

OCTOBER  
2023

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	17%	-1	*
Plans to Make Capital Outlays	24%	0	*
Plans to Increase Inventories	0%	1	*
Expect Economy to Improve	-43%	0	*
Expect Real Sales Higher	-10%	3	*
Current Inventory (too low)	-3%	1	*
Current Job Openings	43%	0	*
Expected Credit Conditions	-9%	1	*
Now a Good Time to Expand	6%	1	*
Earnings Trends	-32%	-8	*
Total Change		-2	

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

## **IN THIS ISSUE**

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Summary . . . . .	1
Commentary . . . . .	3
Optimism . . . . .	4
Uncertainty . . . . .	5
Outlook . . . . .	5
Earnings . . . . .	7
Sales . . . . .	8
Prices . . . . .	9
Employment . . . . .	10
Compensation . . . . .	11
Credit Conditions . . . . .	13
Inventories . . . . .	15
Capital Outlays . . . . .	17
Most Important Problem . . . . .	19
Survey Profile . . . . .	20
Economic Survey . . . . .	21

# SUMMARY

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## OPTIMISM INDEX

This month marks the 50th anniversary of the Small Business Economic Trends survey. The balloons, cake and streamers are ready for the party, but unfortunately small business owners are not in the mood to celebrate. The Optimism Index decreased 0.1 points in October to 90.7. This is the 22nd consecutive month below the 50-year average of 98. The last time the Index was at or above the average was December 2021. Of the 10 index components, 5 increased, 2 decreased, and 3 were unchanged.

## LABOR MARKETS

Forty-three percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, unchanged from September. Thirty-seven percent have openings for skilled workers (unchanged) and 18 percent have openings for unskilled labor (unchanged). The difficulty in filling open positions is particularly acute in the transportation, construction, and services sectors. Job openings in construction were down 4 points from last month but still over half have a job opening they can't fill. Openings are lowest in the wholesale and finance sectors. Owners' plans to fill open positions remain elevated, with a seasonally adjusted net 17 percent planning to create new jobs in the next three months, down 1 point from September and 15 points below its record high reading of 32 percent reached in August 2021. Overall, labor quality and availability are preventing owners from taking advantage of sales and growth opportunities. Overall, 61 percent reported hiring or trying to hire in October, unchanged from September. Fifty-five percent (90 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (down 2 points). Thirty-one percent of owners reported few qualified applicants for their open positions (up 1 point) and 24 percent reported none (down 3 points). Labor quality reported as the single most important problem for business owners was unchanged at 23 percent, and labor cost was also unchanged at 9 percent.

## CAPITAL SPENDING

Fifty-seven percent reported capital outlays in the last six months, unchanged from September. Of those making expenditures, 37 percent reported spending on new equipment (down 4 points), 24 percent acquired vehicles (up 2 points), and 18 percent improved or expanded facilities (up 1 point). Twelve percent spent money on new fixtures and furniture (unchanged) and 7 percent acquired new buildings or land for expansion (unchanged). Twenty-four percent plan capital outlays in the next few months, unchanged from September. A more positive view of the future economy and economic policy would help stimulate longer term investment spending, but currently, owners' views about the future are not supportive and financing costs are very high. Investment is needed to address labor supply chain problems which still persist in the current environment.

## SALES AND INVENTORIES

A net negative 17 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down 9 points from September and the lowest reading since July 2020. The net percent of owners expecting higher real sales volumes improved 3 points to a net negative 10 percent. The net percent of owners reporting inventory gains decreased 3 points to a net negative 6 percent. Not seasonally adjusted, 11 percent reported increases in stocks (down 2 points) and 16 percent reported reductions (up 1 point). A net negative 3 percent of owners viewed current inventory stocks as “too low” in October, up 1 point from September. By industry, shortages are reported most frequently in the transportation (16 percent), finance (12 percent), and retail (11 percent) sectors. A net 0 percent of owners plan inventory investment in the coming months, up 1 point from September.

## COMPENSATION AND EARNINGS

Seasonally adjusted, a net 36 percent reported raising compensation, unchanged from September. A seasonally adjusted net 24 percent plan to raise compensation in the next three months, up 1 point from September. Nine percent cited labor costs as their top business problem, unchanged from September. Twenty-three percent said that labor quality was their top business problem (unchanged). The frequency of reports of positive profit trends was a net negative 32 percent, down 8 points from September. Among owners reporting lower profits, 32 percent blamed weaker sales, 21 percent blamed the rise in the cost of materials, 14 percent cited labor costs, 10 percent cited lower prices, 7 percent cited the usual seasonal change, and 4 percent cited higher taxes or regulatory costs. For owners reporting higher profits, 55 percent credited sales volumes, 20 percent cited usual seasonal change, and 7 percent cited higher selling prices.

