



# NFIB SMALL BUSINESS ECONOMIC TRENDS

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June 2018

## SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	20%	2	*%
Plans to Make Capital Outlays	29%	-1	*%
Plans to Increase Inventories	6%	2	*%
Expect Economy to Improve	33%	-4	*%
Expect Real Sales Higher	26%	-5	*%
Current Inventory	0%	4	*%
Current Job Openings	36%	3	*%
Expected Credit Conditions	-4%	1	*%
Now a Good Time to Expand	29%	-5	*%
Earnings Trends	-1%	-4	*%
Total Change		-7	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 June Index of Small Business Optimism is the sixth highest reading in survey history. The Index declined slightly in June, falling 0.6 points to 107.2. Since December 2016, the Index has averaged an astounding, unprecedented 105.4, compared to 92.4 for 2009-2016, well below the 45 year average of 98. The 1983-1990 expansion boasted an Index average of 101.5, including the record reading of 108.0. Although less exuberant than the current run, it produced quarterly job creation of 689,000 new jobs compared to 440,000 in the 2009-2016 period, even with a much bigger economy. Overall, a very solid report, with the Index among the highest readings in 45 years.

## LABOR MARKETS

Reports of employment gains remain strong among small businesses. Owners reported adding a net 0.19 workers per firm on average, virtually unchanged from May and a good number. Fifteen percent (down 1 point) reported increasing employment an average of 3.6 workers per firm and 12 percent (up 4 points) reported reducing employment an average of 1.6 workers per firm (seasonally adjusted). Sixty-three percent reported hiring or trying to hire (up 5 points), but 55 percent (87 percent of those hiring or trying to hire) reported few or no qualified applicants for the positions they were trying to fill. Twenty-one percent of owners cited the difficulty of finding qualified workers as their Single Most Important Business Problem (down 2 points), a few points below the survey record. Thirty-six percent of all owners reported job openings they could not fill in the current period, up 3 points matching the survey record high set in November 2000. Twelve percent reported using temporary workers, unchanged. A seasonally-adjusted net 20 percent plan to create new jobs, up 2 points from May and very strong. Labor markets are very tight, for both skilled and unskilled workers. Thirty-one percent have openings for skilled workers, and 13 percent have openings for unskilled labor, both ahead of the May readings. More firms are looking for workers than workers looking for a job. And the hiring strength is in industries that pay well: construction, manufacturing, and financial services.

## CAPITAL SPENDING

Fifty-nine percent reported capital outlays, down 3 points from May, but solid. Of those making expenditures, 44 percent reported spending on new equipment (down 3 points), 26 percent acquired vehicles (up 2 points), and 14 percent improved or expanded facilities (down 2 points). Five percent acquired new buildings or land for expansion (down 1 point) and 12 percent spent money for new fixtures and furniture (down 1 point). Solid investment spending is necessary to produce the improvements in productivity that will secure future increases in real wages. Twenty-nine percent plan capital outlays in the next few months, down 1 point from May. Plans were most frequent in manufacturing (38 percent) where additional capacity and productivity-enhancing investments are needed.

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This survey was conducted in June 2018. A sample of 5,000 small-business owners/members was drawn. Six hundred and sixty-five (665) usable responses were received – a response rate of 13 percent.

## SALES AND INVENTORIES

A net 10 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months compared to the prior three months, down 5 points but still one of the strongest readings in years. Reports of sales increases were most frequent in manufacturing and the wholesale trades. The net percent of owners expecting higher real sales volumes fell 5 points to a net 26 percent of owners, reversing half of the 10 point rise in May. Retailers and firms in financial services were especially optimistic about future sales prospects, the basis for their strong hiring and inventory investment plans.

The net percent of owners reporting inventory increases fell 6 points to a net negative 2 percent (seasonally adjusted), ending a five month positive run for reports of increases. The net percent of owners viewing current inventory stocks as “too low” (a positive number means more think stocks are too low than too high, a positive for inventory building) gained 4 points to a net 0 percent, a very positive move. This confirms that the stock reductions reported were indeed a result of strong sales, not a result of less certainty. The net percent of owners planning to build inventories rose 2 points to a net 6 percent.

