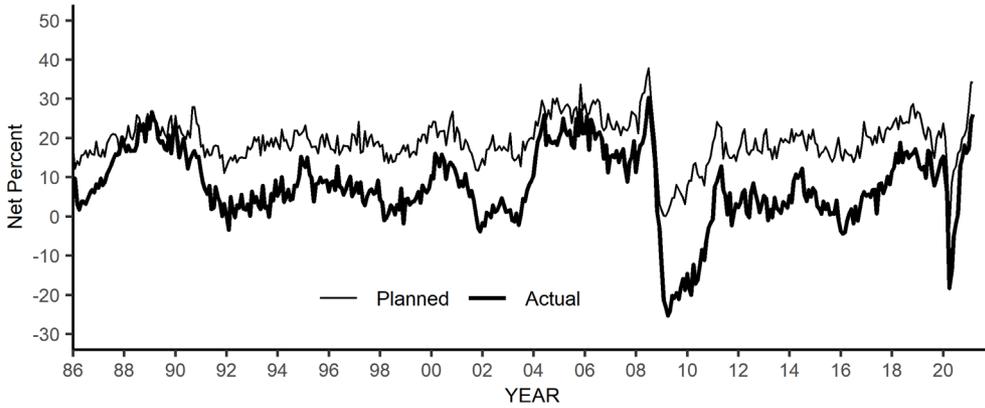
Net Percent ("Higher" Minus "Lower") During Next Three Months  
*(Seasonally Adjusted)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	3	0	1	1	1	2	1	-1	4	1	11	31
<b>2017</b>	29	26	18	20	22	17	22	27	15	21	34	28
<b>2018</b>	25	28	20	21	31	26	29	26	29	28	24	23
<b>2019</b>	16	16	19	20	23	17	22	17	16	17	13	16
<b>2020</b>	23	19	-12	-42	-24	13	5	3	8	11	10	-4
<b>2021</b>	-6	-8	0									

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
*January 1986 to March 2021*  
*(Seasonally Adjusted)*



## ACTUAL PRICE CHANGES

Net Percent ("Higher" Minus "Lower")  
 Compared to Three Months Ago  
*(Seasonally Adjusted)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-4	-4	-4	-1	1	2	-2	3	-1	2	5	6
<b>2017</b>	5	6	5	7	7	1	8	9	6	8	10	8
<b>2018</b>	11	13	16	14	19	14	16	17	15	16	16	17
<b>2019</b>	15	13	12	13	10	17	16	11	8	10	12	14
<b>2020</b>	15	11	6	-18	-14	-5	-2	1	13	15	18	16
<b>2021</b>	17	25	26									

## PRICE PLANS

Net Percent ("Higher" Minus "Lower") in the Next Three Months  
*(Seasonally Adjusted)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	16	14	17	16	16	16	14	15	18	15	19	24
<b>2017</b>	21	20	20	18	21	19	23	20	19	22	23	22
<b>2018</b>	23	24	25	22	26	24	24	24	24	28	29	25
<b>2019</b>	27	26	24	21	20	23	22	17	15	20	22	20
<b>2020</b>	24	20	12	-3	9	12	13	16	17	20	21	22
<b>2021</b>	28	34	34									

## SMALL BUSINESS EMPLOYMENT

### ACTUAL EMPLOYMENT CHANGES

Net Percent ("Increase" Minus "Decrease") in the Last Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	1	-3	0	-1	-1	-2	-2	-3	3	0	-2	4
<b>2017</b>	3	4	2	4	5	-1	2	2	-1	3	2	3
<b>2018</b>	4	4	4	7	7	3	6	5	1	5	5	5
<b>2019</b>	7	9	12	7	9	5	3	5	4	4	10	6
<b>2020</b>	9	13	8	-12	-16	-16	-11	-12	-6	-2	-2	-5
<b>2021</b>	0	-3	-2									

### QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	45	42	41	46	48	48	46	48	48	48	52	44
<b>2017</b>	47	44	45	48	51	46	52	52	49	52	44	54
<b>2018</b>	49	47	47	50	48	55	52	55	53	53	53	54
<b>2019</b>	49	49	54	49	54	50	56	57	50	53	53	50
<b>2020</b>	49	52	47	41	37	43	44	46	50	48	47	48
<b>2021</b>	46	51	51									

### EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to March 2021  
(Seasonally Adjusted)



## SMALL BUSINESS EMPLOYMENT (CONTINUED)

### JOB OPENINGS

Percent With Positions Not Able to Fill Right Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	29	28	25	29	27	29	26	30	24	28	31	29
<b>2017</b>	31	32	30	33	34	30	35	31	30	35	30	31
<b>2018</b>	34	34	35	35	33	36	37	38	38	38	34	39
<b>2019</b>	35	37	39	38	38	36	39	35	35	34	38	33
<b>2020</b>	37	38	35	24	23	32	30	33	36	33	34	32
<b>2021</b>	33	40	42									

### HIRING PLANS

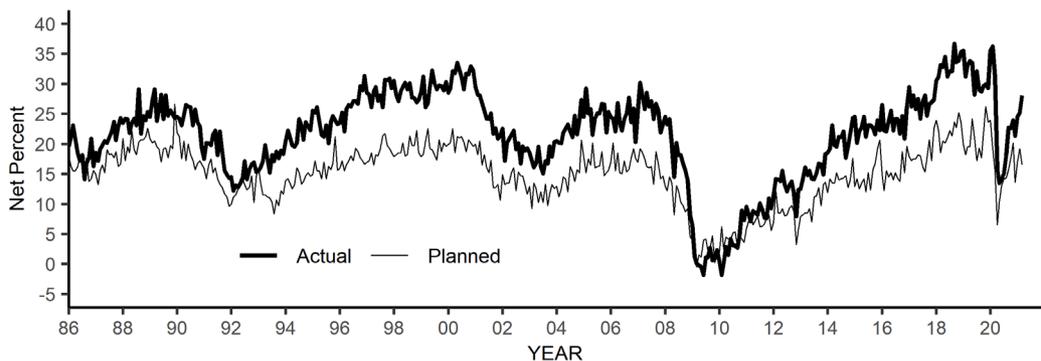
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	11	10	9	11	12	11	12	9	10	10	15	16
<b>2017</b>	18	15	16	16	18	15	19	18	19	18	24	20
<b>2018</b>	20	18	20	16	18	20	23	26	23	22	22	23
<b>2019</b>	18	16	18	20	21	19	21	20	17	18	21	19
<b>2020</b>	19	21	9	1	8	16	18	21	23	18	21	17
<b>2021</b>	17	18	22									

## SMALL BUSINESS COMPENSATION

### COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to March 2021  
(Seasonally Adjusted)



## SMALL BUSINESS COMPENSATION (CONTINUED)

### ACTUAL COMPENSATION CHANGES

Net Percent ("Increase" Minus "Decrease") During Last Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	27	22	22	24	26	22	24	24	22	25	21	26
<b>2017</b>	30	26	28	26	28	24	27	28	25	27	27	27
<b>2018</b>	31	31	33	33	35	31	32	32	37	34	34	35
<b>2019</b>	36	31	33	34	34	28	32	29	29	30	30	29
<b>2020</b>	36	36	31	16	14	14	15	18	23	23	24	21
<b>2021</b>	25	25	28									

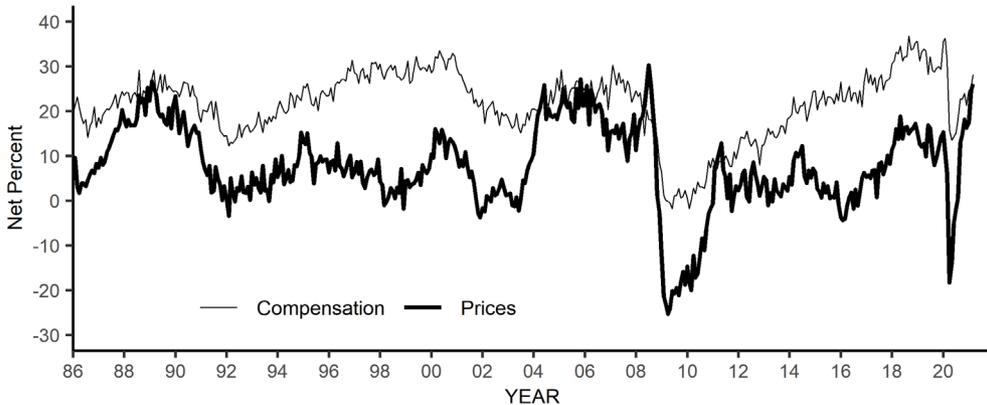
### COMPENSATION PLANS

Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	15	12	16	15	15	14	15	14	14	19	15	20
<b>2017</b>	18	17	18	18	18	18	16	15	18	21	17	23
<b>2018</b>	24	22	19	21	20	21	22	21	24	23	25	24
<b>2019</b>	20	18	20	20	24	21	17	19	18	22	26	24
<b>2020</b>	24	19	16	7	10	13	14	14	16	18	20	14
<b>2021</b>	17	19	17									

