

February
2025

NFIB

SMALL BUSINESS
ECONOMIC
TRENDS

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SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	15%	-3	*
Plans to Make Capital Outlays	19%	-1	*
Plans to Increase Inventories	-1%	-1	*
Expect Economy to Improve	37%	-10	*
Expect Real Sales Higher	14%	-6	*
Current Inventory (too low)	-5%	-4	*
Current Job Openings	38%	3	*
Expected Credit Conditions	-3%	1	*
Now a Good Time to Expand	12%	-5	*
Earnings Trends	-24%	1	*
Total Change		-25	

Based on a Survey of Small and Independent Business Owners

NFIB SMALL BUSINESS ECONOMIC TRENDS

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 Executive Director of the NFIB Research Center Holly Wade are responsible for the report.

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SUMMARY

OPTIMISM INDEX

The Small Business Optimism Index fell by 2.1 points in February to 100.7, the fourth consecutive month above the 51-year average of 98 but is 4.4 points off its most recent peak of 105.1 in December. Of the 10 Optimism Index components, three increased and seven decreased. The Uncertainty Index rose 4 points to 104, the second highest reading. The Optimism Index moderated in February while their level of uncertainty spiked. Small business owners have experienced uncertainty whiplash over the last four months with the Index falling from October's 110 reading to 86 in December and then back up to 104.

LABOR MARKETS

In February, 38 percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 3 points from January and the highest reading since August 2024. Thirty-one percent have openings for skilled workers (up 2 points) and 13 percent have openings for unskilled labor (up 3 points). The difficulty in filling open positions is particularly acute in the retail, construction, and manufacturing industries. Openings were the lowest in the agriculture and finance industries. A seasonally adjusted net 15 percent of owners plan to create new jobs in the next three months, down 3 points from January. Overall, 53 percent reported hiring or trying to hire in February, up 1 point from January. Forty-eight percent (89 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (up 1 point). Twenty-seven percent of owners reported few qualified applicants for their open positions (up 3 points) and 21 percent reported none (down 2 points). The percent of small business owners reporting labor quality as the single most important problem for business rose 1 point from January to 19 percent, surpassing inflation as the top issue. Labor costs reported as the single most important problem for business owners rose 3 points to 12 percent, only 1 point below the highest reading of 13 percent reached in December 2021. The last time labor costs ranked this high was February 2023.

CAPITAL SPENDING

Fifty-eight percent reported capital outlays in the last six months, unchanged from January. Of those making expenditures, 37 percent reported spending on new equipment (down 4 points), 30 percent acquired vehicles (up 6 points), and 13 percent improved or expanded facilities (down 3 points). Twelve percent spent money on new fixtures and furniture (unchanged), and 5 percent acquired new buildings or land for expansion (unchanged). Nineteen percent (seasonally adjusted) plan capital outlays in the next six months, down 1 point from January. The last time capital outlay plans fell below 19 percent was April 2020.

SALES AND INVENTORIES

A net negative 12 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down 2 points from January. The last time this reading was this high was June 2024. The net percent of owners expecting higher real sales volumes fell 6 points from January to a net 14 percent (seasonally adjusted). This is the second consecutive month real sales expectations declined after surging from recession levels after the election. The net percent of owners reporting inventory gains was unchanged from January at a net negative 6 percent (seasonally adjusted). Not seasonally adjusted, 8 percent reported increases in stocks (unchanged) and 19 percent reported reductions (down 2 points). Stocks are still being liquidated to meet customer demand. A net negative 5 percent (seasonally adjusted) of owners viewed current inventory stocks as “too low” in February, down 4 points from January. With more owners viewing stocks as excessive than too low, inventory accumulation will be weak. A net negative 1 percent (seasonally adjusted) of owners plan inventory investment in the coming months, down 1 point from January. This is consistent with the balance in the level of satisfaction with current stocks. Optimism about future sales growth, even though moderated over the last two months, will encourage inventory investment.

COMPENSATION AND EARNINGS

Seasonally adjusted, a net 33 percent reported raising compensation, unchanged from January. On Main Street, compensation will continue to put pressure on owners to raise prices, a negative for the inflation fight. A seasonally adjusted net 18 percent plan to raise compensation in the next three months, down 2 points from January. Wage hikes are necessary to maintain current employment and hopefully to help fill vacancies. The frequency of reports of positive profit trends was a net negative 24 percent (seasonally adjusted), 1 point worse than January. This matched the performance in September 2023. Among owners reporting lower profits, 40 percent blamed weaker sales, 13 percent cited usual seasonal change, 11 percent cited labor costs, and 9 percent blamed the rise in the cost of materials. For owners reporting higher profits, 52 percent credited sales volumes, 15 percent cited usual seasonal change, and 13 percent cited higher selling prices.

CREDIT MARKETS

A net 2 percent reported their last loan was harder to get than in previous attempts (down 1 point). The last time it was this low was February 2022. Overall, credit markets remain friendly toward small businesses. Three percent reported that financing and interest rates were their top business problem in February (unchanged). A net 4 percent of owners reported paying a higher rate on their most recent loan, up 1 point from January. The average rate paid on short maturity loans was 8.8 percent, down 0.6 (60 basis points) from January. Twenty-four percent of all owners reported borrowing on a regular basis, down 3 points from January and the lowest since May 2022. High mortgage rates have slowed housing activity, a damper on the housing market and on GDP growth.

INFLATION

The net percent of owners raising average selling prices rose 10 points from January to a net 32 percent seasonally adjusted. This is the largest monthly increase since April 2021, and the third highest jump in the survey's history. Actual prices remain too high to achieve and maintain the Federal Reserve's 2 percent inflation target, but closing in on a range of more price stability. About half of the CPI is "imputed," not based on a direct measure of market prices. And even if inflation slows to 2 percent, prices are still rising, adding to the 20 percent increase in prices since 2021. Sixteen percent of owners reported that inflation was their single most important problem in operating their business (higher input and labor costs), down 2 points from January, now just under labor quality as the top problem. The last time it was this low was October 2021. Unadjusted, 6 percent (down 3 points) reported lower average selling prices and 38 percent (up 8 points) reported higher average prices. Price hikes were most frequent in the finance (53 percent higher, 10 percent lower), wholesale (47 percent higher, 0 percent lower), agriculture (45 percent higher, 12 percent lower), and retail (45 percent higher, 5 percent lower) sectors. Seasonally adjusted, a net 29 percent plan price hikes (up 3 points), the highest reading in eleven months. Demand is still too strong to trigger widespread price reductions. Rising labor costs are keeping pressure on price decisions.