## COMPENSATION AND EARNINGS

Reports of higher worker compensation slipped 4 points from May's record reading to a net 31 percent of all firms. Plans to raise compensation rose 1 point to a net 21 percent, high but below its recent peak of 24 percent in January. Owners complain at record rates about labor quality issues, with 87 percent of those hiring or trying to hire in June reporting few or no qualified applicants for their open positions. The frequency of reports of positive profit trends fell from its record high in May, losing 4 percentage points to a net negative 1 percent reporting quarter on quarter profit improvements, still one of the best readings in the survey's 45 year history.

## CREDIT MARKETS

Three percent of owners reported that all their borrowing needs were not satisfied, down 1 point and historically low. Thirty percent reported all credit needs met (down 7 points) and 54 percent said they were not interested in a loan, up 11 points. These are extreme movements, and the July figures are likely to be an average of May and June. Only 2 percent reported that financing was their top business problem compared to 21 percent the availability of qualified labor, 16 percent citing taxes, and 14 percent citing regulations and red tape. Two percent reported loans “harder to get,” historically about as low as the measure can go. Twenty-eight percent of all owners reported borrowing on a regular basis (down 6 points). The average rate paid on short maturity loans fell 30 basis points to 6.1 percent.

## INFLATION

The net percent of owners raising average selling prices fell 5 points to a net 14 percent seasonally adjusted. Unadjusted, 9 percent of owners reported reducing their average selling prices in the past three months (up 3 points), and 25 percent reported price increases (down 3 points). Inflation does not appear to be a threat in the current environment. Seasonally adjusted, a net 24 percent plan price hikes (down 2 points).

# COMMENTARY

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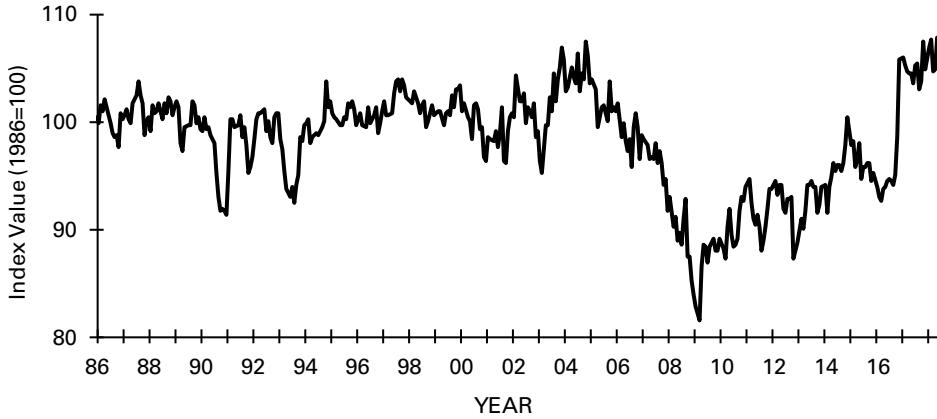
GDP growth in the first quarter was disappointing, as have been first quarter reports for several years now. Lacking a better explanation, the chatter is that there is a seasonal adjustment problem. The second quarter looks like it will come in at a much better pace (the New York Federal Reserve anticipates 2.8 percent, the Atlanta Federal Reserve 3.8 percent). Certainly economic activity on Main Street is supportive of a much better GDP growth reading. Small business owners are pushing ahead with an expansive agenda, trying to figure out how to produce more with a restricted supply of labor. Unemployment is about as low as it can go. Mortgage rates and inflation are both still historically low, and incomes are rising.

Main Street is getting the good news first hand – higher sales, more profits, opportunities to expand and grow. They see at street level the successes being achieved in the economy that news programs don't cover nearly enough. Record numbers see the current period as a good time to expand operations and are trying to hire more workers. Capital spending is at levels not seen in a decade. Regulatory burdens are being reduced. Small business owners are focusing on what really matters and moving the economy forward. Economic growth will be solid through the end of the year on Main Street.