### PRICES AND LABOR COMPENSATION

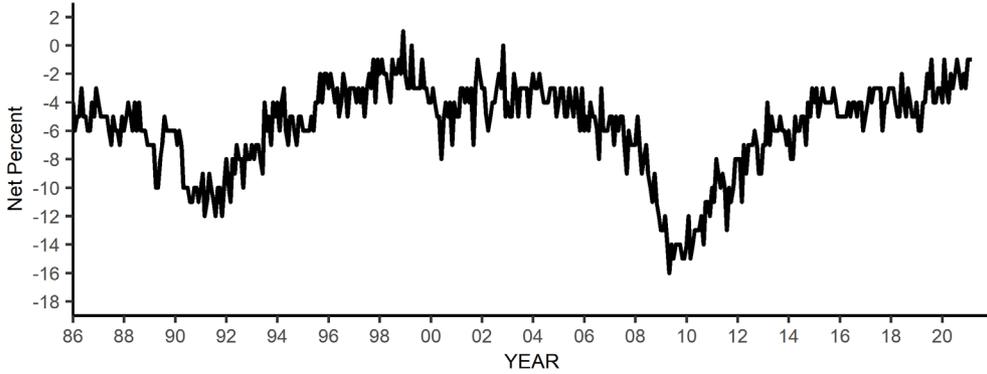
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



## SMALL BUSINESS CREDIT CONDITIONS

### CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to March 2021



\* For the population borrowing at least once every three months.

### REGULAR BORROWERS

Percent Borrowing at Least Once Every Three Months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	33	31	32	29	29	29	28	29	32	28	31	30
<b>2017</b>	30	31	30	31	28	27	30	31	29	30	30	34
<b>2018</b>	31	31	32	31	34	28	32	32	29	32	32	35
<b>2019</b>	33	33	34	31	31	28	28	33	30	29	28	29
<b>2020</b>	31	28	26	29	26	27	26	24	26	25	22	26
<b>2021</b>	23	26	23									

### AVAILABILITY OF LOANS

Net Percent ("Easier" Minus "Harder")  
Compared to Three Months Ago  
(Regular Borrowers)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-5	-5	-5	-5	-4	-5	-4	-4	-5	-4	-4	-6
<b>2017</b>	-5	-4	-3	-4	-3	-3	-3	-3	-6	-4	-4	-3
<b>2018</b>	-3	-3	-4	-5	-5	-2	-4	-5	-3	-4	-5	-5
<b>2019</b>	-4	-6	-6	-4	-4	-2	-3	-1	-4	-4	-3	-3
<b>2020</b>	-4	-1	-3	-4	-2	-3	-2	-1	-2	-3	-2	-3
<b>2021</b>	-1	-1	-1									

## SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

### BORROWING NEEDS SATISFIED

Percent of All Businesses Last Three Months Satisfied/  
Percent of All Businesses Last Three Months Not Satisfied  
*(All Borrowers)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	35/3	31/4	31/5	31/4	31/4	32/5	30/3	29/4	32/6	29/4	30/4	29/4
<b>2017</b>	31/4	30/3	32/4	32/3	31/3	27/4	31/3	34/3	33/2	29/4	32/4	32/3
<b>2018</b>	31/3	32/2	31/4	32/4	37/4	30/3	32/3	33/3	27/3	30/3	32/3	32/4
<b>2019</b>	33/3	34/3	33/3	32/4	34/3	29/3	28/3	31/4	30/2	29/3	28/3	29/3
<b>2020</b>	30/3	32/2	29/3	29/5	33/3	34/3	35/3	31/3	33/2	29/3	25/2	26/3
<b>2021</b>	24/2	28/2	27/2									