OUTLOOK

The net percent of owners expecting better business conditions fell 10 points from January to a net 37 percent (seasonally adjusted). Twelve percent (seasonally adjusted) reported that it is a good time to expand their business, down 5 points from January. This is the largest monthly decrease since April 2020. When asked to rate the overall health of their business, 11 percent reported excellent, and 55 percent reported good. Twenty-seven percent reported the health of their business was okay and 6 percent reported bad.

SINGLE MOST IMPORTANT PROBLEM

The percent of small business owners reporting labor quality as the single most important problem for business rose 1 point from January to 19 percent, surpassing inflation as the top issue. Sixteen percent of owners reported that inflation was their single most important problem in operating their business (higher input and labor costs), down 2 points from January, and tying with taxes as the second top issue. The last time inflation was this low was October 2021. In February, 16 percent of owners reported taxes as their single most important problem, down 1 point from January. The percent of small business owners reporting government regulations and red tape as their top issue was 6 percent, down 4 points from January. Three percent reported that financing and interest rates were their top business problem in February (unchanged). Labor costs reported as the single most important problem for business owners rose 3 points to 12 percent, only 1 point below the highest reading of 13 percent reached in December 2021. The last time labor costs ranked this high was February 2023. The percent of small business owners reporting poor sales as their top business problem was unchanged at 9 percent. Seven percent reported competition from large businesses as their single most important problem, up 2 point from January and the highest since May 2021. Another 7 percent reported cost or availability of insurance as their single most important problem (unchanged).

COMMENTARY

Uncertainty is high and rising on Main Street, and for many reasons. How future developments are resolved will shape the economy's future.

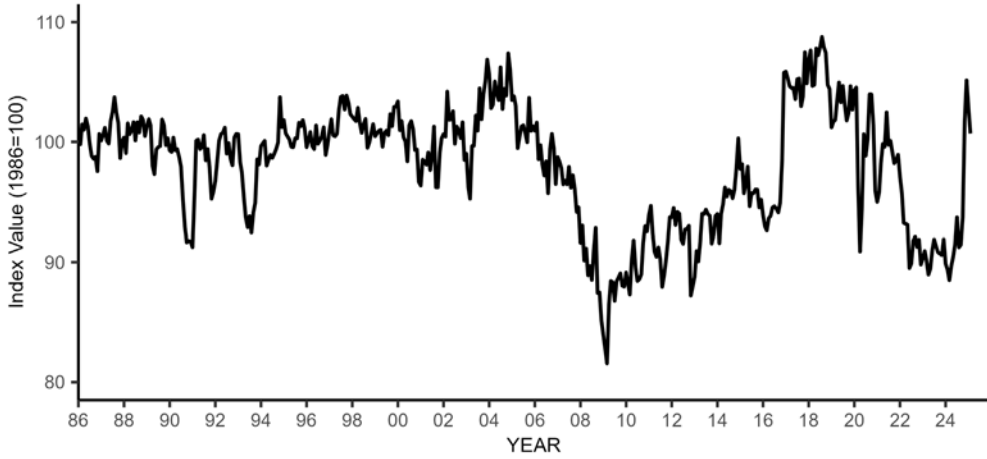
Confidence that the economy will continue to grow is fading. The net percent of owners expecting better business conditions in the next six months lost 10 percentage points and the percent viewing the current period as a good time to expand fell 5 points to 12 percent (but stayed well above the 6 percent reading last October). Capital spending plans fell 8 points from December, and hiring plans dropped 4 points. All consistent with the general tone of the financial press, the economy is still growing, but at a slower and slower rate, storm clouds are forming.

Inflation remains a major problem, ranked second behind the top problem, labor quality. Owners want to see prices fall after the 20 percent rise over the last four years. President Trump's plan to lower energy prices could help, but history says it takes a slowdown (recession) to significantly reduce the price level and that's not an ideal solution. The percent of owners raising and planning to raise prices (and wages) are too high to reach that 2 percent inflation rate for goods and services whose prices are market determined (not imputed like rent, etc.). More firms report lower employment than higher and the average employment change is negative. While we wait and watch, a lot of churning is likely to occur. Hold on to your seats!

OVERVIEW - SMALL BUSINESS OPTIMISM

OPTIMISM INDEX

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



OPTIMISM INDEX

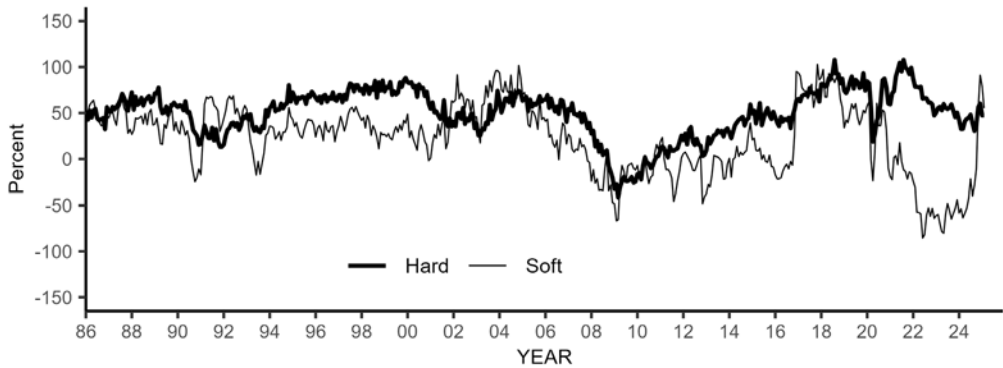
Based on Ten Survey Indicators
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	104.3	104.5	96.4	90.9	94.4	100.6	98.8	100.2	104.0	104.0	101.4	95.9
2021	95.0	95.8	98.2	99.8	99.6	102.5	99.7	100.1	99.1	98.2	98.4	98.9
2022	97.1	95.7	93.2	93.2	93.1	89.5	89.9	91.8	92.1	91.3	91.9	89.8
2023	90.3	90.9	90.1	89.0	89.4	91.0	91.9	91.3	90.8	90.7	90.6	91.9
2024	89.9	89.4	88.5	89.7	90.5	91.5	93.7	91.2	91.5	93.7	101.7	105.1
2025	102.8	100.7										