## CREDIT MARKETS

Two percent of owners reported that all their borrowing needs were not satisfied (unchanged). Twenty-three percent reported all credit needs met (unchanged) and 64 percent said they were not interested in a loan (down 1 point). A net 7 percent reported their last loan was harder to get than in previous attempts (down 1 point). Five percent reported that financing was their top business problem (up 1 point). A net 22 percent of owners reported paying a higher rate on their most recent loan, down 4 points from September. The average rate paid on short maturity loans was 9.1 percent, down 0.7 percentage points from last month's highest reading since December 2006. Twenty-seven percent of all owners reported borrowing on a regular basis (down 4 points).

## INFLATION

The net percent of owners raising average selling prices increased 1 point from September to a net 30 percent seasonally adjusted. Twenty-two percent of owners reported that inflation was their single most important problem in operating their business, down 1 point from last month. Unadjusted, 11 percent (down 2 points) reported lower average selling prices and 39 percent (down 2 points) reported higher average prices. Price hikes were most frequent in finance (56 percent higher, 7 percent lower, as interest rates rise), retail (47 percent higher, 8 percent lower), construction (41 percent higher, 7 percent lower), transportation (41 percent higher, 18 percent lower), and wholesale (39 percent higher, 14 percent lower). Seasonally adjusted, a net 33 percent plan price hikes (up 3 points).

# COMMENTARY

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This month marks the 50th anniversary of the Small Business Economic Trends survey. But while we celebrate the immense value of its 50 years' worth of data and insights into the small business economy, small business owners are not in the mood to celebrate. Until very recently, virtually every "forecaster" had the economy slowing down this year and continuing at slower growth rates next year. The Fed's model had growth rates with a 1% handle, Leading Economic Indicators were in the tank, the yield curve remained inverted. Slowdown was the new word as recession predictors were giving up in favor of a soft landing. What a difference a day makes! And then the government reported real GDP growth of 4.9% in Q3! That's not a soft landing, it's a "liftoff," a 200% increase in the growth rate!

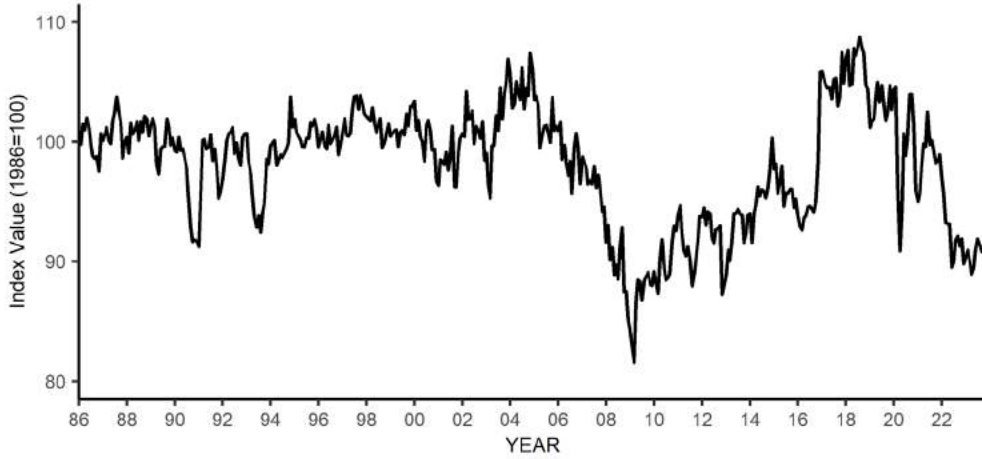
However, small business sentiment fell in Q3, consumer sentiment is at recession levels, housing is struggling. So, where did the growth come from? Over 50% of the surge in growth came from the consumer, even with rising debt burdens. Another 16% of the growth was powered by government spending. But a stunning source of growth was the pile-up of inventories, stuff that was made but not sold in Q3. This accounted for 27% of the growth and will be a drag on Q4 growth as the inventories, rather than stuff made, are sold over the fourth quarter. Government spending rose at a 4.6% annual rates, consumer spending and residential investment at a 4% rate, and business investment declined slightly over the quarter.

Small businesses are not growing their inventories, so the surge in inventory investment is maybe the pile-up of unsold electric vehicles and unused wind turbines. Their sales growth does not show the strength reported in the government numbers. Labor costs, energy costs, and most everything else small business owners pay for to operate their business are not falling, so firms continue to raise selling prices to keep up. This is a cycle that will complicate the Fed's job. The recession expected to break the back of inflation has not appeared. Government numbers on the economy have been confounding all year, perhaps Q3 will be part of that trend – big revisions could still come. Small business owners will move into Q4 facing high interest rates, rising energy costs, and more regulation, wrapped in a dismal view about future economic conditions. Government spending continues to support jobs and consumer spending, but that's not a foundation for solid economic growth.