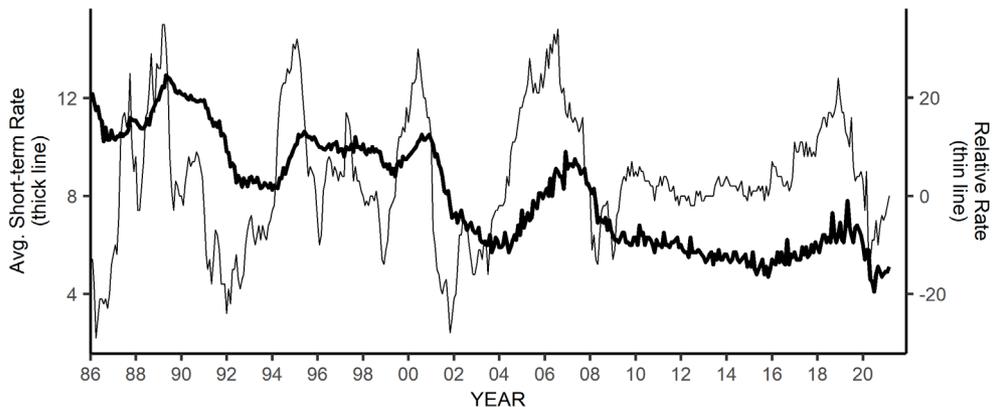
### EXPECTED CREDIT CONDITIONS

Net Percent ("Easier" Minus "Harder") During Next Three Months  
*(Regular Borrowers)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-7	-7	-6	-6	-6	-6	-5	-5	-7	-6	-5	-6
<b>2017</b>	-3	-3	-3	-4	-4	-3	-4	-3	-4	-5	-4	-4
<b>2018</b>	-4	-3	-6	-6	-5	-4	-4	-6	-5	-5	-5	-6
<b>2019</b>	-5	-5	-7	-4	-5	-3	-4	-2	-4	-3	-3	-3
<b>2020</b>	-4	-1	-4	-6	-4	-6	-5	-4	-5	-4	-3	-5
<b>2021</b>	-3	-6	-3									

### INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
*January 1986 to March 2021*



## SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

### RELATIVE INTEREST RATE PAID BY REGULAR BORROWERS

Net Percent ("Higher" Minus "Lower") Compared to Three Months Ago

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	7	6	6	4	4	4	2	2	3	1	2	4
<b>2017</b>	11	9	9	11	11	8	11	8	10	8	9	8
<b>2018</b>	12	13	14	16	16	14	17	17	16	17	19	24
<b>2019</b>	20	17	17	13	12	10	16	6	3	4	4	5
<b>2020</b>	3	-3	5	-11	-13	-9	-9	-5	-10	-6	-4	-5
<b>2021</b>	-4	-2	0									

*Borrowing at Least Once Every Three Months.*

### ACTUAL INTEREST RATE PAID ON SHORT-TERM LOANS BY BORROWERS

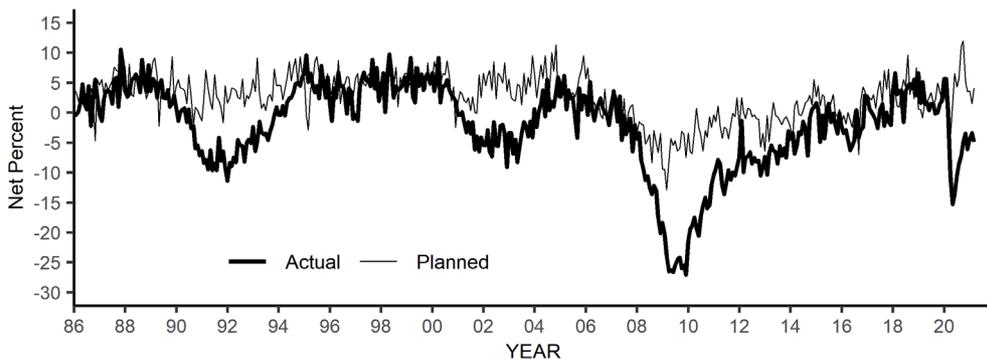
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	5.4	5.3	5.2	5.7	5.3	5.7	5.3	5.2	6.2	5.2	5.6	5.5
<b>2017</b>	5.7	5.4	5.4	5.4	5.9	5.6	5.9	5.5	5.6	6.0	5.7	6.1
<b>2018</b>	5.9	5.7	6.1	6.4	6.4	6.1	6.3	6.1	7.3	6.4	6.1	6.4
<b>2019</b>	6.9	6.2	6.1	6.7	7.8	6.8	6.4	6.1	6.7	6.8	6.6	6.4
<b>2020</b>	6.0	5.4	5.8	5.8	4.6	4.5	4.1	4.8	5.1	4.9	4.7	4.8
<b>2021</b>	4.9	4.9	5.1									