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

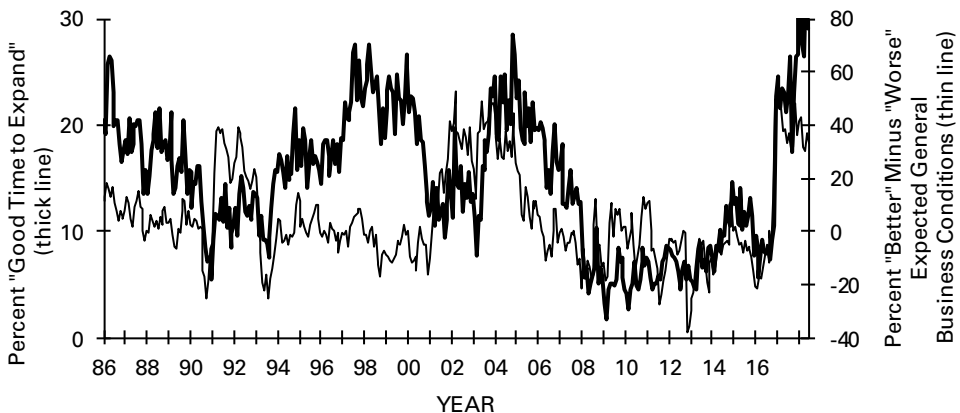
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2013</b>	88.8	90.9	90.0	91.7	94.0	94.0	94.4	94.0	93.8	91.5	92.2	93.8
<b>2014</b>	94.0	91.6	94.0	94.8	96.2	95.4	96.0	95.9	95.3	96.0	97.8	100.3
<b>2015</b>	97.7	98.1	95.7	96.5	97.9	94.6	95.7	95.7	96.0	96.0	94.5	95.2
<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						

# SMALL BUSINESS OUTLOOK

## OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to June 2018  
(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
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	27
2018	32	32	28	27	34	29						

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
June 2018

Reason	Good Time	Not Good Time	Uncertain
Economic Conditions	22	8	10
Sales Prospects	5	3	4
Fin. & Interest Rates	0	1	1
Cost of Expansion	0	5	10
Political Climate	2	3	8
Other/Not Available	1	6	9

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

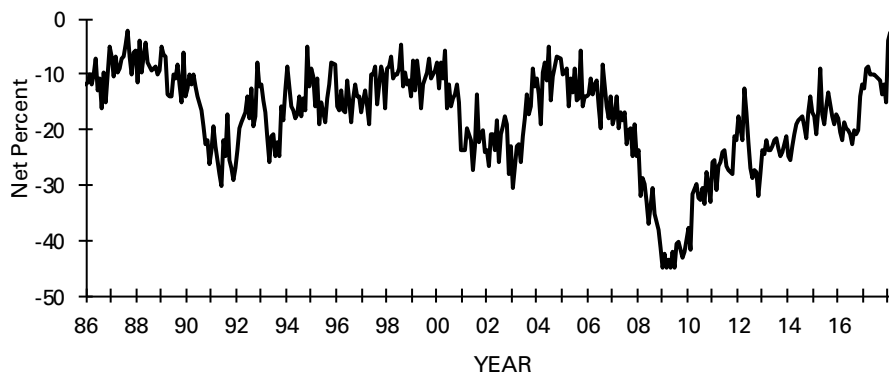
Net Percent ("Better" Minus "Worse") Six Months From Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	37
2018	41	43	32	30	37	33						

# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to June 2018  
(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
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	-15
2018	-4	-3	-4	-1	3	-1						

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
June 2018

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

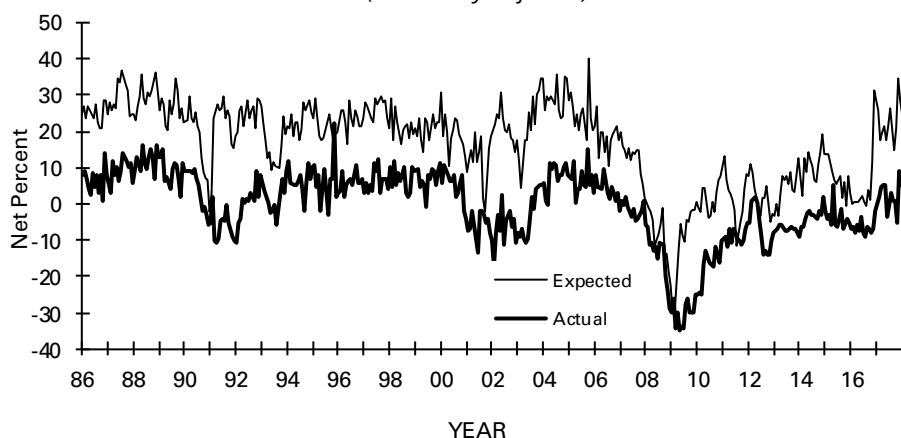
\* Increased costs include labor, materials, finance, taxes, and regulatory costs.