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

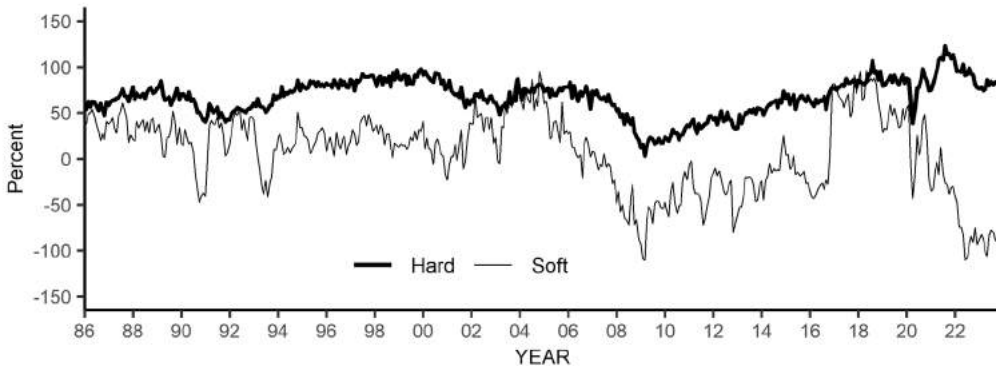
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	106.9	107.6	104.7	104.8	107.8	107.2	107.9	108.8	107.9	107.4	104.8	104.4
<b>2019</b>	101.2	101.7	101.8	103.5	105.0	103.3	104.7	103.1	101.8	102.4	104.7	102.7
<b>2020</b>	104.3	104.5	96.4	90.9	94.4	100.6	98.8	100.2	104.0	104.0	101.4	95.9
<b>2021</b>	95.0	95.8	98.2	99.8	99.6	102.5	99.7	100.1	99.1	98.2	98.4	98.9
<b>2022</b>	97.1	95.7	93.2	93.2	93.1	89.5	89.9	91.8	92.1	91.3	91.9	89.8
<b>2023</b>	90.3	90.9	90.1	89.0	89.4	91.0	91.9	91.3	90.8	90.7		

## OPTIMISM INDEX COMPONENTS

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

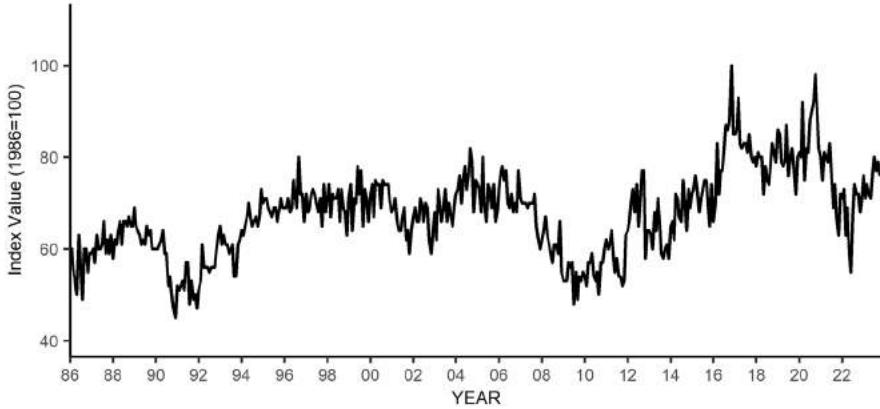
Soft: Expected Business Conditions, Outlook for Expansion, Expected Real Sales, Expected Credit Conditions, Inventory Satisfaction



# SMALL BUSINESS UNCERTAINTY

## UNCERTAINTY INDEX

Sum of "Don't Know" & "Uncertain" Answers on 6 Questions  
(Seasonally Adjusted 1986=100)



## UNCERTAINTY INDEX

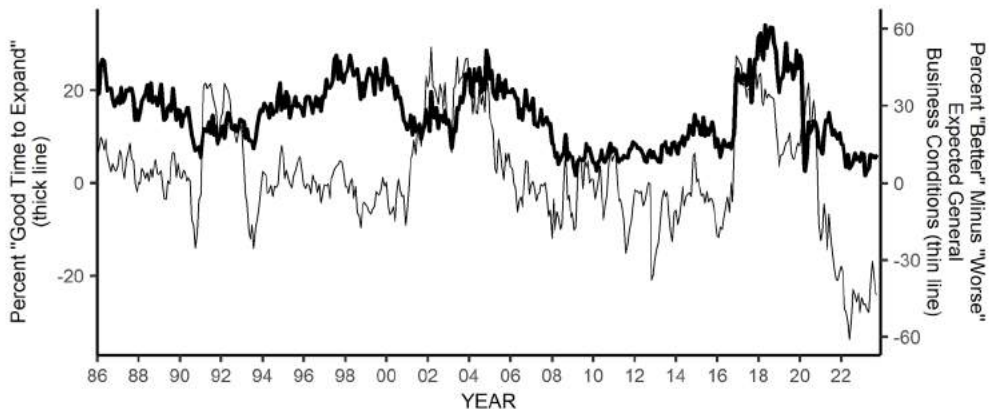
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	78	81	80	80	72	78	75	74	79	83	81	79
<b>2019</b>	86	85	79	78	79	87	76	80	82	78	72	80
<b>2020</b>	81	80	92	75	82	81	88	90	92	98	90	82
<b>2021</b>	80	75	81	80	79	83	76	69	74	67	63	72
<b>2022</b>	71	73	63	69	59	55	67	74	72	72	68	71
<b>2023</b>	76	71	74	72	71	76	80	77	79	76		

