



# NFIB SMALL BUSINESS ECONOMIC TRENDS

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Pqxgo dgt 2019

Based on a Survey of Small and Independent Business Owners

## SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	24%	6	14%
Plans to Make Capital Outlays	26%	-1	-2%
Plans to Increase Inventories	7%	3	7%
Expect Economy to Improve	48%	16	38%
Expect Real Sales Higher	34%	13	32%
Current Inventory	-2%	3	7%
Current Job Openings	30%	-5	-12%
Expected Credit Conditions	-4%	1	2%
Now a Good Time to Expand	27%	4	10%
Earnings Trends	-12%	2	4%
Total Change		42	100%

(Column 1 is the current reading; column 2 is the change from the prior month; column 3 the percent of the total change accounted for by each component; \* is under 1 percent and not a meaningful calculation)

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 Index of Small Business Optimism gained 3.7 points to 107.5 in November, the second highest reading in the 44-year history of the NFIB surveys (108.0 in July 1983). Eight of the 10 Index components posted a gain and two declined, as Job Openings fell from its record high level and Capital Spending Plans declined 1 point. Eighty percent of the gain in the Index was accounted for by expectations about future business conditions and real sales gains, and the environment for business expansion. Overall, a good environment for better than average economic growth in the fourth quarter.

## LABOR MARKETS

After several solid quarters, job creation slowed in the small business sector as business owners reported a seasonally adjusted average employment change per firm of 0.0 workers. Thirteen percent (down 1 point) reported increasing employment an average of 3.0 workers per firm and 10 percent (down 1 point) reported reducing employment an average of 2.9 workers per firm (seasonally adjusted). Fifty-two percent reported hiring or trying to hire (down 7 points), but forty-four percent (85 percent of those hiring or trying to hire) reported few or no qualified applicants for the positions they were trying to fill.

Eighteen percent of owners cited the difficulty of finding qualified workers as their Single Most Important Business Problem (down 2 points), second only to taxes. This is the top ranked problem for those in construction (33 percent) and manufacturing (22 percent), getting more votes than taxes and the cost of regulations. Thirty percent of all owners reported job openings they could not fill in the current period, down 5 points from the record-high level reached in July and October. Eleven percent reported using temporary workers, down 3 points. A seasonally adjusted net 24 percent plan to create new jobs, up 6 points to a record high reading. Hiring plans were strongest in professional services, manufacturing and construction.

## CREDIT MARKETS

Four percent of owners reported that all their borrowing needs were not satisfied, unchanged and historically low. Thirty-two percent reported all credit needs met (up 3 points) and 48 percent said they were not interested in a loan, down 5 points. Only 2 percent reported that financing was their top business problem compared to 22 percent citing taxes, 16 percent citing regulations and red tape, and 18 percent the availability of qualified labor. In short, credit availability and cost is not an issue and hasn't been for many years. Thirty percent of all owners reported borrowing on a regular basis (unchanged). The average rate paid on short maturity loans was down 30 basis points at 5.7 percent, little changed even as the Federal Reserve has been raising rates. Overall, loan demand remains steady, even with cheap money.

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This survey was conducted in November 2017. A sample of 5,000 small-business owners/members was drawn. Five hundred and forty-four (544) usable responses were received – a response rate of 10 percent.



## SALES AND INVENTORIES

The net percent of all owners (seasonally adjusted) reporting higher nominal sales in the past three months compared to the prior three months was a net negative 5 percent, a 6-point decline from October. Consumer spending slowed in November, especially at “brick and mortar” establishments. Seasonally adjusted, the net percent of owners expecting higher real sales volumes gained 13 points, rising to a net 34 percent of owners, consistent with reported surges in consumer sentiment from the University of Michigan and the Conference Board.

The net percent of owners reporting inventory increases fell 2 points to a net negative 2 percent (seasonally adjusted). Even though sales were weak, owners still reduced their current inventory stocks. The net percent of owners viewing current inventory stocks as “too low” gained 3 points to a net negative 2 percent, a more positive view of current stocks. The net percent of owners planning to add to inventory rose 3 points to a net 7 percent, a solid figure that is supportive of fourth quarter growth. The 7 percent readings from September and November are the best since 2006.

## COMPENSATION AND EARNINGS

Reports of higher worker compensation were unchanged at a net 27 percent, historically very strong all year. Owners complain at record rates of labor quality issues, with 85 percent of those hiring or trying to hire reporting few or no qualified applicants for their open positions. Eighteen percent selected “finding qualified labor” as their top business problem, far more than cite weak sales. Plans to raise compensation fell 4 points in frequency to a net 17 percent, still a solid number, but a surprise as labor markets seem to be getting tighter. The frequency of reports of positive profit trends improved 2 points to a net negative 12 percent reporting quarter on quarter profit improvements, a solid reading historically, among the best since 2007.

## CAPITAL SPENDING

Fifty-nine percent reported capital outlays, unchanged. Of those making expenditures, 40 percent reported spending on new equipment (down 1 point), 29 percent acquired vehicles (up 5 points), and 16 percent improved or expanded facilities (unchanged). Six percent acquired new buildings or land for expansion (down 1 point) and 13 percent spent money for new fixtures and furniture (up 1 point). Twenty-six percent plan capital outlays in the next few months, down only 1 point from October.

## INFLATION

The net percent of owners raising average selling prices rose 2 points to a net 10 percent seasonally adjusted. Clearly, inflation is not “breaking out” across the country as the Federal Reserve hoped, but the percent of owners raising prices, net of those reducing, has doubled since January, a slow crawl to higher inflation. Seasonally adjusted, a net 23 percent plan price hikes (up 1 point), although far fewer will report actually doing so in the following months.