# SMALL BUSINESS SALES

## SALES

Actual (Prior Three Months) and Expected (Next Three Months)  
 January 1986 to June 2018  
 (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
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	9
2018	5	8	8	8	15	10						

## SALES EXPECTATIONS

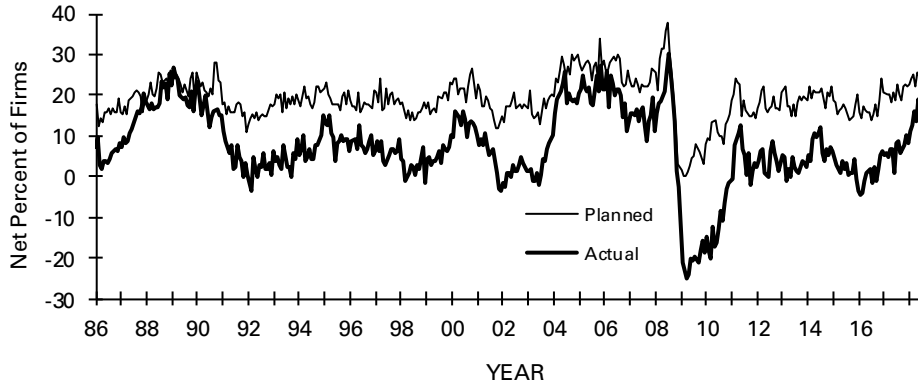
Net Percent ("Higher" Minus "Lower") During Next Three Months  
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	28
2018	25	28	20	21	31	26						

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
 January 1986 to June 2018  
 (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
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	8
2018	11	13	16	14	19	14						

## 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
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	22
2018	23	24	25	22	26	24						

# 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
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	3
2018	4	4	4	7	7	3						

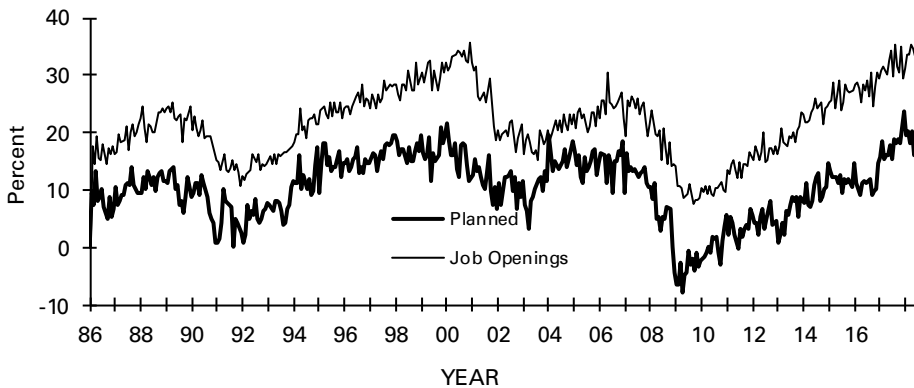
## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	54
2018	49	47	47	50	48	55						

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to June 2018  
(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
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	31
2018	34	34	35	35	33	36						

### HIRING PLANS

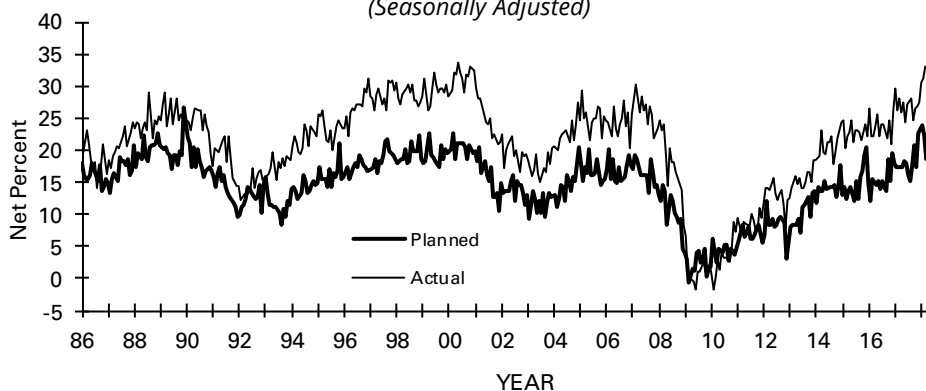
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	20
2018	20	18	20	16	18	20						