OPTIMISM INDEX COMPONENTS

Hard: Job Creation Plans, Job Openings, Inventory Plans, Earnings, Capital Expenditure Plans

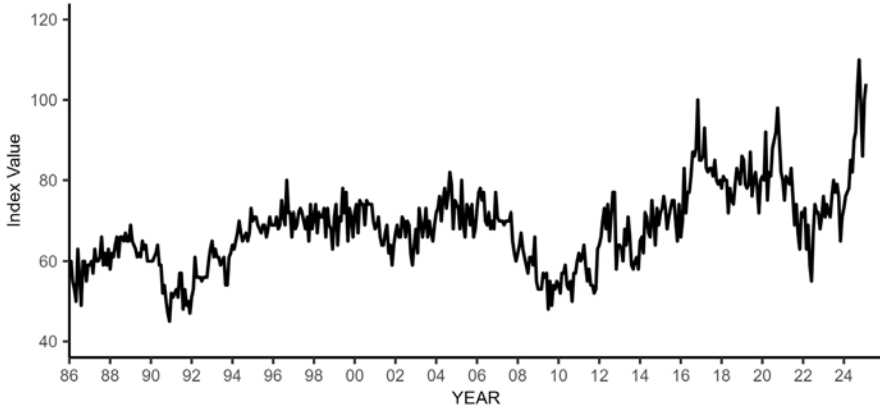
Soft: Expected Business Conditions, Outlook for Expansion, Expected Real Sales, Expected Credit Conditions, Inventory Satisfaction



SMALL BUSINESS UNCERTAINTY

UNCERTAINTY INDEX

Sum of "Don't Know" & "Uncertain" Answers on 6 Questions



UNCERTAINTY INDEX

Sum of "Don't Know" & "Uncertain" Answers on 6 Questions

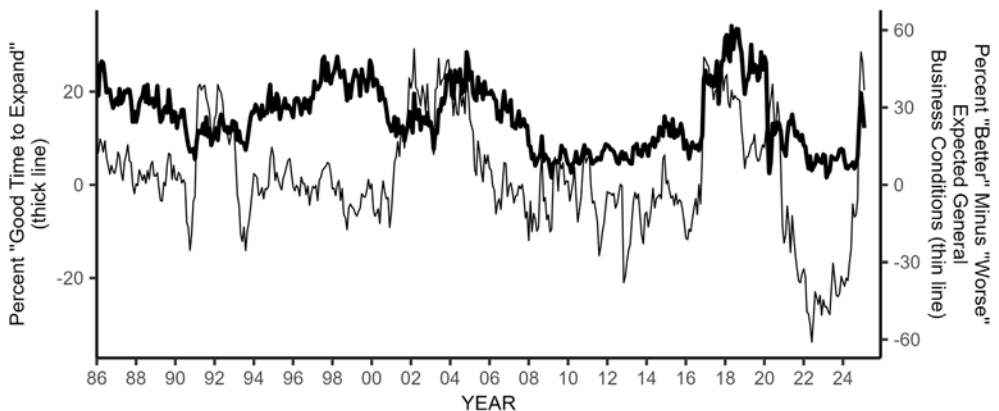
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	81	80	92	75	82	81	88	90	92	98	90	82
2021	80	75	81	80	79	83	76	69	74	67	63	72
2022	71	73	63	69	59	55	67	74	72	72	68	71
2023	76	71	74	72	71	76	80	77	79	76	65	71
2024	73	76	77	78	85	82	90	92	103	110	98	86
2025	100	104										

SMALL BUSINESS OUTLOOK

OUTLOOK

Good Time to Expand and Expected General Business Conditions

January 1986 to February 2025
(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
2020	28	26	13	3	5	13	11	12	13	13	12	8
2021	8	6	11	14	13	15	13	11	11	10	10	11
2022	9	8	6	4	6	3	4	5	6	5	6	5
2023	7	6	2	3	3	6	6	6	5	6	8	8
2024	8	5	4	4	4	4	5	4	4	6	14	20
2025	17	12										

MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook
February 2025

Reason	Good Time	Not Good Time	Uncertain
Economic Conditions	3	19	21
Sales Prospects	2	3	3
Fin. & Interest Rates	0	2	6
Cost of Expansion	0	5	7
Political Climate	9	5	7
Other / Not Available	0	1	2

OUTLOOK FOR GENERAL BUSINESS CONDITIONS

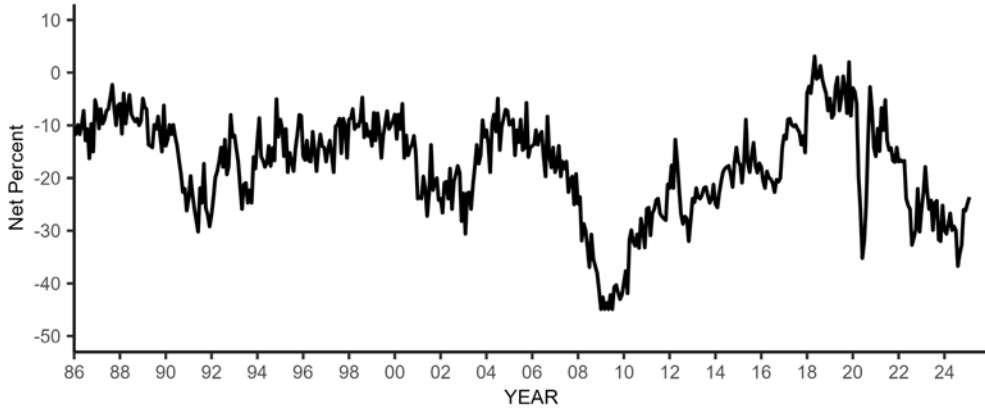
Net Percent ("Better" Minus "Worse") Six Months From Now
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	14	22	5	29	34	39	25	24	32	27	8	-16
2021	-23	-19	-8	-15	-26	-12	-20	-28	-33	-37	-38	-35
2022	-33	-35	-49	-50	-54	-61	-52	-42	-44	-46	-43	-51
2023	-45	-47	-47	-49	-50	-40	-30	-37	-43	-43	-42	-36
2024	-38	-39	-36	-37	-30	-25	-7	-13	-12	-5	36	52
2025	47	37										