# COMMENTARY

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President Trump promised that we would get tired of “winning” in his term, a logical perspective because the Republicans have majorities in both houses of Congress and the Presidency. There has been important success on regulatory relief and in restructuring the judiciary, and they are now close to enacting tax reform as the year winds down.

The Federal Open Market Committee (FOMC) which conducts monetary policy is undergoing a major facelift. Although the appointment of Powell is viewed as replacing Yellen with “Yellen”, that is not the case. Mr. Powell has extensive financial market experience, something few FOMC members possess, which will help guide policy decisions. The Federal Reserve charter calls for governors that represent the business sector, but such appointments are rare, dominated instead by academic economists. Two other new appointees are less philosophically disposed to the notion of government running the economy (rather than markets). More positions will open in the near future and these will be filled with governors who place a different emphasis on the goal of creating inflation, an anathema to most small-business owners. The Federal Reserve will boost rates again in December, but that will leave the Federal Funds rate at about half of the level that history would suggest. The Federal Reserve is still in control of rates and bond investors bet on the Fed, not markets.

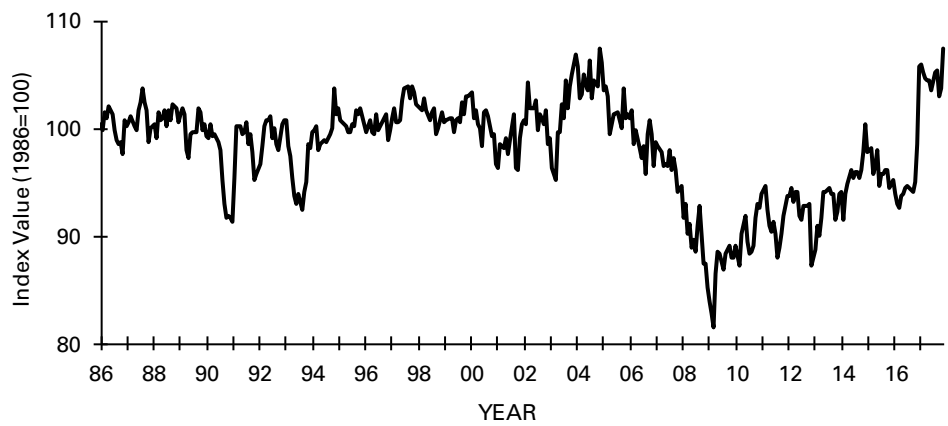
The NFIB indicators clearly anticipate further upticks in economic growth, perhaps pushing up toward 4 percent GDP growth for the fourth quarter. This is a dramatically different picture than owners presented during the 2009-16 weak recovery under President Obama. The change in the management team dramatically improved expectations. There is still much uncertainty about health care and taxes, but it appears that owners believe that whatever Congress finally comes up with will be an improvement and so they remain positive.



# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

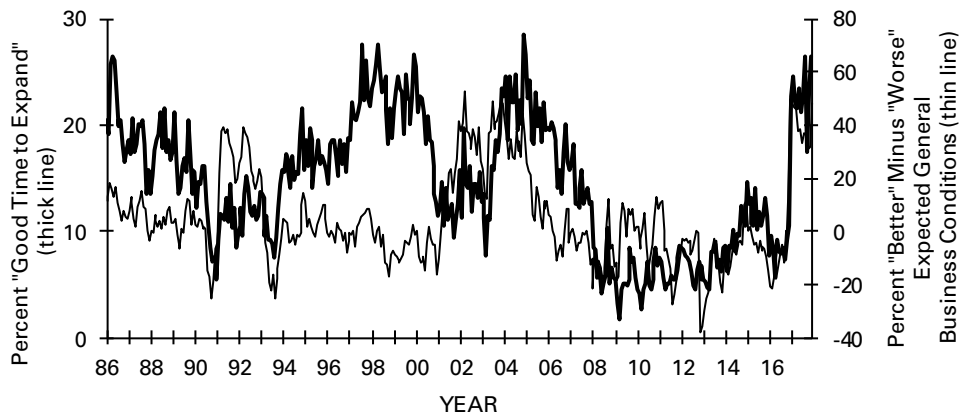
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	93.7	94.5	93.1	94.2	94.0	91.9	91.5	92.7	92.7	93.0	87.2	88.0
2013	88.8	90.9	90.0	91.7	94.0	94.0	94.4	94.0	93.8	91.5	92.2	93.8
2014	94.0	91.6	94.0	94.8	96.2	95.4	96.0	95.9	95.3	96.0	97.8	100.3
2015	97.7	98.1	95.7	96.5	97.9	94.6	95.7	95.7	96.0	96.0	94.5	95.2
2016	93.9	92.9	92.6	93.6	93.8	94.5	94.6	94.4	94.1	94.9	98.4	105.8
2017	105.9	105.3	104.7	104.5	104.5	103.6	105.2	105.3	103.0	103.8	107.5	

## SMALL BUSINESS OUTLOOK

### OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to November 2017  
(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
2012	9	8	8	8	7	6	5	5	6	7	6	7
2013	6	5	5	5	8	8	9	7	7	6	9	9
2014	8	6	9	9	10	8	10	10	12	11	11	15
2015	13	13	11	11	14	10	12	11	11	13	12	8
2016	10	8	6	8	9	8	8	9	7	9	11	23
2017	25	22	22	24	23	21	23	27	17	23	27	

## MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
November 2017

Reason	Good Time	Not Good Time	Uncertain
Economic Conditions	9	13	16
Sales Prospects	4	5	5
Fin. & Interest Rates	1	1	1
Cost of Expansion	0	4	7
Political Climate	8	5	12
Other/Not Available	2	2	4