# SMALL BUSINESS OUTLOOK

## OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to October 2023  
(Seasonally Adjusted)



## SMALL BUSINESS OUTLOOK (CONTINUED)

### OUTLOOK FOR EXPANSION

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	32	32	28	27	34	29	32	34	33	30	29	24
<b>2019</b>	20	22	23	25	30	24	26	26	22	23	29	25
<b>2020</b>	28	26	13	3	5	13	11	12	13	13	12	8
<b>2021</b>	8	6	11	14	13	15	13	11	11	10	10	11
<b>2022</b>	9	8	6	4	6	3	4	5	6	5	6	5
<b>2023</b>	7	6	2	3	3	6	6	6	5	6		

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
October 2023

Reason	Good Time	Not Good Time	Uncertain
<b>Economic Conditions</b>	2	36	13
<b>Sales Prospects</b>	2	2	1
<b>Fin. &amp; Interest Rates</b>	0	9	4
<b>Cost of Expansion</b>	0	5	3
<b>Political Climate</b>	0	10	7
<b>Other / Not Available</b>	0	2	1

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

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

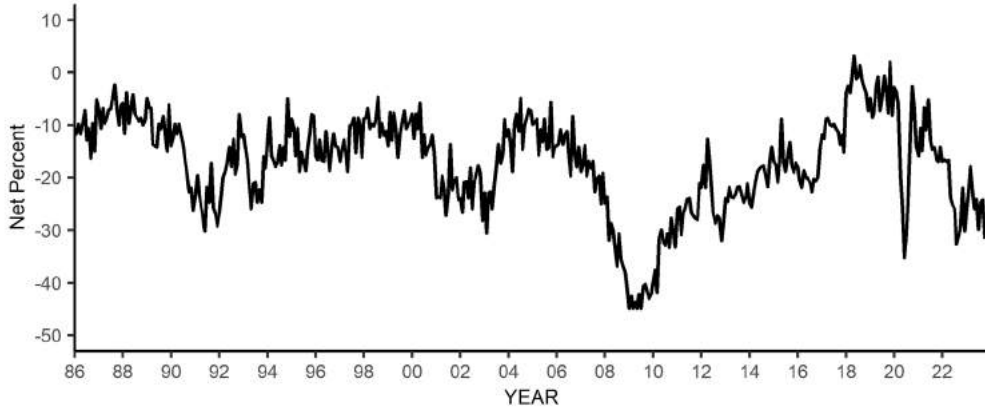
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	41	43	32	30	37	33	35	34	33	33	22	16
<b>2019</b>	6	11	11	13	16	16	20	12	9	10	13	16
<b>2020</b>	14	22	5	29	34	39	25	24	32	27	8	-16
<b>2021</b>	-23	-19	-8	-15	-26	-12	-20	-28	-33	-37	-38	-35
<b>2022</b>	-33	-35	-49	-50	-54	-61	-52	-42	-44	-46	-43	-51
<b>2023</b>	-45	-47	-47	-49	-50	-40	-30	-37	-43	-43		



# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to October 2023  
(Seasonally Adjusted)



## ACTUAL EARNINGS CHANGES

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	-4	-3	-4	-1	3	-1	-1	1	-1	-3	-4	-7
<b>2019</b>	-5	-9	-8	-3	-1	-7	-5	-1	-3	-8	2	-8
<b>2020</b>	-3	-4	-6	-20	-26	-35	-32	-25	-12	-3	-7	-14
<b>2021</b>	-16	-11	-15	-7	-11	-5	-13	-15	-14	-17	-17	-14
<b>2022</b>	-17	-17	-17	-17	-24	-25	-26	-33	-31	-30	-22	-30
<b>2023</b>	-26	-23	-18	-23	-26	-24	-30	-25	-24	-32		