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to March 2021  
(Seasonally Adjusted)



## SMALL BUSINESS INVENTORIES (CONTINUED)

### ACTUAL INVENTORY CHANGES

Net Percent ("Increase" Minus "Decrease") During Last Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-2	-3	-3	-5	-6	-6	-5	0	-4	-3	-3	3
<b>2017</b>	3	1	0	-1	-1	-3	1	1	-2	0	-2	-2
<b>2018</b>	4	7	3	4	4	-2	4	4	5	4	6	3
<b>2019</b>	7	2	5	2	2	0	2	1	0	0	2	2
<b>2020</b>	6	6	0	-11	-15	-14	-11	-9	-7	-5	-4	-6
<b>2021</b>	-4	-3	-5									

### INVENTORY SATISFACTION

Net Percent ("Too Low" Minus "Too Large") at Present Time  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-2	-2	-5	-5	-4	-4	-4	-2	-7	-4	-4	-3
<b>2017</b>	-5	-2	-5	-3	-6	-3	-2	-5	-3	-5	-2	-2
<b>2018</b>	-5	-3	-6	-4	-4	0	-3	-3	-1	-2	-5	-1
<b>2019</b>	-3	-2	-6	-4	-4	0	-3	-6	-6	-4	1	-4
<b>2020</b>	-3	-4	-2	-7	-5	1	1	3	5	4	5	7
<b>2021</b>	5	5	3									

### INVENTORY PLANS

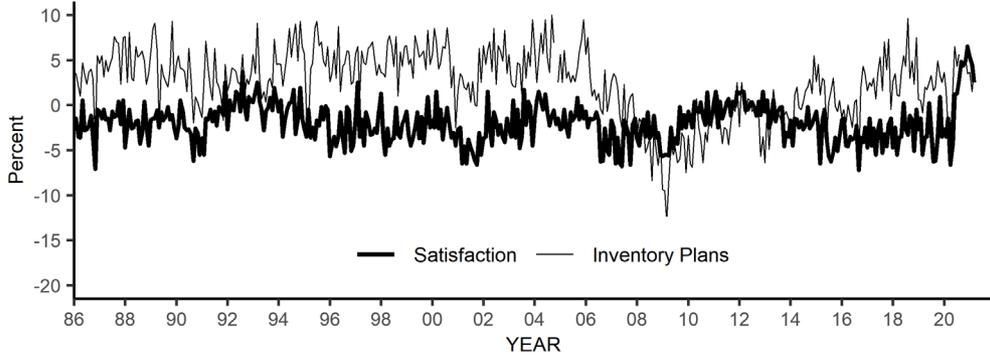
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-1	-1	-2	0	-1	-3	0	1	-7	2	4	4
<b>2017</b>	2	3	2	3	1	4	5	2	7	4	7	-1
<b>2018</b>	3	4	1	1	4	6	4	10	3	5	2	8
<b>2019</b>	1	1	-1	2	2	3	3	2	2	5	3	3
<b>2020</b>	4	2	-3	-4	2	7	4	6	11	12	5	4
<b>2021</b>	4	2	4									