## OUTLOOK FOR GENERAL BUSINESS CONDITIONS

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

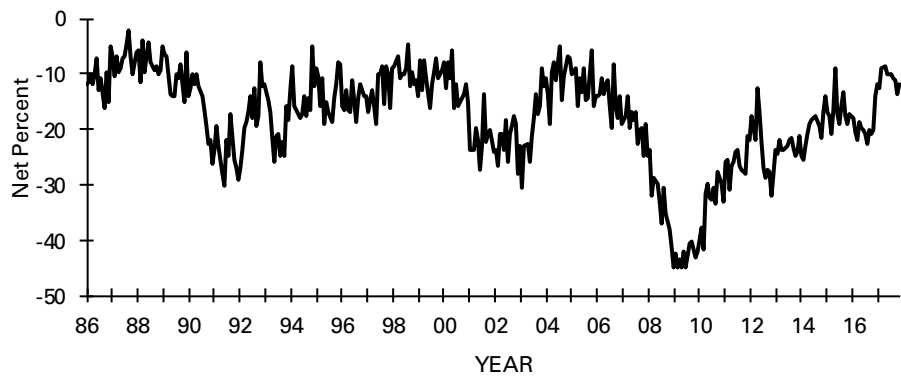
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	-3	-3	-3	-4	-3	-9	-7	-4	0	0	-38	-36
2013	-30	-25	-23	-14	-6	-3	-5	-4	-12	-19	-23	-12
2014	-11	-16	-13	-8	-1	-9	-5	-5	-4	-5	10	12
2015	0	2	-2	-5	-4	-8	-3	-8	-6	-6	-10	-15
2016	-21	-21	-17	-18	-13	-9	-5	-12	0	-7	12	50
2017	48	47	46	38	39	33	37	37	31	32	48	



# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to November 2017  
(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
2012	-22	-18	-22	-13	-17	-22	-27	-29	-27	-28	-32	-28
2013	-24	-25	-22	-24	-24	-23	-22	-22	-23	-25	-24	-21
2014	-25	-26	-23	-21	-19	-18	-18	-18	-19	-22	-17	-14
2015	-17	-18	-21	-17	-9	-17	-19	-16	-13	-18	-19	-17
2016	-18	-21	-22	-19	-20	-20	-21	-23	-20	-21	-20	-14
2017	-12	-13	-9	-9	-10	-10	-10	-11	-11	-14	-12	

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
November 2017

	Current Month	One Year Ago	Two Years Ago
Sales Volume	11	15	13
Increased Costs*	7	8	9
Cut Selling Prices	2	4	3
Usual Seasonal Change	7	3	4
Other	4	5	4

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

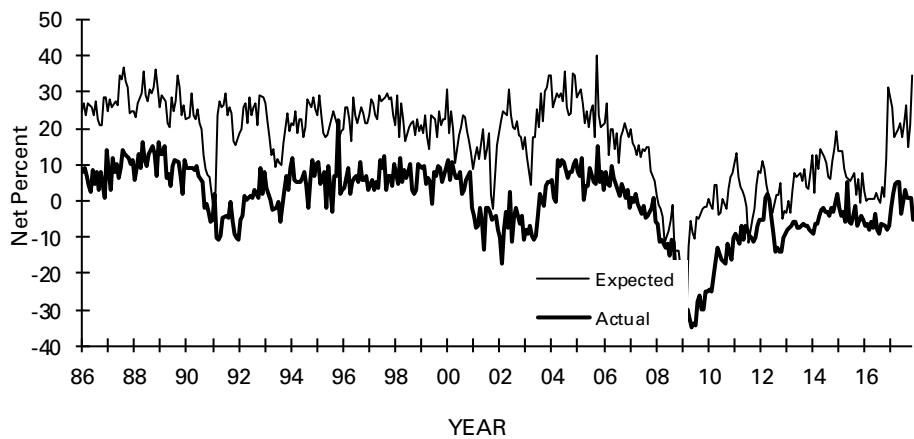




# SMALL BUSINESS SALES

## SALES

Actual (Prior Three Months) and Expected (Next Three Months)  
January 1986 to November 2017  
(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
2012	-5	-5	1	2	0	-5	-9	-14	-13	-14	-14	-10
2013	-8	-7	-7	-6	-6	-8	-7	-7	-6	-7	-7	-8
2014	-9	-6	-6	-4	-3	-2	-3	-3	-4	-2	-3	2
2015	-2	-4	-3	-6	5	-6	-6	-4	-1	-7	-4	-5
2016	-7	-6	-8	-6	-8	-4	-8	-9	-6	-7	-8	-7
2017	-2	2	5	5	5	-4	0	3	1	1	-5	

## SALES EXPECTATIONS

Net Percent (“Higher” Minus “Lower”) During Next Three Months  
(Seasonally Adjusted)

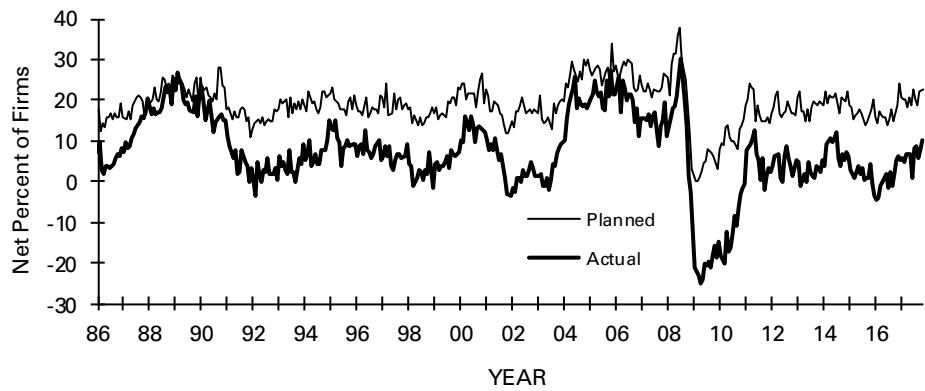
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	8	11	9	5	2	-2	-4	2	2	5	-5	-3
2013	-3	0	-3	3	8	6	8	6	9	4	3	7
2014	13	2	13	9	15	12	11	7	6	11	14	19
2015	14	14	14	9	7	5	7	8	2	6	-1	7
2016	3	0	1	1	1	2	1	-1	4	1	11	31
2017	29	26	18	20	22	17	22	27	15	21	34	



# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
January 1986 to November 2017  
(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
2012	2	4	6	7	1	0	6	9	6	4	1	3
2013	5	5	-1	2	0	5	2	2	1	4	3	2
2014	5	4	9	11	10	11	12	6	4	7	5	7
2015	6	3	2	1	4	2	3	1	1	1	4	-1
2016	-4	-4	-4	-1	1	2	-2	3	-1	2	5	6
2017	5	6	5	7	7	1	8	9	6	8	10	

## 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
2012	17	18	21	22	17	16	17	17	20	17	17	16
2013	21	22	17	17	15	18	15	18	20	19	20	19
2014	19	22	19	21	21	21	22	19	17	21	20	22
2015	19	18	15	16	17	18	17	15	14	15	18	20
2016	16	14	17	16	16	16	14	15	18	15	19	24
2017	21	20	20	18	21	19	23	20	19	22	23	



# 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
2012	0	-3	0	0	-3	-1	-1	-2	-3	-1	-2	-4
2013	2	-3	1	2	-1	1	-3	0	0	1	1	2
2014	2	2	2	2	1	1	1	0	3	1	1	7
2015	5	4	2	2	4	0	0	6	5	0	0	-1
2016	1	-3	0	-1	-1	-2	-2	-3	3	0	-2	4
2017	3	4	2	4	5	-1	2	2	-1	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
2012	31	31	32	34	37	33	38	37	41	38	36	33
2013	34	34	36	38	38	41	40	42	41	40	44	38
2014	38	40	41	41	46	43	42	46	42	45	45	43
2015	42	47	42	44	47	44	48	48	45	48	47	48
2016	45	42	41	46	48	48	46	48	48	48	52	44
2017	47	44	45	48	51	46	52	52	49	52	44	

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to November 2017  
(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
2012	18	17	15	17	20	15	15	17	17	16	18	16
2013	18	21	18	18	19	19	20	18	20	21	24	23
2014	22	22	22	24	24	26	24	25	21	24	25	25
2015	26	29	24	27	29	24	25	28	27	27	28	28
2016	29	28	25	29	27	29	26	30	24	28	31	29
2017	31	32	30	33	34	30	35	31	30	35	30	

## HIRING PLANS

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

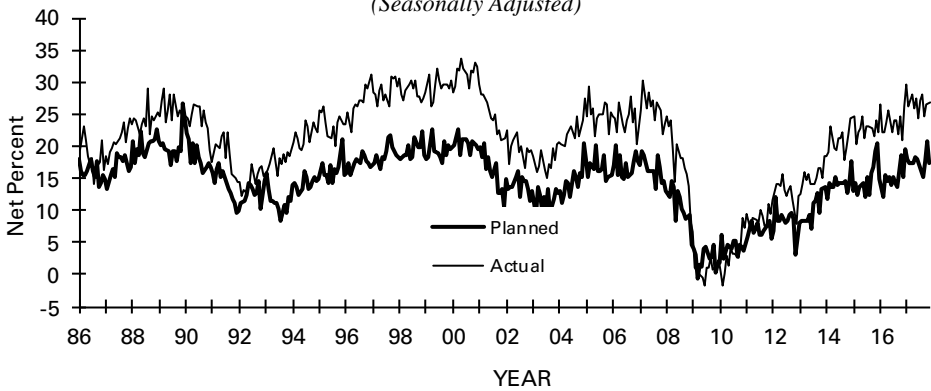
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	4	4	2	5	7	3	5	8	4	4	5	1
2013	2	4	2	6	6	7	9	8	9	5	9	8
2014	11	7	7	8	11	12	13	8	9	10	11	15
2015	13	12	12	11	13	9	12	11	12	11	11	15
2016	11	10	9	11	12	11	12	9	10	10	15	16
2017	18	15	16	16	18	15	19	18	19	18	24	



# SMALL BUSINESS COMPENSATION

## COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to November 2017  
(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
2012	12	14	14	14	16	13	12	13	14	12	8	12
2013	13	14	16	15	16	14	14	15	17	17	15	18
2014	19	19	23	20	20	21	21	22	18	20	22	24
2015	25	20	22	23	25	21	23	23	23	22	24	22
2016	27	22	22	24	26	22	24	24	22	25	21	26
2017	30	26	28	26	28	24	27	28	25	27	27	

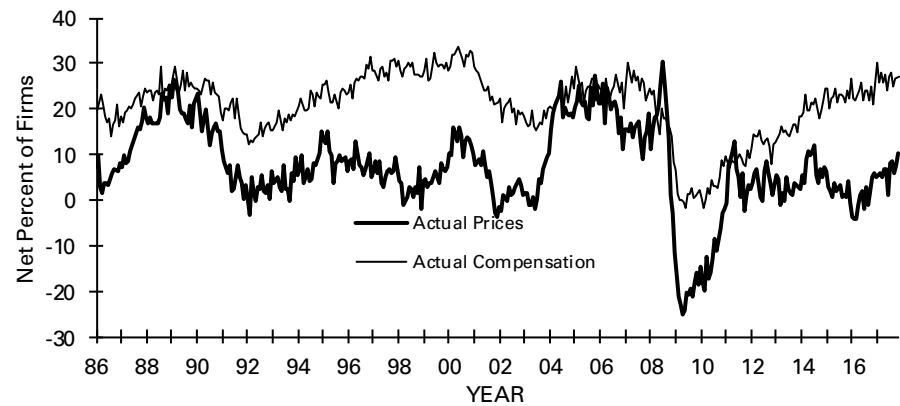
## COMPENSATION PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	7	12	9	9	9	8	8	9	10	9	3	6
2013	8	8	9	9	9	7	11	11	13	10	13	14
2014	12	14	14	14	15	14	14	14	15	13	14	18
2015	13	14	13	14	14	12	15	12	16	17	19	21
2016	15	12	16	15	15	14	15	14	14	19	15	20
2017	18	17	18	18	18	18	16	15	18	21	17	