## SMALL BUSINESS COMPENSATION

### COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to June 2018  
(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
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	27
2018	31	31	33	33	35	31						

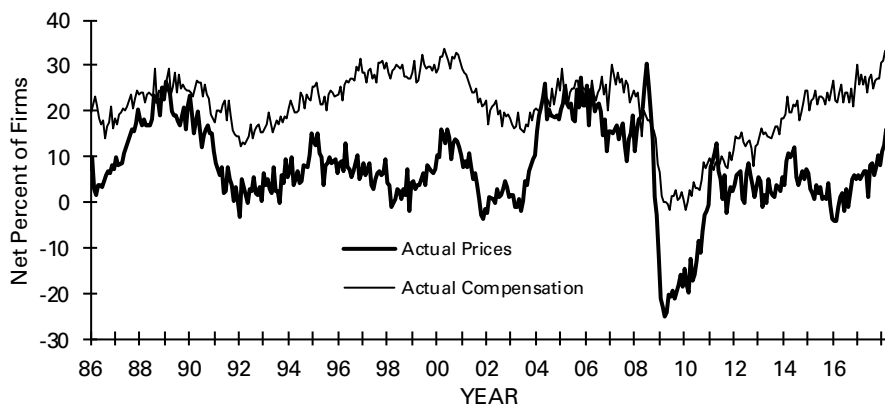
### COMPENSATION PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	23
2018	24	22	19	21	20	21						

### PRICES AND LABOR COMPENSATION

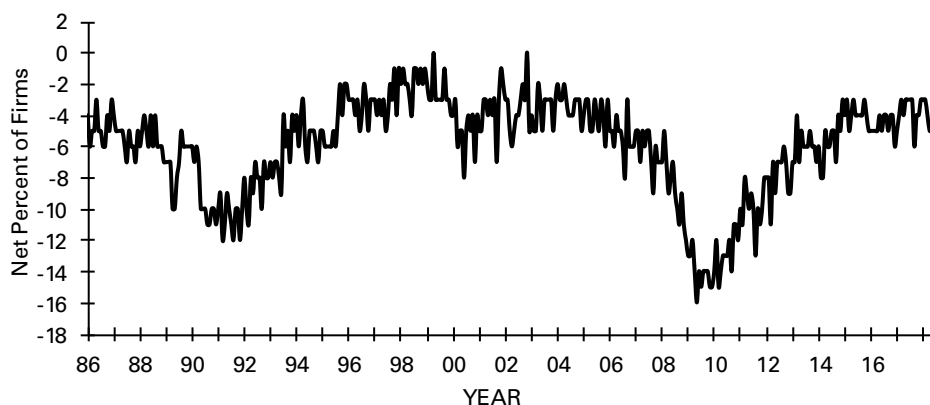
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to June 2018



\* 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
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	34
2018	31	31	32	31	34	28						

## 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
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	-3
2018	-3	-3	-4	-5	-5	-2						

# 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>2013</b>	31/6	29/7	29/7	31/6	28/5	29/5	30/5	31/5	28/6	28/6	32/4	32/4
<b>2014</b>	31/5	29/5	30/5	30/5	30/5	27/6	30/6	28/4	28/6	29/4	29/4	32/4
<b>2015</b>	32/4	33/3	35/5	31/4	30/4	32/5	32/4	33/3	30/2	30/3	32/3	32/4
<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						