## SMALL BUSINESS CAPITAL OUTLAYS

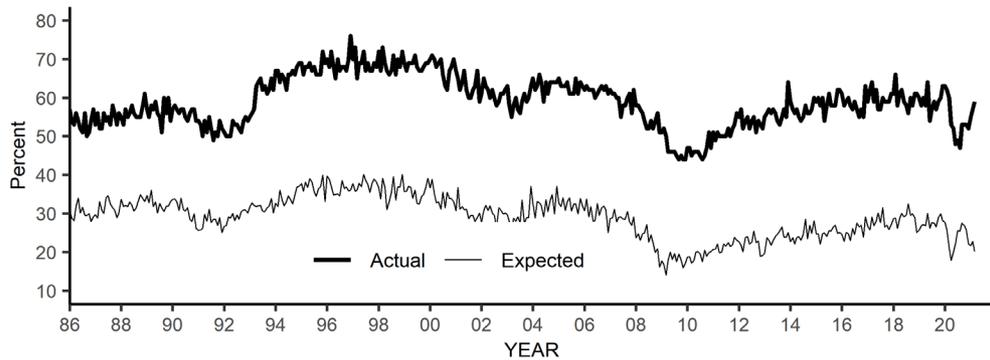
### INVENTORY SATISFACTION AND INVENTORY PLANS

Net Percent (“Too Low” Minus “Too Large”) at Present Time  
 Net Percent Planning to Add Inventories in the Next Three to Six Months  
*(Seasonally Adjusted)*



### CAPITAL EXPENDITURES

Actual Last Six Months and Planned Next Three Months  
 January 1986 to March 2021  
*(Seasonally Adjusted)*



### ACTUAL CAPITAL EXPENDITURES

Percent Making a Capital Expenditure During the Last Six Months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	61	58	59	60	58	57	59	57	55	57	55	63
<b>2017</b>	59	62	64	59	62	57	57	60	59	59	59	61
<b>2018</b>	61	66	58	61	62	59	58	56	60	58	61	61
<b>2019</b>	60	58	60	58	64	54	57	59	57	59	60	63
<b>2020</b>	63	62	60	53	52	48	49	47	53	53	53	52
<b>2021</b>	55	57	59									

## SMALL BUSINESS CAPITAL OUTLAYS (CONTINUED)

### TYPE OF CAPITAL EXPENDITURES MADE Percent Purchasing or Leasing During Last Six Months

Type	Current Month	One Year Ago	Two Years Ago
<b>Vehicles</b>	26	29	28
<b>Equipment</b>	41	44	43
<b>Furniture or Fixtures</b>	11	16	14
<b>Add. Bldgs. or Land</b>	6	6	6
<b>Improved Bldgs. or Land</b>	14	17	17

### AMOUNT OF CAPITAL EXPENDITURES MADE

Percent Distribution of Per Firm Expenditures  
During the Last Six Months

Amount	Current Month	One Year Ago	Two Years Ago
<b>\$1 to \$999</b>	2	3	3
<b>\$1,000 to \$4,999</b>	6	7	6
<b>\$5,000 to \$9,999</b>	4	6	5
<b>\$10,000 to \$49,999</b>	22	20	19
<b>\$50,000 to \$99,999</b>	9	12	10
<b>\$100,000 +</b>	15	11	17
<b>No Answer</b>	1	1	0

### CAPITAL EXPENDITURE PLANS

Percent Planning a Capital Expenditure During Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	25	23	25	25	23	26	25	28	27	27	24	29
<b>2017</b>	27	26	29	27	28	30	28	32	27	27	26	27
<b>2018</b>	29	29	26	29	30	29	30	33	30	30	29	25
<b>2019</b>	26	27	27	27	30	26	28	28	27	29	30	28
<b>2020</b>	28	26	21	18	20	22	26	26	28	27	26	22
<b>2021</b>	22	23	20									