## PRICES AND LABOR COMPENSATION

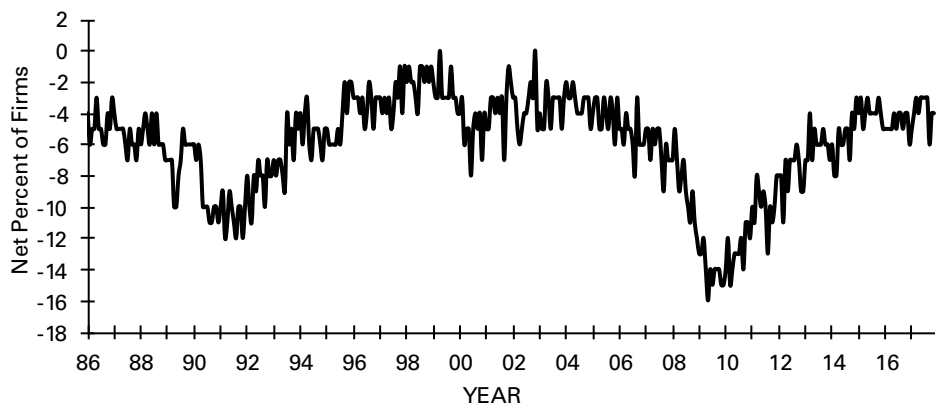
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to November 2017



\* 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
2012	32	32	31	32	32	29	31	30	31	30	30	29
2013	31	29	30	31	29	29	31	28	30	28	29	30
2014	31	30	31	30	31	28	30	29	31	28	33	31
2015	33	30	32	30	29	31	30	33	29	28	27	31
2016	33	31	32	29	29	29	28	29	32	28	31	30
2017	30	31	30	31	28	27	30	31	29	30	30	

## 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
2012	-8	-8	-11	-7	-9	-7	-7	-7	-6	-7	-9	-9
2013	-7	-7	-4	-7	-5	-6	-6	-6	-5	-6	-6	-7
2014	-6	-8	-8	-5	-6	-6	-5	-5	-7	-4	-5	-3
2015	-4	-3	-5	-4	-3	-4	-4	-4	-4	-3	-4	-5
2016	-5	-5	-5	-5	-4	-5	-4	-4	-5	-4	-4	-6
2017	-5	-4	-3	-4	-3	-3	-3	-3	-6	-4	-4	



# 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
2012	30/7	31/7	27/8	31/8	29/9	29/7	30/7	31/7	32/8	28/8	28/6	29/6
2013	31/6	29/7	29/7	31/6	28/5	29/5	30/5	31/5	28/6	28/6	32/4	32/4
2014	31/5	29/5	30/5	30/5	30/5	27/6	30/6	28/4	28/6	29/4	29/4	32/4
2015	32/4	33/3	35/5	31/4	30/4	32/5	32/4	33/3	30/2	30/3	32/3	32/4
2016	35/3	31/4	31/5	31/4	31/4	32/5	30/3	29/4	32/6	29/4	30/4	29/4
2017	31/4	30/3	32/4	32/3	31/3	27/4	31/3	34/3	33/2	29/4	32/4	

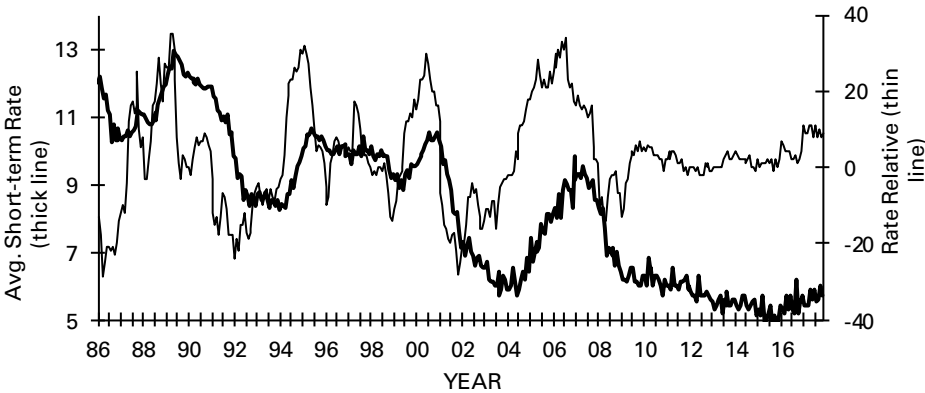
## EXPECTED CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	-9	-10	-11	-8	-10	-8	-7	-9	-7	-8	-10	-11
2013	-9	-8	-6	-8	-6	-7	-8	-8	-7	-8	-7	-7
2014	-7	-7	-7	-6	-7	-7	-5	-5	-7	-5	-6	-5
2015	-5	-4	-6	-4	-4	-4	-5	-7	-6	-5	-4	-6
2016	-7	-7	-6	-6	-6	-6	-5	-5	-7	-6	-5	-6
2017	-3	-3	-3	-4	-4	-3	-4	-3	-4	-5	-4	

## INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
*January 1986 to November 2017*



# 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
2012	0	0	0	-1	0	-2	-2	-2	1	0	1	-1
2013	-1	0	0	0	0	0	2	3	4	2	2	3
2014	4	3	2	2	2	2	1	2	3	0	0	-1
2015	2	0	1	1	1	2	1	2	-1	2	0	2
2016	7	6	6	4	4	4	2	2	3	1	2	4
2017	11	9	9	11	11	8	11	8	10	8	9	

Borrowing at Least Once Every Three Months.