SMALL BUSINESS EARNINGS

EARNINGS

Actual Last Three Months
January 1986 to February 2025
(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
2020	-3	-4	-6	-20	-26	-35	-32	-25	-12	-3	-7	-14
2021	-16	-11	-15	-7	-11	-5	-13	-15	-14	-17	-17	-14
2022	-17	-17	-17	-17	-24	-25	-26	-33	-31	-30	-22	-30
2023	-26	-23	-18	-23	-26	-24	-30	-25	-24	-32	-32	-25
2024	-30	-31	-29	-27	-30	-29	-30	-37	-34	-33	-26	-26
2025	-25	-24										

MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason
February 2025

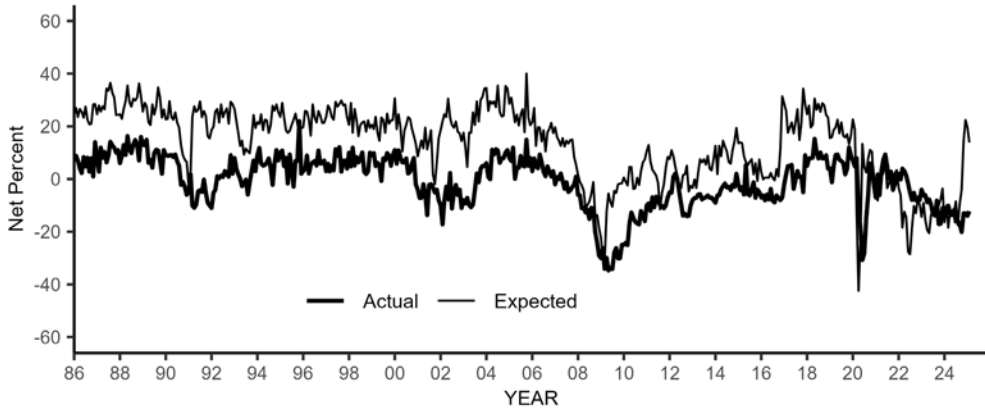
Reason	Current Month	One Year Ago	Two Years Ago
Sales Volume	16	14	9
Increased Costs*	10	13	15
Cut Selling Prices	3	5	4
Usual Seasonal Change	5	6	7
Other	2	3	0

* 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 February 2025
 (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
2020	7	5	8	-11	-19	-31	-28	-15	-6	6	5	-2
2021	-7	2	-6	3	7	9	5	0	3	-4	-2	1
2022	2	0	4	3	1	-2	-5	-8	-5	-8	-7	-8
2023	-4	-6	-6	-9	-8	-10	-13	-14	-8	-17	-17	-11
2024	-11	-13	-10	-13	-14	-12	-16	-16	-17	-20	-13	-13
2025	-14	-12										

SALES EXPECTATIONS

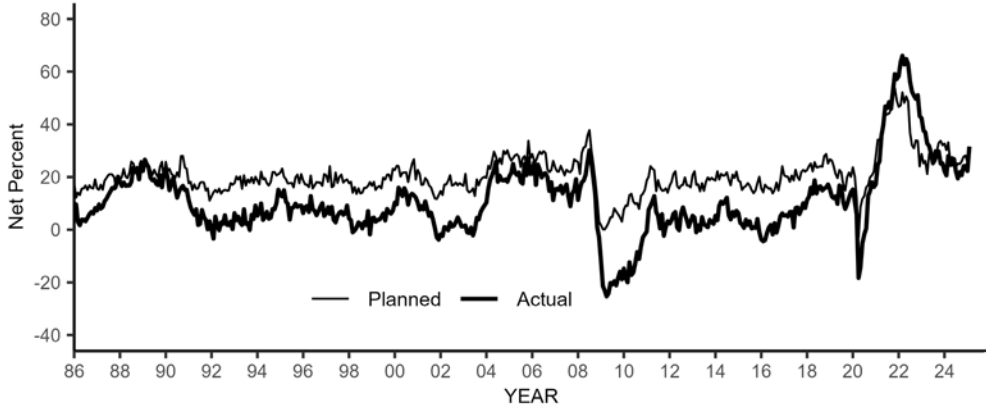
Net Percent ("Higher" Minus "Lower") During Next Three Months
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	23	19	-12	-42	-24	13	5	3	8	11	10	-4
2021	-6	-8	0	1	3	7	-4	-2	2	0	2	3
2022	-3	-6	-18	-12	-15	-28	-29	-19	-10	-13	-8	-10
2023	-14	-9	-15	-19	-21	-14	-12	-14	-13	-10	-8	-4
2024	-16	-10	-18	-12	-13	-13	-9	-18	-9	-4	14	22
2025	20	14										

SMALL BUSINESS PRICES

PRICES

Actual Last Three Months and Planned Next Three Months
 January 1986 to February 2025
 (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
2020	15	11	6	-18	-14	-5	-2	1	13	15	18	16
2021	17	25	26	36	40	47	46	49	46	53	59	57
2022	58	64	66	63	65	63	56	53	51	50	51	43
2023	42	38	37	33	32	29	25	27	29	30	25	25
2024	22	21	28	25	25	27	22	20	22	21	24	24
2025	22	32										

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
2020	24	20	12	-3	9	12	13	16	17	20	21	22
2021	28	34	34	36	43	44	44	44	46	51	54	49
2022	47	47	52	48	51	49	37	32	31	34	34	24
2023	29	25	26	21	29	31	27	30	30	33	34	32
2024	33	30	33	26	28	26	24	25	25	26	28	28
2025	26	29										

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
2020	9	13	8	-12	-16	-16	-11	-12	-6	-2	-2	-5
2021	0	-3	-2	1	-5	-2	-6	-8	-1	-2	-1	1
2022	-1	1	-2	-2	-4	-2	-4	-8	-4	-2	-3	1
2023	2	4	2	-2	-4	-2	-2	-4	-2	-3	-2	-2
2024	0	-1	-2	0	-2	-5	-3	-6	-4	-3	-1	-3
2025	1	-3										

QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	49	52	47	41	37	43	44	46	50	48	47	48
2021	46	51	51	54	57	56	57	60	62	58	56	57
2022	55	57	55	55	61	60	57	57	57	55	54	51
2023	52	54	53	55	55	54	56	54	57	55	50	49
2024	49	51	48	51	51	51	49	56	52	46	48	49
2025	47	48										

EMPLOYMENT

Planned Next Three Months and Current Job Openings
January 1986 to February 2025
(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
2020	37	38	35	24	23	32	30	33	36	33	34	32
2021	33	40	42	44	48	46	49	50	51	49	48	49
2022	47	48	47	47	51	50	49	49	46	46	44	41
2023	45	47	43	45	44	42	42	40	43	43	40	40
2024	39	37	37	40	42	37	38	40	34	35	36	35
2025	35	38										

HIRING PLANS

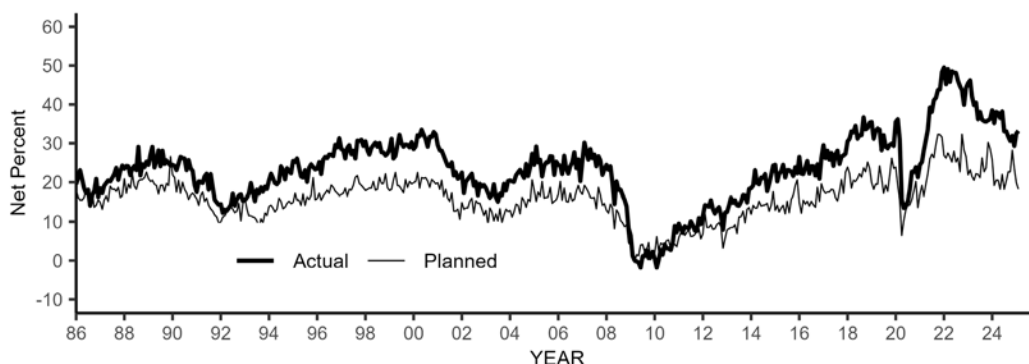
Net Percent ("Increase" Minus "Decrease") in the Next Three Months
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	19	21	9	1	8	16	18	21	23	18	21	17
2021	17	18	22	21	27	28	27	32	26	26	25	28
2022	26	19	20	20	26	19	20	21	23	20	18	17
2023	19	17	15	17	19	15	17	17	18	17	18	16
2024	14	12	11	12	15	15	15	13	15	15	18	19
2025	18	15										

SMALL BUSINESS COMPENSATION

COMPENSATION

Actual Last Three Months and Planned Next Three Months
January 1986 to February 2025
(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
2020	36	36	31	16	14	14	15	18	23	23	24	21
2021	25	25	28	31	34	39	38	41	42	44	44	48
2022	50	45	49	46	49	48	48	46	45	44	40	44
2023	46	46	42	40	41	36	38	36	36	36	36	36
2024	39	35	38	38	37	38	33	33	32	31	32	29
2025	33	33										

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
2020	24	19	16	7	10	13	14	14	16	18	20	14
2021	17	19	17	20	22	26	27	26	30	32	32	32
2022	27	26	28	27	25	28	25	26	23	32	28	27
2023	22	23	22	21	22	22	21	26	23	24	30	29
2024	26	19	21	21	18	22	18	20	23	23	28	24
2025	20	18										

PRICES AND LABOR COMPENSATION

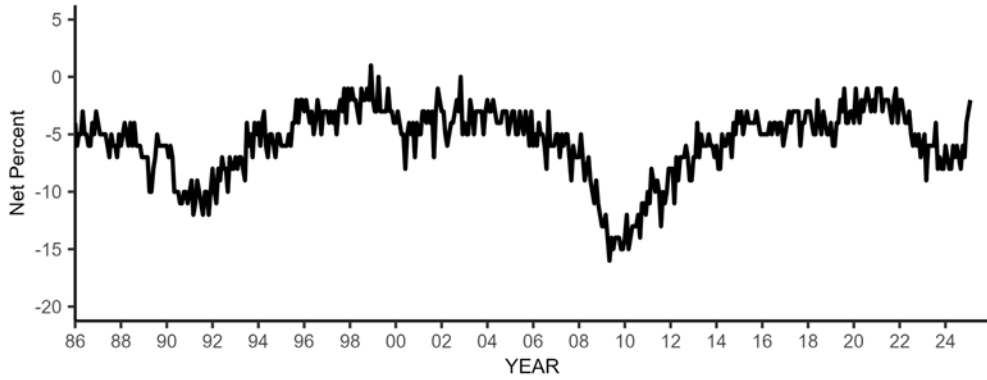
Net Percent Price Increase and Net Percent Compensation
(Seasonally Adjusted)



SMALL BUSINESS CREDIT CONDITIONS

CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago*
January 1986 to February 2025



* 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
2020	31	28	26	29	26	27	26	24	26	25	22	26
2021	23	26	23	24	23	21	21	20	20	23	21	23
2022	23	23	25	26	23	25	26	27	26	28	27	28
2023	29	30	30	31	29	28	27	28	31	27	31	29
2024	29	25	28	31	31	28	27	27	26	25	28	25
2025	27	24										

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
2020	-4	-1	-3	-4	-2	-3	-2	-1	-2	-3	-2	-3
2021	-1	-1	-1	-3	-2	-2	-2	-3	-4	-2	-1	-4
2022	-2	-2	-3	-4	-4	-3	-5	-6	-5	-6	-5	-7
2023	-6	-5	-9	-6	-6	-6	-6	-4	-8	-7	-8	-8
2024	-6	-7	-8	-8	-6	-7	-6	-7	-8	-6	-7	-4
2025	-3	-2										

SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

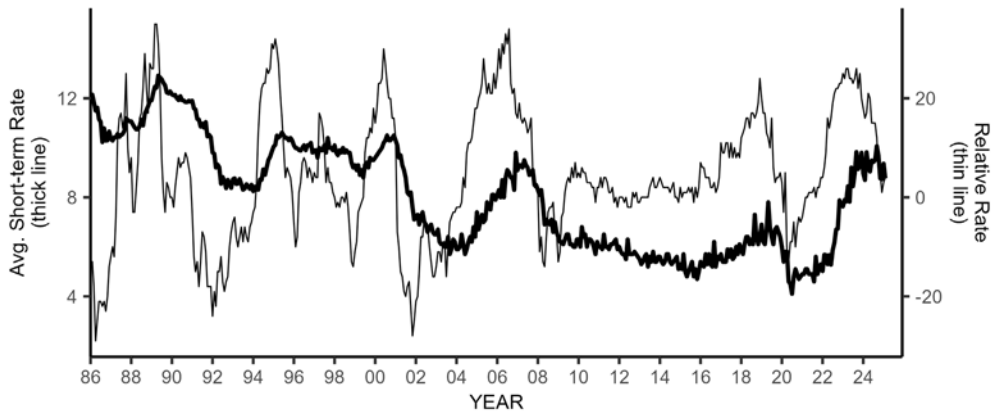
EXPECT EASIER CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	-4	-1	-4	-6	-4	-6	-5	-4	-5	-4	-3	-5
2021	-3	-6	-3	-3	-3	-4	-4	-4	-4	-4	-3	-4
2022	-4	-4	-4	-5	-4	-5	-7	-8	-6	-8	-6	-9
2023	-8	-6	-9	-8	-10	-8	-8	-6	-10	-9	-11	-8
2024	-8	-6	-8	-9	-7	-7	-7	-8	-8	-6	-5	-2
2025	-4	-3										

INTEREST RATES

Relative Rates and Actual Rates Last Three Months
January 1986 to February 2025



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
2020	3	-3	5	-11	-13	-9	-9	-5	-10	-6	-4	-5
2021	-4	-2	0	0	1	1	1	2	0	2	2	4
2022	4	6	9	16	14	16	19	21	22	22	23	23
2023	25	24	26	26	24	24	23	24	26	22	25	20
2024	18	16	17	21	20	15	15	15	12	5	5	1
2025	3	4										

Borrowing at Least Once Every Three Months.

SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

ACTUAL INTEREST RATE PAID ON SHORT-TERM LOANS BY BORROWERS

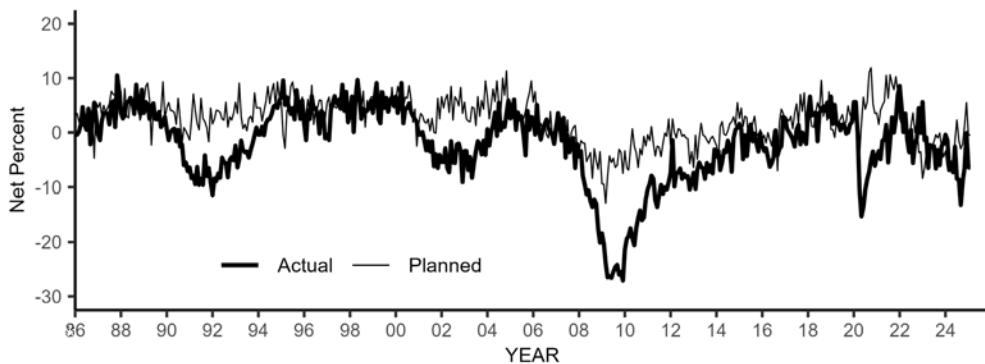
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	6.0	5.4	5.8	5.8	4.6	4.5	4.1	4.8	5.1	4.9	4.7	4.8
2021	4.9	4.9	5.1	5.1	4.9	4.9	4.9	4.6	5.6	4.9	5.1	5.3
2022	5.0	5.7	5.7	5.3	5.7	5.3	5.9	6.2	6.7	6.7	7.9	7.7
2023	7.6	7.9	7.8	8.5	7.8	9.2	8.5	9.0	9.8	9.1	9.3	9.8
2024	9.0	8.7	9.8	9.3	9.0	9.5	9.4	9.5	10.1	9.7	8.8	8.7
2025	9.4	8.8										

SMALL BUSINESS INVENTORIES

INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)
January 1986 to February 2025
(Seasonally Adjusted)



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
2020	6	6	0	-11	-15	-14	-11	-9	-7	-5	-4	-6
2021	-4	-3	-5	-2	-1	1	-6	-2	3	0	3	7
2022	9	5	0	4	-1	-4	1	-6	-2	-1	5	0
2023	6	-1	-1	-7	-2	-3	-3	-7	-3	-6	-3	-2
2024	0	-1	-7	-6	-7	-3	-9	-9	-13	-9	-7	0
2025	-6	-6										

SMALL BUSINESS INVENTORIES (CONTINUED)

CURRENT INVENTORY (TOO LOW)

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	-3	-4	-2	-7	-5	1	1	3	5	4	5	7
2021	5	5	3	7	8	11	12	11	10	9	15	9
2022	7	7	9	6	8	5	2	3	1	0	-2	1
2023	-1	-4	1	-5	-3	-4	-4	-5	-4	-3	0	-5
2024	-4	-4	-5	-4	-8	-2	-4	-5	-4	-2	-2	-1
2025	-1	-5										

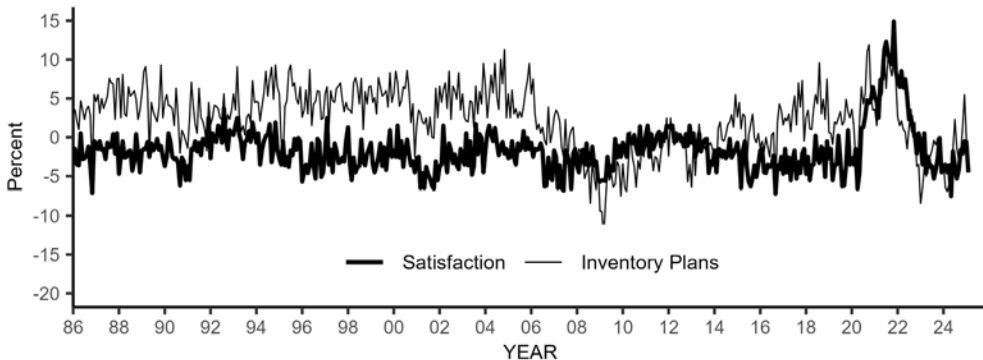
INVENTORY PLANS

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
2020	4	2	-3	-4	2	7	4	6	11	12	5	4
2021	4	2	4	5	6	11	6	11	9	8	10	8
2022	3	2	2	1	1	-2	1	4	0	2	-4	-4
2023	-8	-7	-4	-5	-2	-3	-2	0	-1	0	-3	-5
2024	-3	-7	-7	-6	-6	-2	2	-1	-3	-2	1	6
2025	0	-1										