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
October 2023

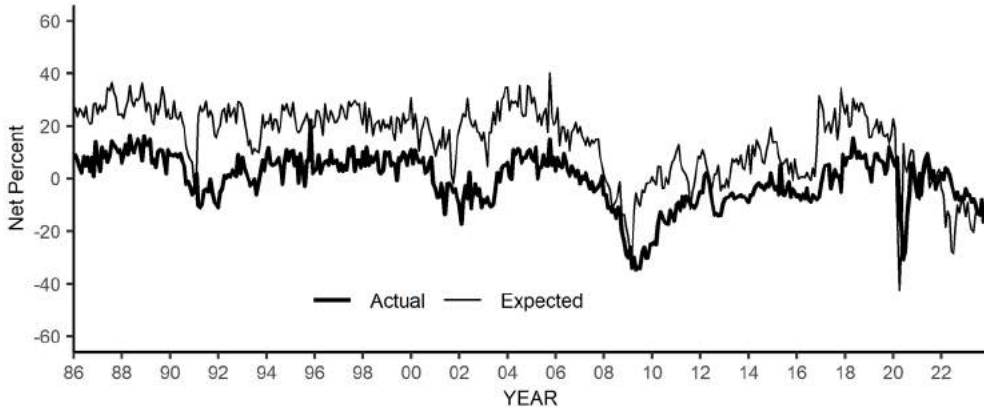
Reason	Current Month	One Year Ago	Two Years Ago
<b>Sales Volume</b>	13	9	8
<b>Increased Costs*</b>	18	20	14
<b>Cut Selling Prices</b>	4	5	2
<b>Usual Seasonal Change</b>	3	3	3
<b>Other</b>	1	1	2

\* 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 October 2023  
 (Seasonally Adjusted)



## ACTUAL SALES CHANGES

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	5	8	8	8	15	10	8	10	8	8	9	4
<b>2019</b>	4	-1	5	9	9	7	7	6	2	4	12	9
<b>2020</b>	7	5	8	-11	-19	-31	-28	-15	-6	6	5	-2
<b>2021</b>	-7	2	-6	3	7	9	5	0	3	-4	-2	1
<b>2022</b>	2	0	4	3	1	-2	-5	-8	-5	-8	-7	-8
<b>2023</b>	-4	-6	-6	-9	-8	-10	-13	-14	-8	-17		

## SALES EXPECTATIONS

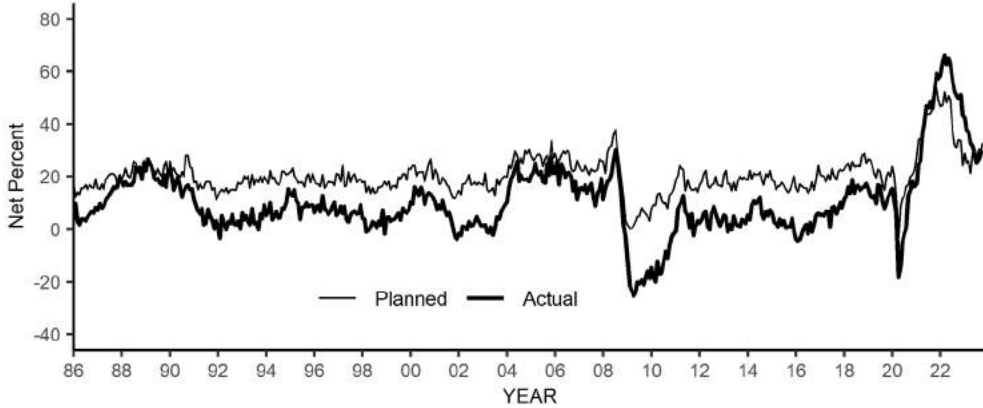
Net Percent ("Higher" Minus "Lower") During Next Three Months  
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	25	28	20	21	31	26	29	26	29	28	24	23
<b>2019</b>	16	16	19	20	23	17	22	17	16	17	13	16
<b>2020</b>	23	19	-12	-42	-24	13	5	3	8	11	10	-4
<b>2021</b>	-6	-8	0	1	3	7	-4	-2	2	0	2	3
<b>2022</b>	-3	-6	-18	-12	-15	-28	-29	-19	-10	-13	-8	-10
<b>2023</b>	-14	-9	-15	-19	-21	-14	-12	-14	-13	-10		

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
 January 1986 to October 2023  
 (Seasonally Adjusted)



## ACTUAL PRICE CHANGES

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	11	13	16	14	19	14	16	17	15	16	16	17
<b>2019</b>	15	13	12	13	10	17	16	11	8	10	12	14
<b>2020</b>	15	11	6	-18	-14	-5	-2	1	13	15	18	16
<b>2021</b>	17	25	26	36	40	47	46	49	46	53	59	57
<b>2022</b>	58	64	66	63	65	63	56	53	51	50	51	43
<b>2023</b>	42	38	37	33	32	29	25	27	29	30		

## PRICE PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	23	24	25	22	26	24	24	24	24	28	29	25
<b>2019</b>	27	26	24	21	20	23	22	17	15	20	22	20
<b>2020</b>	24	20	12	-3	9	12	13	16	17	20	21	22
<b>2021</b>	28	34	34	36	43	44	44	44	46	51	54	49
<b>2022</b>	47	47	52	48	51	49	37	32	31	34	34	24
<b>2023</b>	29	25	26	21	29	31	27	30	30	33		