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

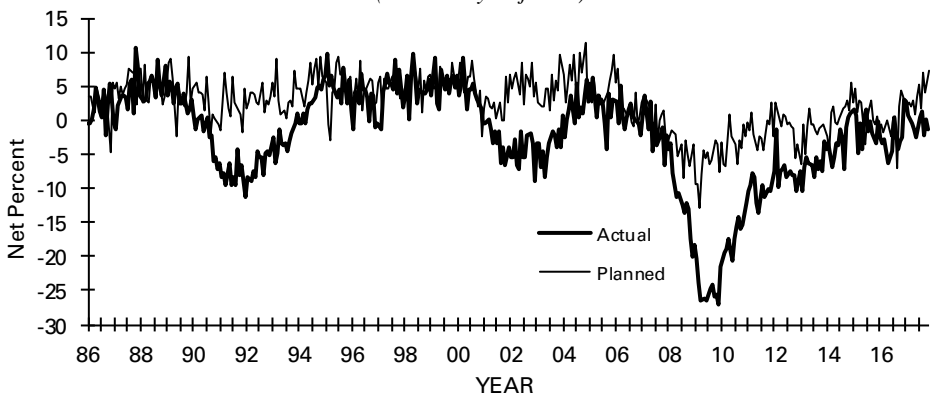
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	6.0	5.8	5.7	5.7	5.5	6.3	5.7	5.7	5.7	5.8	5.7	5.6
2013	5.5	5.3	5.4	5.6	5.7	5.2	5.6	5.4	5.8	5.4	5.4	5.6
2014	5.6	5.4	5.3	5.4	5.7	5.7	5.4	5.3	5.4	5.5	5.6	5.1
2015	5.3	5.1	5.7	5.0	4.8	5.0	5.2	5.4	4.8	5.1	4.7	5.0
2016	5.4	5.3	5.2	5.7	5.3	5.7	5.3	5.2	6.2	5.2	5.6	5.5
2017	5.7	5.4	5.4	5.4	5.9	5.6	5.9	5.5	5.6	6.0	5.7	

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to November 2017  
(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
2012	-7	-1	-10	-8	-7	-7	-9	-8	-8	-8	-11	-9
2013	-7	-10	-7	-6	-6	-7	-9	-6	-7	-6	-8	-3
2014	-4	-3	-7	-6	-3	-4	-2	-3	-7	-1	1	1
2015	2	1	-5	-1	-4	0	2	-2	0	-2	-4	0
2016	-2	-3	-3	-5	-6	-6	-5	0	-4	-3	-3	3
2017	3	1	0	-1	-1	-3	1	1	-2	0	-2	

## 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
2012	1	2	2	-1	-1	0	0	0	-1	0	-1	2
2013	-1	1	-3	-3	1	-2	-1	0	0	-5	-3	-4
2014	-2	-5	-2	-2	-3	-2	-3	-2	0	-3	-2	-2
2015	-1	-3	-7	-2	-1	-4	-6	-6	-5	-4	-5	-4
2016	-2	-2	-5	-5	-4	-4	-4	-2	-7	-4	-4	-3
2017	-5	-2	-5	-3	-6	-3	-2	-5	-3	-5	-2	

## INVENTORY PLANS

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

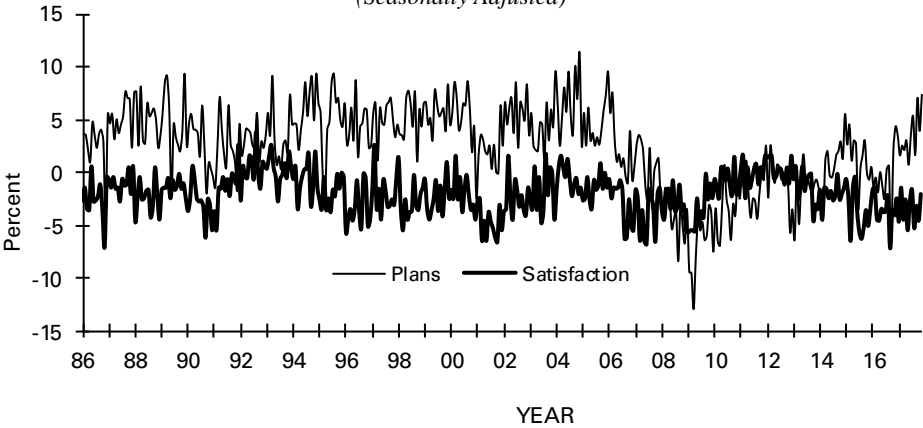
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	-2	3	0	-1	1	1	-1	0	-1	-1	-6	-4
2013	-6	-1	-5	-1	2	-1	-1	-1	-2	-1	-1	-2
2014	-2	-5	1	2	0	-1	0	2	2	3	1	6
2015	3	5	1	3	3	-4	0	2	3	0	-1	1
2016	-1	-1	-2	0	-1	-3	0	1	-7	2	4	4
2017	2	3	2	3	1	4	5	2	7	4	7	