INVENTORY SATISFACTION AND INVENTORY PLANS

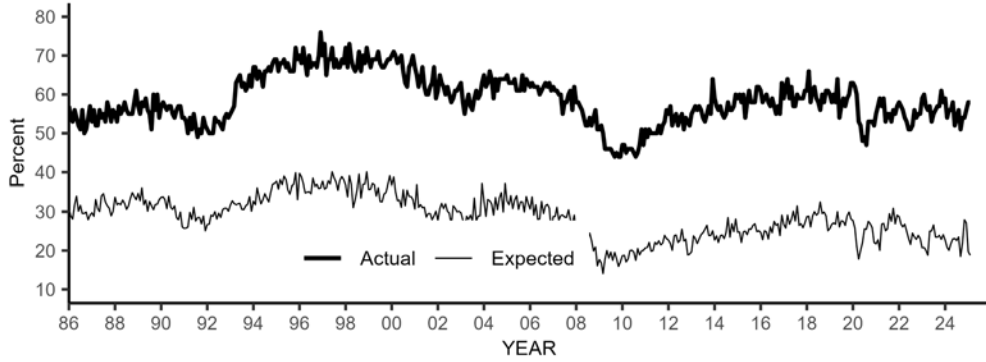
Net Percent ("Too Low" Minus "Too Large") at Present Time
Net Percent Planning to Add Inventories in the Next Three to Six Months
(Seasonally Adjusted)



SMALL BUSINESS CAPITAL OUTLAYS

CAPITAL EXPENDITURES

Actual Last Six Months and Planned Next Three Months
January 1986 to February 2025
(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
2020	63	62	60	53	52	48	49	47	53	53	53	52
2021	55	57	59	57	59	53	55	55	53	56	55	57
2022	58	57	56	54	53	51	51	52	56	54	55	55
2023	59	60	57	56	57	53	55	56	57	57	61	58
2024	59	54	56	56	58	52	54	56	51	54	54	56
2025	58	58										

TYPE OF CAPITAL EXPENDITURES MADE

Percent Purchasing or Leasing During Last Six Months

Type	Current Month	One Year Ago	Two Years Ago
Vehicles	30	22	26
Equipment	37	35	40
Furniture or Fixtures	12	12	12
Add. Bldgs. or Land	5	6	6
Improved Bldgs. or Land	13	15	18

SMALL BUSINESS CAPITAL OUTLAYS (CONTINUED)

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
\$1 to \$999	2	2	1
\$1,000 to \$4,999	8	5	4
\$5,000 to \$9,999	3	4	4
\$10,000 to \$49,999	15	16	18
\$50,000 to \$99,999	15	11	13
\$100,000 +	16	15	17
No Answer	0	1	3

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
2020	28	26	21	18	20	22	26	26	28	27	26	22
2021	22	23	20	27	27	25	26	30	28	31	27	29
2022	29	27	26	27	25	23	22	25	24	23	24	23
2023	21	21	20	19	25	25	27	24	24	24	23	24
2024	23	21	20	22	23	23	23	24	19	22	28	27
2025	20	19										

SMALL BUSINESS Health

OVERALL HEALTH OF BUSINESS

February 2025

Rating	Current	One Year Ago	Survey High
Excellent	11	-	-
Good	55	-	-
Okay	27	-	-
Bad	6	-	-

SINGLE MOST IMPORTANT PROBLEM

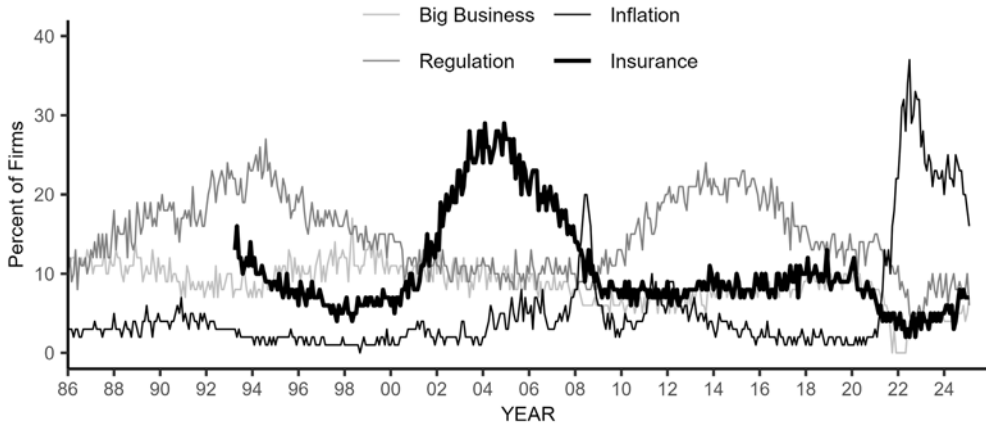
SINGLE MOST IMPORTANT PROBLEM

February 2025

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	16	13	32	8
Inflation	16	23	41	0
Poor Sales	9	7	34	2
Fin. & Interest Rates	3	4	37	0
Cost of Labor	12	11	13	2
Government Regulation	6	10	27	4
Comp. from Large Bus.	7	4	14	0
Quality of Labor	19	16	29	3
Cost/Avail. of Insurance	7	6	29	0
Other	0	6	31	1