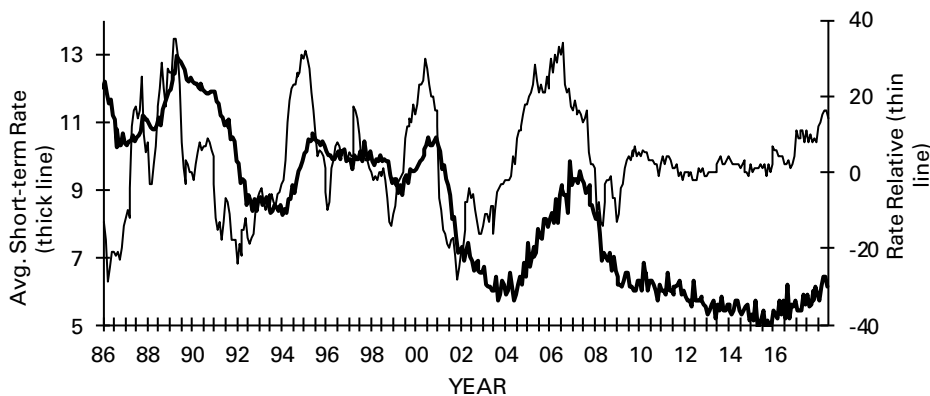
## EXPECTED CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2013</b>	-9	-8	-6	-8	-6	-7	-8	-8	-7	-8	-7	-7
<b>2014</b>	-7	-7	-7	-6	-7	-7	-5	-5	-7	-5	-6	-5
<b>2015</b>	-5	-4	-6	-4	-4	-4	-5	-7	-6	-5	-4	-6
<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						

## INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
January 1986 to June 2018



## 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
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	8
2018	12	13	15	16	16	14						

*Borrowing at Least Once Every Three Months.*

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

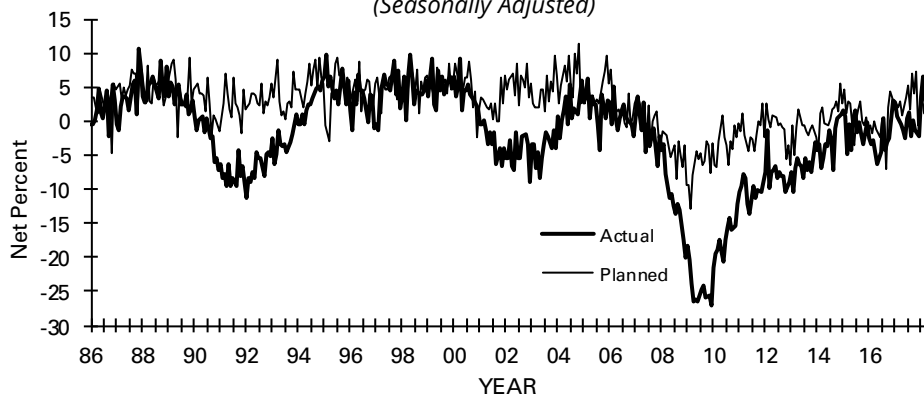
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	6.1
2018	5.9	5.7	6.1	6.4	6.4	6.1						

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to June 2018  
(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
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	-2
2018	4	7	3	4	4	-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
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	-2
2018	-5	-3	-6	-4	-4	0						

### INVENTORY PLANS

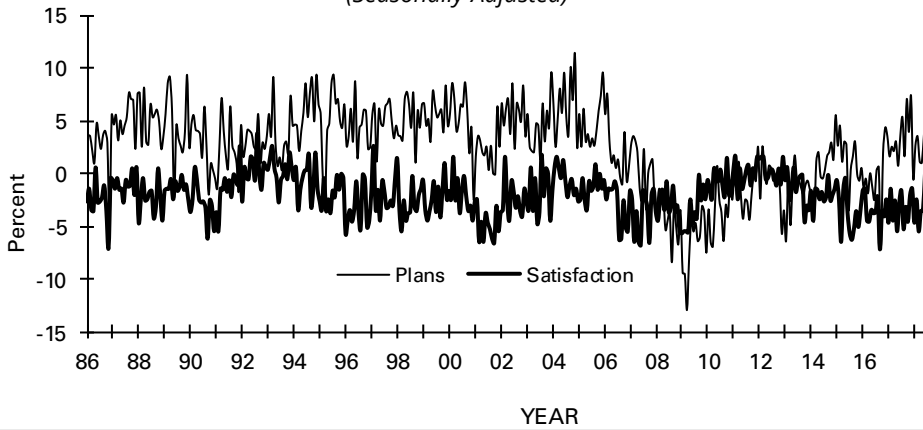
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	-1
2018	3	4	1	1	4	6						