# SMALL BUSINESS EMPLOYMENT

## ACTUAL EMPLOYMENT CHANGES

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	4	4	4	7	7	3	6	5	1	5	5	5
<b>2019</b>	7	9	12	7	9	5	3	5	4	4	10	6
<b>2020</b>	9	13	8	-12	-16	-16	-11	-12	-6	-2	-2	-5
<b>2021</b>	0	-3	-2	1	-5	-2	-6	-8	-1	-2	-1	1
<b>2022</b>	-1	1	-2	-2	-4	-2	-4	-8	-4	-2	-3	1
<b>2023</b>	2	4	2	-2	-4	-2	-2	-4	-2	-3		

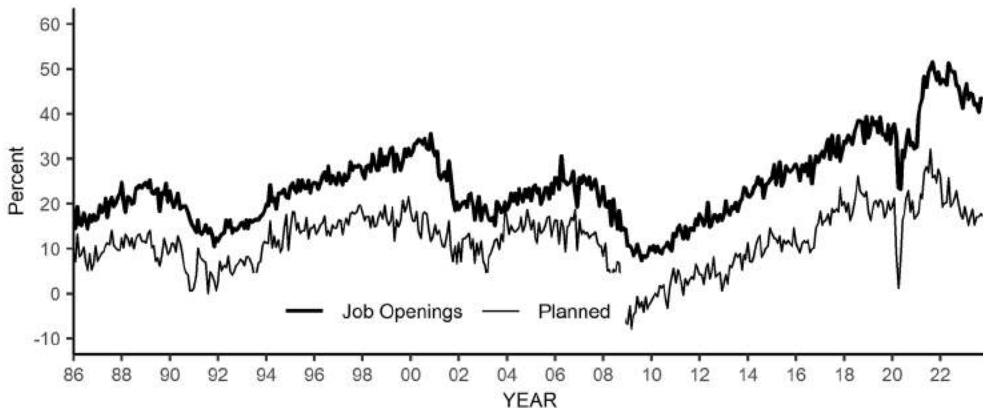
## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	49	47	47	50	48	55	52	55	53	53	53	54
<b>2019</b>	49	49	54	49	54	50	56	57	50	53	53	50
<b>2020</b>	49	52	47	41	37	43	44	46	50	48	47	48
<b>2021</b>	46	51	51	54	57	56	57	60	62	58	56	57
<b>2022</b>	55	57	55	55	61	60	57	57	57	55	54	51
<b>2023</b>	52	54	53	55	55	54	56	54	57	55		

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to October 2023  
(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
2018	34	34	35	35	33	36	37	38	38	38	34	39
2019	35	37	39	38	38	36	39	35	35	34	38	33
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		

## HIRING PLANS

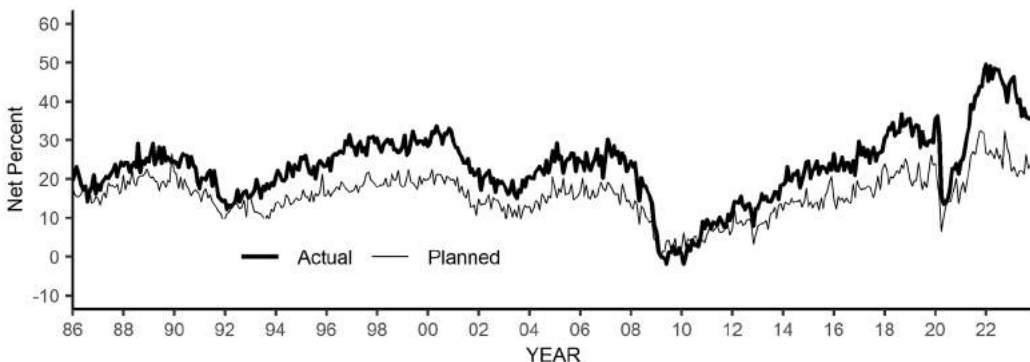
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	20	18	20	16	18	20	23	26	23	22	22	23
2019	18	16	18	20	21	19	21	20	17	18	21	19
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		

# SMALL BUSINESS COMPENSATION

## COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to October 2023  
(Seasonally Adjusted)



## SMALL BUSINESS COMPENSATION (CONTINUED)

### ACTUAL COMPENSATION CHANGES

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	31	31	33	33	35	31	32	32	37	34	34	35
<b>2019</b>	36	31	33	34	34	28	32	29	29	30	30	29
<b>2020</b>	36	36	31	16	14	14	15	18	23	23	24	21
<b>2021</b>	25	25	28	31	34	39	38	41	42	44	44	48
<b>2022</b>	50	45	49	46	49	48	48	46	45	44	40	44
<b>2023</b>	46	46	42	40	41	36	38	36	36	36		