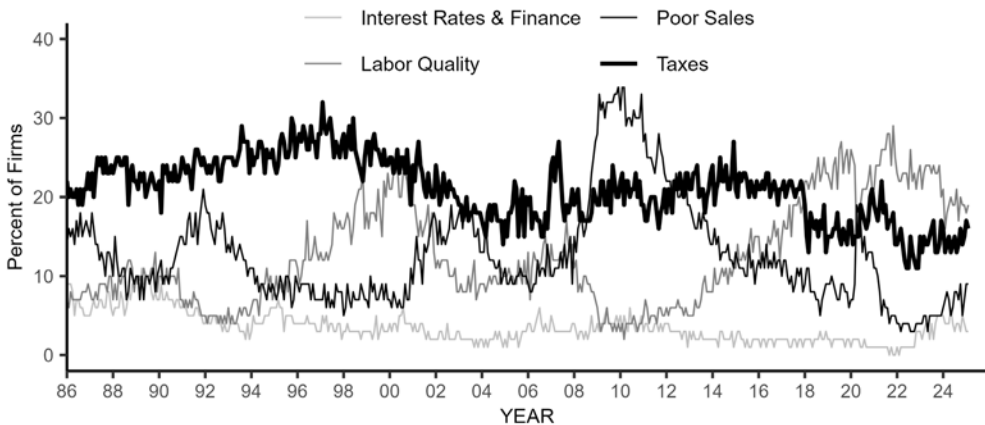
SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation
January 1986 to February 2025



SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality
January 1986 to February 2025



SURVEY PROFILE

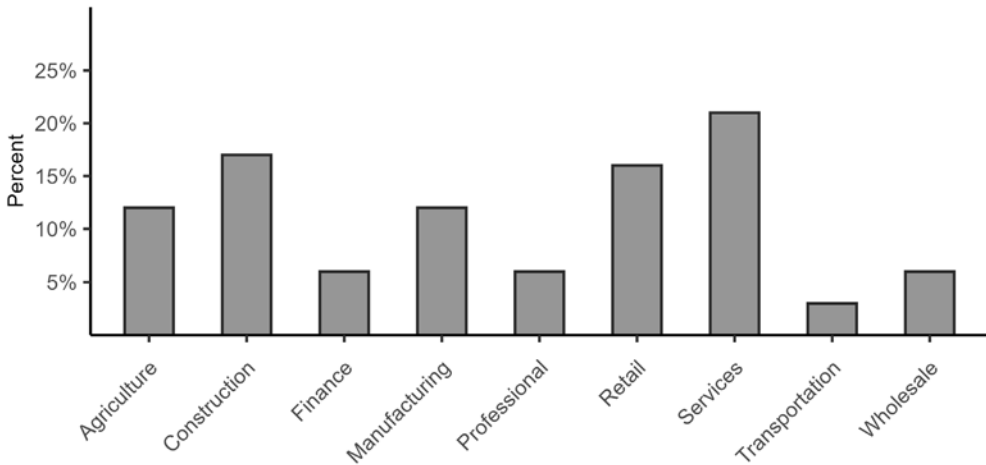
OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	1692	641	627	1832	814	670	1652	751	604	1719	561	542
2021	1109	678	514	1516	659	592	1440	595	537	1431	613	639
2022	1504	665	560	1457	581	505	1351	622	557	1342	572	514
2023	1466	626	573	1365	632	496	1313	611	582	1382	573	518
2024	1287	604	506	1215	578	514	1309	590	559	1197	532	513
2025	1205	509										

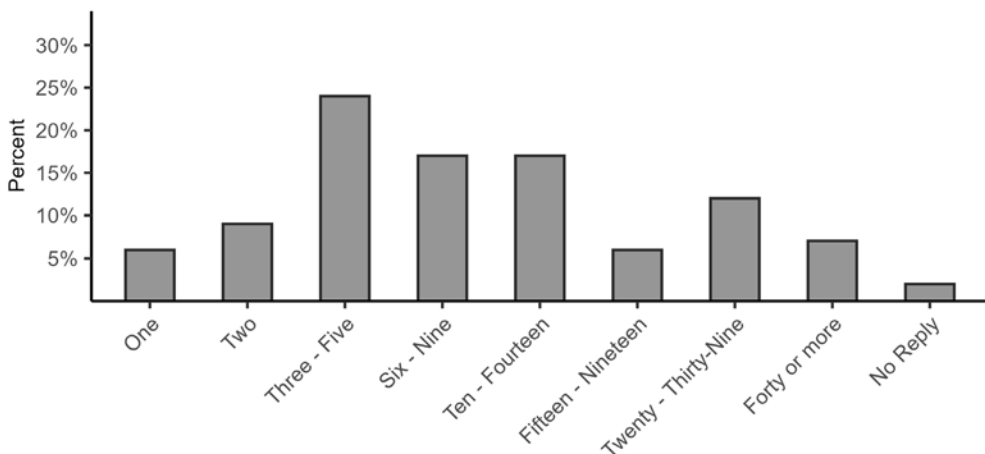
NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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
Do you think the next three months will be a good time for small businesses to expand substantially? Why?	6
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?	6
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?	8
If higher or lower, what is the most important reason?	8
During the last calendar quarter, was your dollar sales volume higher, lower, or about the same as it was for the quarter before?	9
Overall, what do you expect to happen to the volume of goods and/or services (number of customers, units, hours billed, etc.) that you will sell during the next three months?	9
How are your average selling prices now compared to three months ago?	10
In the next three months, do you plan to change the price of your goods and/or services?	10
During the last three months, did the total number of employees in your firm increase, decrease, or stay about the same?	11
If you have filled or attempted to fill any job opening in the past three months, how many qualified applicants were there for the position(s)?	11
Do you have any job openings that you are not able to fill right now?	12
In the next three months, do you expect to increase or decrease the total number of people working for you?	12
Over the past three months, did you change the average employee compensation (wages and benefits but not Social Security, U.S. taxes, etc.)?	13
Do you plan to change average employee compensation (wages and benefits but not Social Security, U.S. taxes, etc.) during the next three months?	13

SMALL BUSINESS SURVEY QUESTIONS

PAGE IN REPORT

Are...loans easier or harder to get than they were three months ago?	14
Do you expect to find it easier or harder to obtain your required financing during the next three months?	14
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?	16
During the last three months, did you increase or decrease your inventories?	16
At the present time, do you feel your inventories are too large, about right, or too low?	17
Looking ahead to the next three months to six months, do you expect, on balance, to increase your inventories, keep them about the same, or decrease them?	17
During the last six months, has your firm made any of the following capital expenditures ?	18
If [your firm made any capital expenditures], what was the total cost of these expenditures?	19
Looking ahead, do you expect to make any capital expenditures in the next three to six months?	19
How would you rate the overall health of your business today? ..	19
What is the single most important problem facing your business today?	20
Please classify your major business activity, using one of the categories of examples below	21
How many employees do you have full and part-time, including yourself?	21