# SMALL BUSINESS CAPITAL OUTLAYS

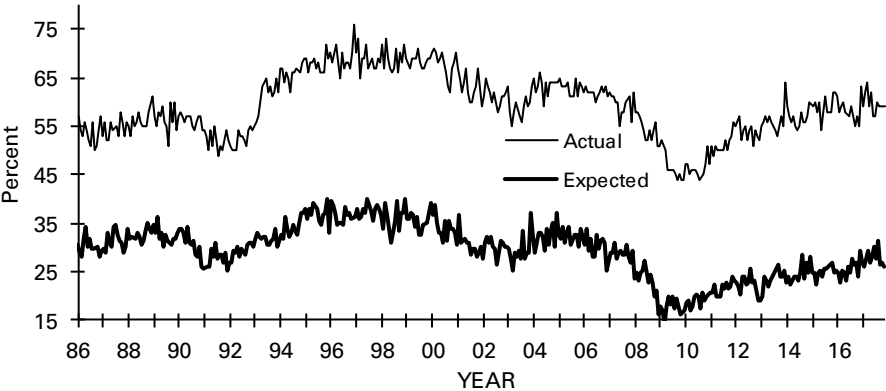
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 November 2017  
(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
2012	55	57	52	54	55	52	54	55	51	54	53	52
2013	55	56	57	56	57	56	54	53	55	57	55	64
2014	59	57	56	57	55	54	55	58	56	56	57	60
2015	59	60	58	60	54	58	61	58	58	58	62	62
2016	61	58	59	60	58	57	59	57	55	57	55	63
2017	59	62	64	59	62	57	57	60	59	59	59	



# SMALL BUSINESS CAPITAL OUTLAYS (CONTINUED)

## TYPE OF CAPITAL EXPENDITURES MADE

Percent Purchasing or Leasing During Last Six Months

Type	Current	One Year Ago	Two Years Ago
Vehicles	29	25	25
Equipment	40	36	44
Furniture or Fixtures	13	13	10
Add. Bldgs. or Land	6	4	7
Improved Bldgs. or La	16	15	16

## AMOUNT OF CAPITAL EXPENDITURES MADE

Percent Distribution of Per Firm Expenditures  
During the Last Six Months

Amount	Current	One Year Ago	Two Years Ago
\$1 to \$999	4	2	3
\$1,000 to \$4,999	6	7	9
\$5,000 to \$9,999	6	6	6
\$10,000 to \$49,999	17	17	18
\$50,000 to \$99,999	12	10	12
\$100,000 +	13	10	13
No Answer	1	3	1

## 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
2012	23	22	20	24	24	22	23	26	23	23	19	19
2013	20	24	23	22	23	24	25	26	27	24	24	25
2014	23	24	22	24	24	23	25	29	24	27	25	28
2015	25	25	22	25	25	24	26	26	27	27	25	25
2016	25	23	25	25	23	26	25	28	27	27	24	29
2017	27	26	29	27	28	30	28	32	27	27	26	



# SINGLE MOST IMPORTANT PROBLEM

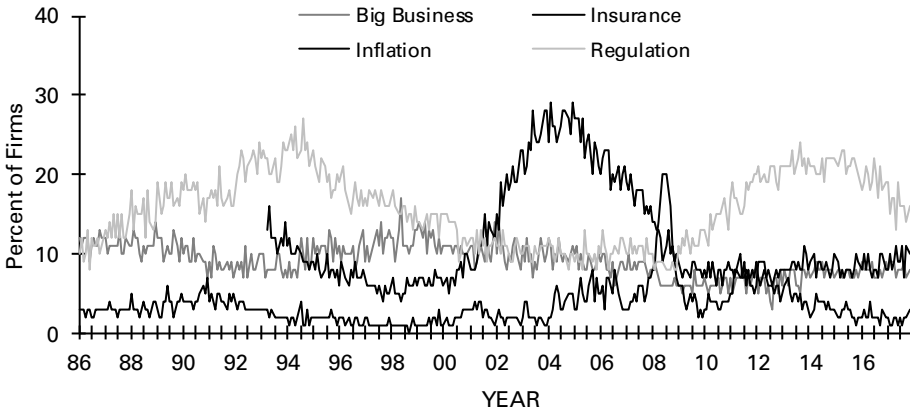
## SINGLE MOST IMPORTANT PROBLEM

November 2017

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	22	19	32	8
Inflation	3	3	41	0
Poor Sales	11	12	34	2
Fin. & Interest Rates	2	2	37	1
Cost of Labor	7	6	9	2
Govt. Regs. & Red Tap	16	18	27	4
Comp. From Large Bus.	8	7	14	4
Quality of Labor	18	16	24	3
Cost/Avail. of Insurance	10	10	29	4
Other	3	7	31	1

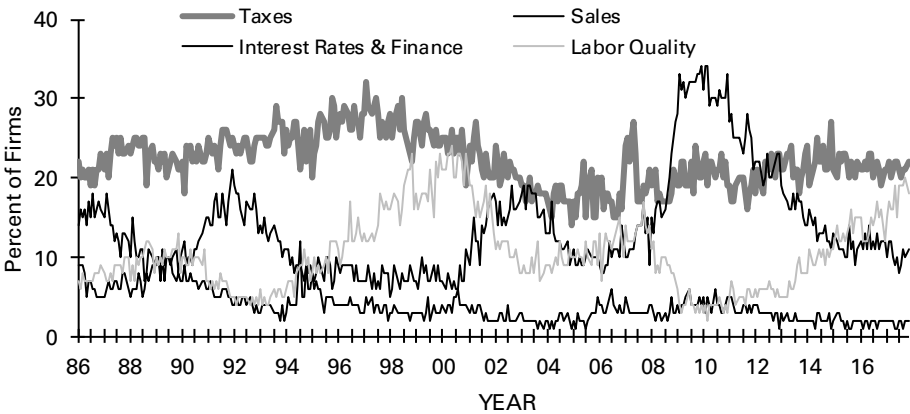
## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation  
*January 1986 to November 2017*



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality  
*January 1986 to November 2017*