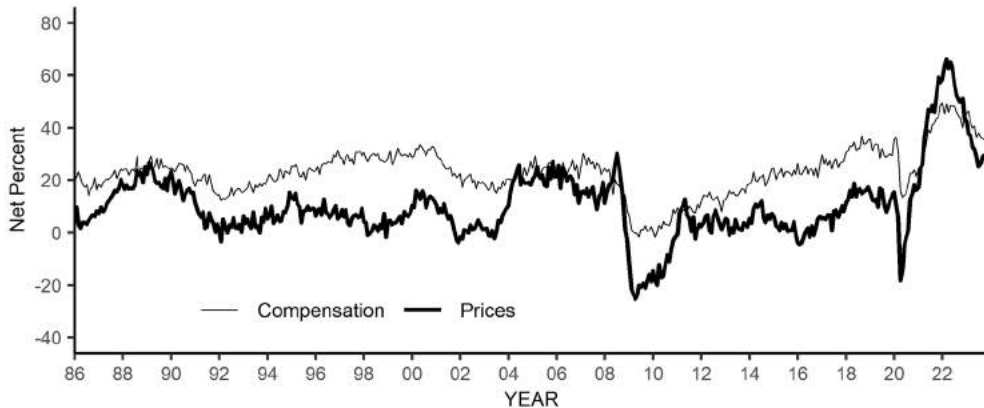
### COMPENSATION PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	24	22	19	21	20	21	22	21	24	23	25	24
<b>2019</b>	20	18	20	20	24	21	17	19	18	22	26	24
<b>2020</b>	24	19	16	7	10	13	14	14	16	18	20	14
<b>2021</b>	17	19	17	20	22	26	27	26	30	32	32	32
<b>2022</b>	27	26	28	27	25	28	25	26	23	32	28	27
<b>2023</b>	22	23	22	21	22	22	21	26	23	24		

### PRICES AND LABOR COMPENSATION

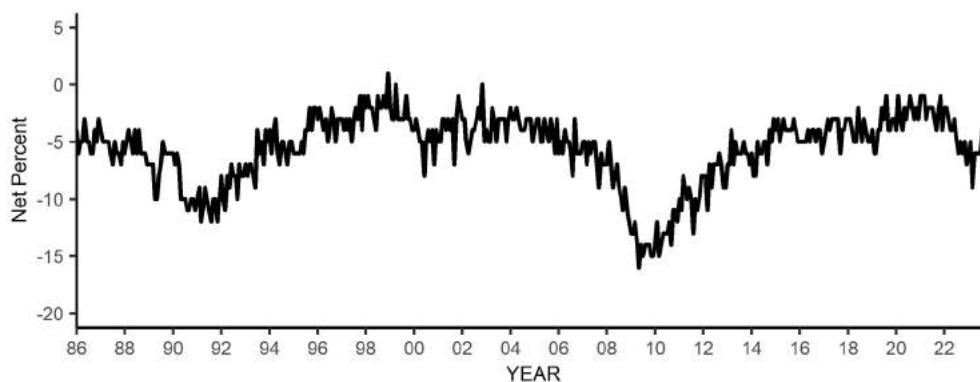
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to October 2023



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

## REGULAR BORROWERS

Percent Borrowing at Least Once Every Three Months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	31	31	32	31	34	28	32	32	29	32	32	35
<b>2019</b>	33	33	34	31	31	28	28	33	30	29	28	29
<b>2020</b>	31	28	26	29	26	27	26	24	26	25	22	26
<b>2021</b>	23	26	23	24	23	21	21	20	20	23	21	23
<b>2022</b>	23	23	25	26	23	25	26	27	26	28	27	28
<b>2023</b>	29	30	30	31	29	28	27	28	31	27		

## AVAILABILITY OF LOANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	-3	-3	-4	-5	-5	-2	-4	-5	-3	-4	-5	-5
<b>2019</b>	-4	-6	-6	-4	-4	-2	-3	-1	-4	-4	-3	-3
<b>2020</b>	-4	-1	-3	-4	-2	-3	-2	-1	-2	-3	-2	-3
<b>2021</b>	-1	-1	-1	-3	-2	-2	-2	-3	-4	-2	-1	-4
<b>2022</b>	-2	-2	-3	-4	-4	-3	-5	-6	-5	-6	-5	-7
<b>2023</b>	-6	-5	-9	-6	-6	-6	-6	-4	-8	-7		

# 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>2018</b>	31/3	32/2	31/4	32/4	37/4	30/3	32/3	33/3	27/3	30/3	32/3	32/4
<b>2019</b>	33/3	34/3	33/3	32/4	34/3	29/3	28/3	31/4	30/2	29/3	28/3	29/3
<b>2020</b>	30/3	32/2	29/3	29/5	33/3	34/3	35/3	31/3	33/2	29/3	25/2	26/3
<b>2021</b>	24/2	28/2	27/2	26/2	23/3	25/3	23/2	22/2	20/2	23/2	23/2	26/2
<b>2022</b>	25/3	25/2	26/4	26/2	22/2	27/1	25/3	23/4	26/2	26/2	22/2	25/2
<b>2023</b>	26/2	25/3	29/2	30/2	27/1	27/2	25/3	27/2	23/2	23/2		