# SMALL BUSINESS CAPITAL OUTLAYS

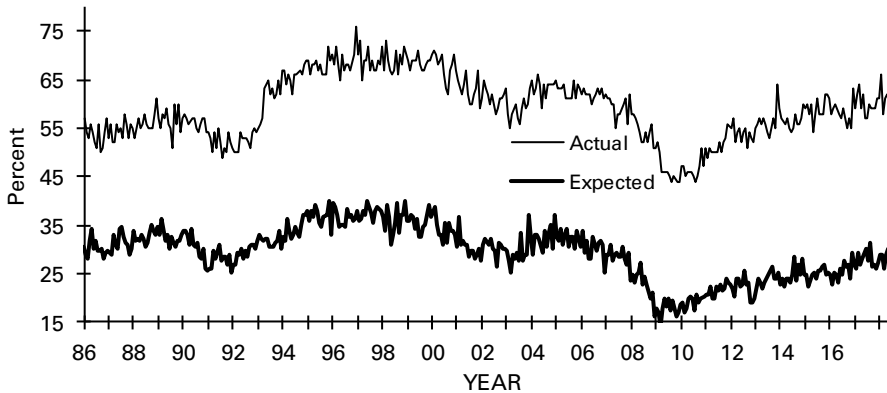
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 June 2018  
*(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>2013</b>	55	56	57	56	57	56	54	53	55	57	55	64
<b>2014</b>	59	57	56	57	55	54	55	58	56	56	57	60
<b>2015</b>	59	60	58	60	54	58	61	58	58	58	62	62
<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						

## 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	26	21	23
Equipment	44	40	41
Furniture or Fixtures	12	11	13
Add. Bldgs. or Land	5	4	5
Improved Bldgs. or Lan	14	13	14

### 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	3	2	3
\$1,000 to \$4,999	8	9	6
\$5,000 to \$9,999	5	6	6
\$10,000 to \$49,999	17	21	19
\$50,000 to \$99,999	13	8	8
\$100,000 +	13	10	13
No Answer	0	1	2

### 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
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	27
2018	29	29	26	29	30	29						

# SINGLE MOST IMPORTANT PROBLEM

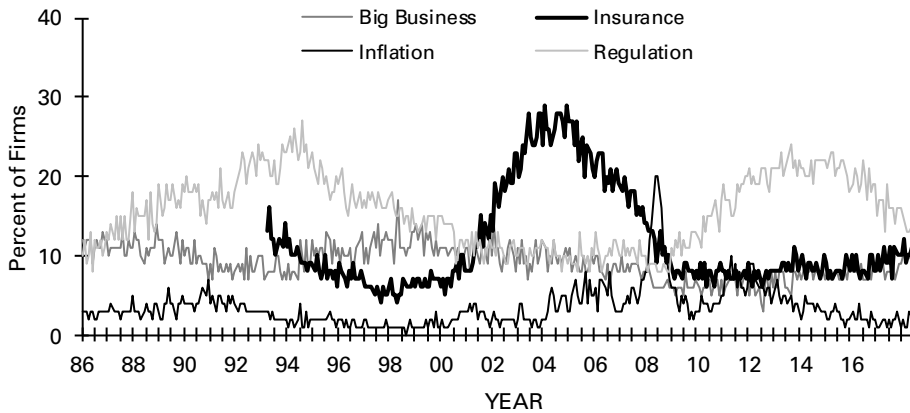
## SINGLE MOST IMPORTANT PROBLEM

June 2018

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	16	22	32	8
Inflation	2	1	41	0
Poor Sales	8	10	34	2
Fin. & Interest Rates	2	1	37	1
Cost of Labor	7	7	9	2
Govt. Regs. & Red Tape	14	19	27	4
Comp. From Large Bus.	9	8	14	4
Quality of Labor	21	15	24	3
Cost/Avail. of Insurance	11	9	29	4
Other	10	8	31	1