## SINGLE MOST IMPORTANT PROBLEM

### SINGLE MOST IMPORTANT PROBLEM

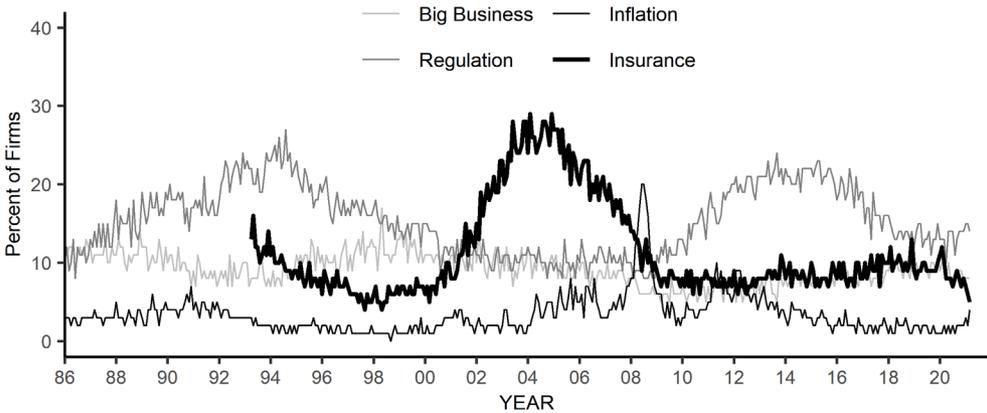
March 2021

Problem	Current	One Year Ago	Survey High	Survey Low
<b>Taxes</b>	17	15	32	8
<b>Inflation</b>	4	2	41	0
<b>Poor Sales</b>	10	9	34	2
<b>Fin. &amp; Interest Rates</b>	1	2	37	1
<b>Cost of Labor</b>	7	7	11	2
<b>Government Regulation</b>	14	13	27	4
<b>Comp. from Large Bus.</b>	8	10	14	4
<b>Quality of Labor</b>	24	24	27	3
<b>Cost/Avail. of Insurance</b>	5	10	29	4
<b>Other</b>	10	8	31	1

### SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation

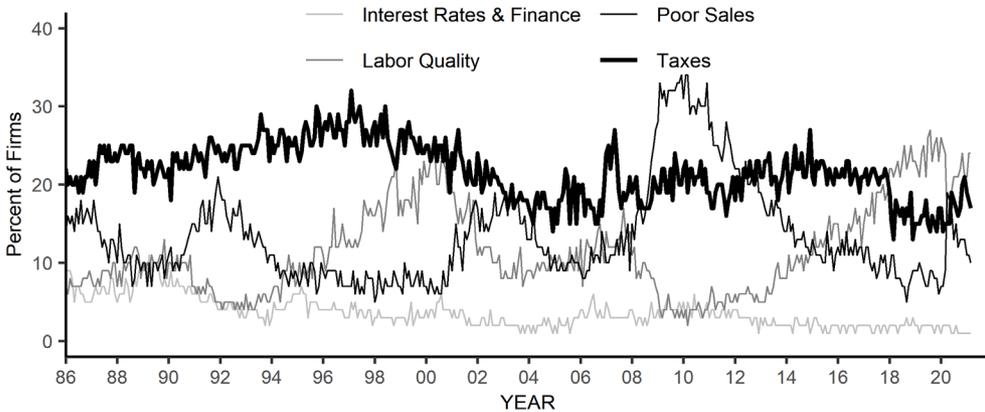
*January 1986 to March 2021*



### SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality

*January 1986 to March 2021*



## SURVEY PROFILE

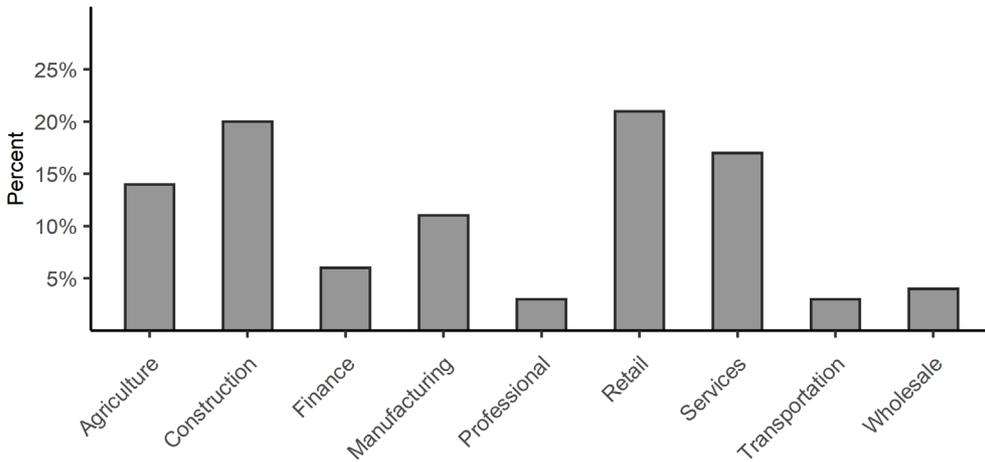
### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	1438	756	727	1644	700	735	1703	730	723	1702	724	619
<b>2017</b>	1873	764	704	1618	699	624	1533	713	629	1513	544	495
<b>2018</b>	1658	642	570	1554	562	665	1718	680	642	1743	700	621
<b>2019</b>	1740	526	643	1735	650	606	1502	680	603	1618	500	488
<b>2020</b>	1692	641	627	1832	814	670	1652	751	604	1719	561	542
<b>2021</b>	1109	678	514									