# SURVEY PROFILE

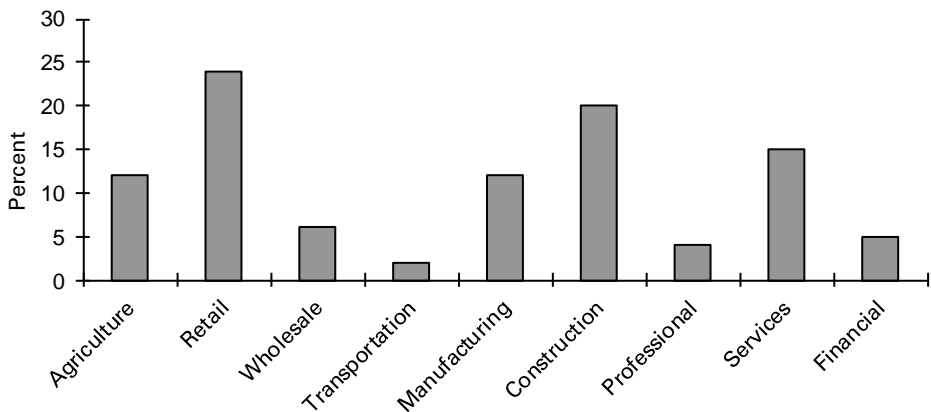
## OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	2155	819	757	1817	681	740	1803	736	691	2029	733	648
2013	2033	870	759	1873	715	662	1615	782	773	1940	762	635
2014	1864	792	685	1699	678	672	1645	598	608	1502	615	568
2015	1663	716	575	1500	616	620	1495	656	556	1411	601	509
2016	1438	756	727	1644	700	735	1703	730	723	1702	724	619
2017	1873	764	704	1618	699	624	1533	713	629	1513	544	

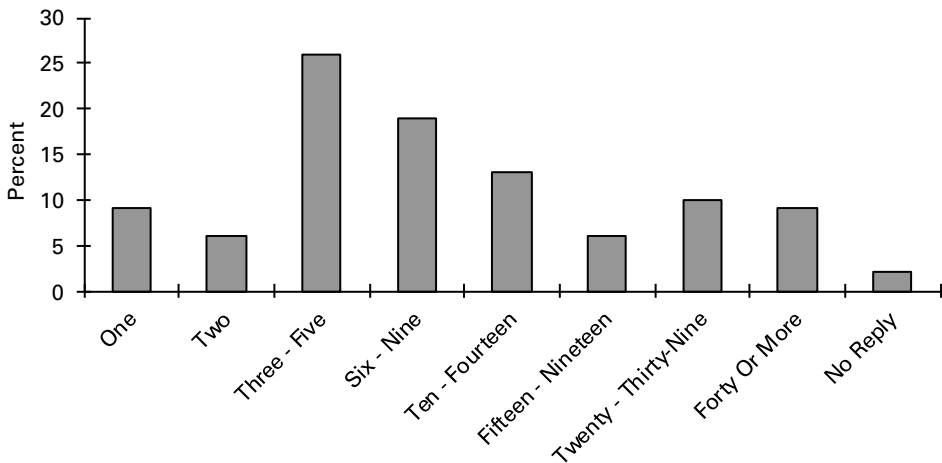
## NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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

## SMALL BUSINESS SURVEY QUESTIONS

## PAGE IN REPORT

<b>Do you think the next three months will be a good time for small business to expand substantially? Why? . . . . .</b>	<b>4</b>
<b>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? . . . . .</b>	<b>5</b>
<b>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? . . . . .</b>	<b>6</b>
<b>If higher or lower, what is the most important reason? . . . . .</b>	<b>6</b>
<b>During the last calendar quarter, was your dollar sales volume higher, lower, or about the same as it was for the quarter before? . . . . .</b>	<b>7</b>
<b>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? . . . . .</b>	<b>7</b>
<b>How are your average selling prices compared to three months ago? . . . . .</b>	<b>8</b>
<b>In the next three months, do you plan to change the average selling prices of your goods and/or services? . . . . .</b>	<b>8</b>
<b>During the last three months, did the total number of employees in your firm increase, decrease, or stay about the same? . . . . .</b>	<b>9</b>
<b>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)? . . . . .</b>	<b>9</b>
<b>Do you have any job openings that you are not able to fill right now? . . . . .</b>	<b>10</b>
<b>In the next three months, do you expect to increase or decrease the total number of people working for you? . . . . .</b>	<b>10</b>
<b>Over the past three months, did you change the average employee compensation? . . . . .</b>	<b>11</b>
<b>Do you plan to change average employee compensation during the next three months? . . . . .</b>	<b>11</b>



SMALL BUSINESS SURVEY QUESTIONS	PAGE IN REPORT
<b>Are...loans easier or harder to get than they were three months ago? . . . . .</b>	<b>12</b>
<b>During the last three months, was your firm able to satisfy its borrowing needs? . . . . .</b>	<b>13</b>
<b>Do you expect to find it easier or harder to obtain your required financing during the next three months? . . . . .</b>	<b>13</b>
<b>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? . . . . .</b>	<b>14</b>
<b>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? . . . . .</b>	<b>14</b>
<b>During the last three months, did you increase or decrease your inventories? . . . . .</b>	<b>15</b>
<b>At the present time, do you feel your inventories are too large, about right, or inadequate? . . . . .</b>	<b>15</b>
<b>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? . . . . .</b>	<b>15</b>
<b>During the last six months, has your firm made any capital expenditures to improve or purchase equipment, buildings, or land? . . . . .</b>	<b>16</b>
<b>If [your firm made any capital expenditures], what was the total cost of all these projects? . . . . .</b>	<b>17</b>
<b>Looking ahead to the next three to six months, do you expect to make any capital expenditures for plant and/or physical equipment? . . . . .</b>	<b>17</b>
<b>What is the single most important problem facing your business today? . . . . .</b>	<b>18</b>
<b>Please classify your major business activity, using one of the categories of example below . . . . .</b>	<b>19</b>
<b>How many employees do you have full and part-time, including yourself? . . . . .</b>	<b>19</b>