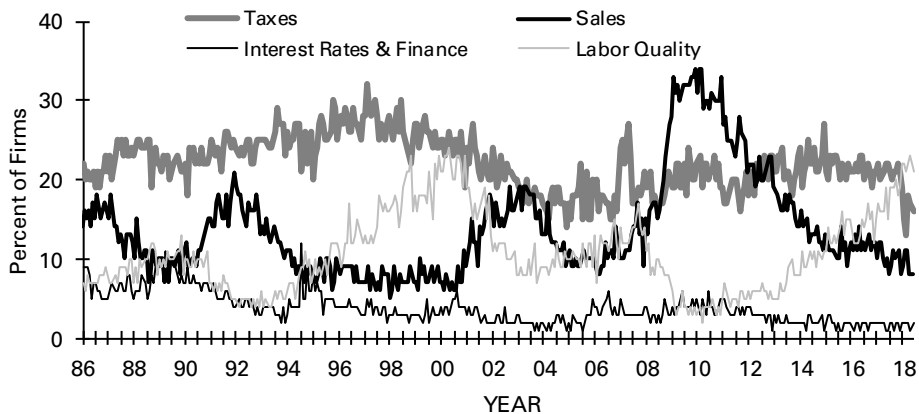
## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation  
January 1986 to June 2018



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality  
January 1986 to June 2018



## SURVEY PROFILE

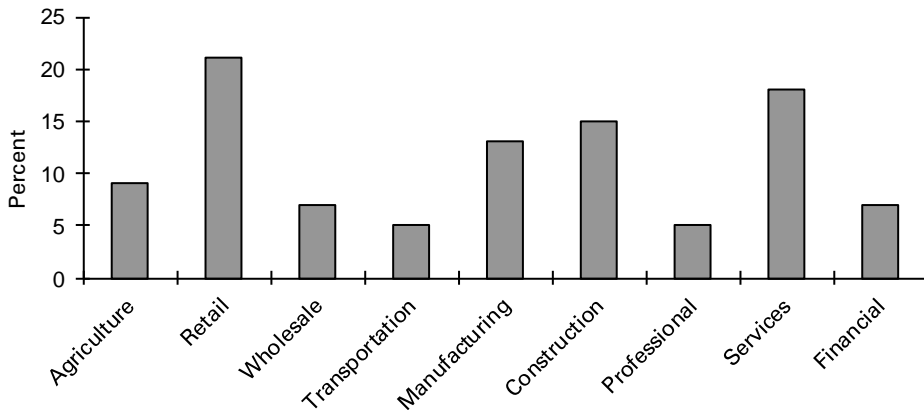
### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2013</b>	2033	870	759	1873	715	662	1615	782	773	1940	762	635
<b>2014</b>	1864	792	685	1699	678	672	1645	598	608	1502	615	568
<b>2015</b>	1663	716	575	1500	616	620	1495	656	556	1411	601	509
<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						

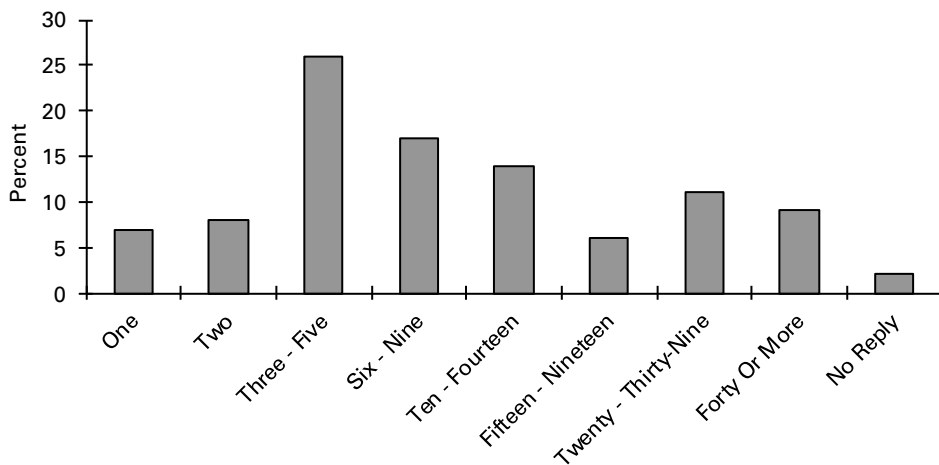
### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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 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