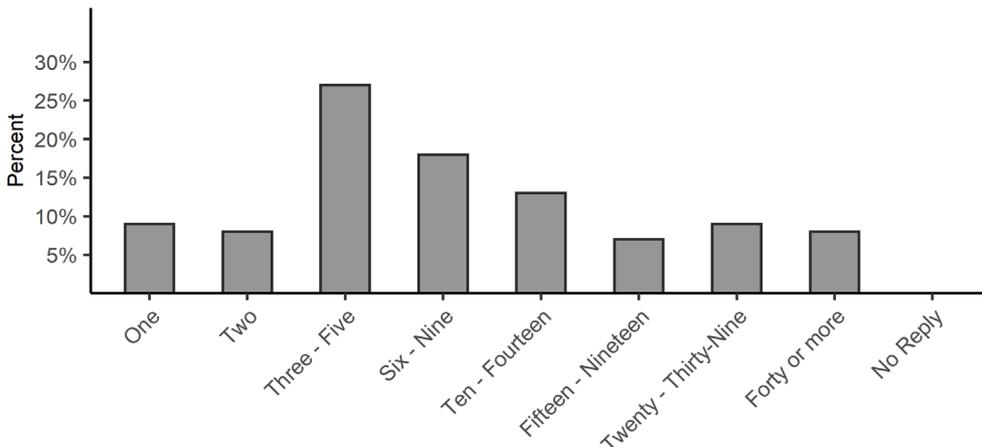
### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

Industry of Small Business



### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

Number of Full and Part-Time Employees



# NFIB RESEARCH CENTER SMALL BUSINESS ECONOMIC SURVEY

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SMALL BUSINESS SURVEY QUESTIONS	PAGE IN REPORT
Do you think the next three months will be a good time for small business to expand substantially? Why? .....	4
About the economy in general, do you think that six months from now general business conditions will be better than they are now, about the same, or worse? .....	5
Were your net earnings or “income” (after taxes) from your business during the last calendar quarter higher, lower, or about the same as they were for the quarter before? .....	6
If higher or lower, what is the most important reason? .....	6
During the last calendar quarter, was your dollar sales volume higher, lower, or about the same as it was for the quarter before? .....	7
Overall, what do you expect to happen to real volume (number of units) of goods and/or services that you will sell during the next three months? .....	7
How are your average selling prices compared to three months ago? .....	8
In the next three months, do you plan to change the average selling prices of your goods and/or services? .....	8
During the last three months, did the total number of employees in your firm increase, decrease, or stay about the same? .....	9
If you have filled or attempted to fill any job openings in the past three months, how many qualified applicants were there for the position(s)? .....	9
Do you have any job openings that you are not able to fill right now? .....	10
In the next three months, do you expect to increase or decrease the total number of people working for you? .....	10
Over the past three months, did you change the average employee compensation? .....	11
Do you plan to change average employee compensation during the next three months? .....	11

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SMALL BUSINESS SURVEY QUESTIONS	PAGE IN REPORT
Are...loans easier or harder to get than they were three months ago? .....	12
During the last three months, was your firm able to satisfy its borrowing needs? .....	13
Do you expect to find it easier or harder to obtain your required financing during the next three months? .....	13
If you borrow money regularly (at least once every three months) as part of your business activity, how does the rate of interest payable on your most recent loan compare with that paid three months ago? .....	14
If you borrowed within the last three months for business purposes, and the loan maturity (pay back period) was 1 year or less, what interest rate did you pay? .....	14
During the last three months, did you increase or decrease your inventories? .....	15
At the present time, do you feel your inventories are too large, about right, or inadequate? .....	15
Looking ahead to the next three months to six months, do you expect, on balance, to add to your inventories, keep them about the same, or decrease them? .....	15
During the last six months, has your firm made any capital expenditures to improve or purchase equipment, buildings, or land? .....	16
If [your firm made any capital expenditures], what was the total cost of all these projects? .....	17
Looking ahead to the next three to six months, do you expect to make any capital expenditures for plant and/or physical equipment? .....	17
What is the single most important problem facing your business today? .....	18
Please classify your major business activity, using one of the categories of example below .....	19
How many employees do you have full and part-time, including yourself? .....	19