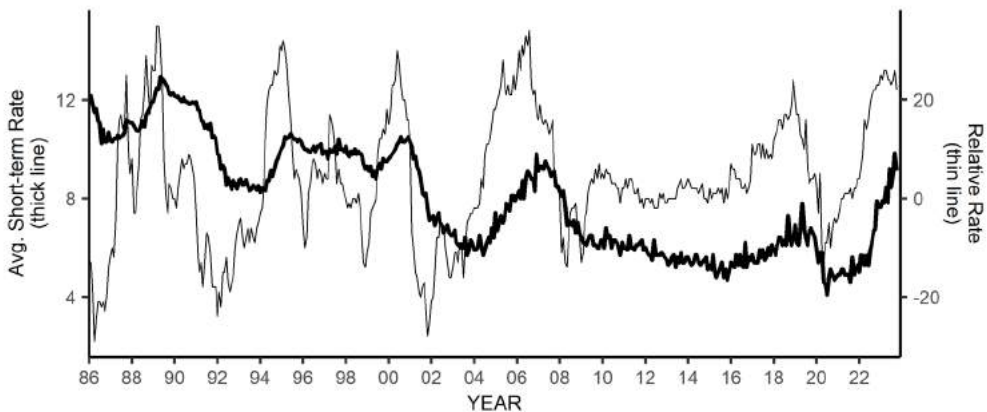
## EXPECT EASIER CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	-4	-3	-6	-6	-5	-4	-4	-6	-5	-5	-5	-6
<b>2019</b>	-5	-5	-7	-4	-5	-3	-4	-2	-4	-3	-3	-3
<b>2020</b>	-4	-1	-4	-6	-4	-6	-5	-4	-5	-4	-3	-5
<b>2021</b>	-3	-6	-3	-3	-3	-4	-4	-4	-4	-4	-3	-4
<b>2022</b>	-4	-4	-4	-5	-4	-5	-7	-8	-6	-8	-6	-9
<b>2023</b>	-8	-6	-9	-8	-10	-8	-8	-6	-10	-9		

## INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
*January 1986 to October 2023*





## SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

### RELATIVE INTEREST RATE PAID BY REGULAR BORROWERS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	12	13	14	16	16	14	17	17	16	17	19	24
<b>2019</b>	20	17	17	13	12	10	16	6	3	4	4	5
<b>2020</b>	3	-3	5	-11	-13	-9	-9	-5	-10	-6	-4	-5
<b>2021</b>	-4	-2	0	0	1	1	1	2	0	2	2	4
<b>2022</b>	4	6	9	16	14	16	19	21	22	22	23	23
<b>2023</b>	25	24	26	26	24	24	23	24	26	22		

*Borrowing at Least Once Every Three Months.*

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

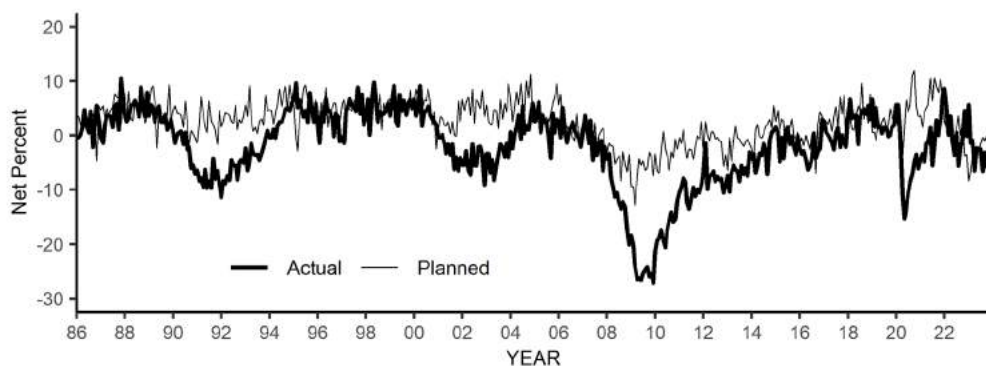
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	5.9	5.7	6.1	6.4	6.4	6.1	6.3	6.1	7.3	6.4	6.1	6.4
<b>2019</b>	6.9	6.2	6.1	6.7	7.8	6.8	6.4	6.1	6.7	6.8	6.6	6.4
<b>2020</b>	6.0	5.4	5.8	5.8	4.6	4.5	4.1	4.8	5.1	4.9	4.7	4.8
<b>2021</b>	4.9	4.9	5.1	5.1	4.9	4.9	4.9	4.6	5.6	4.9	5.1	5.3
<b>2022</b>	5.0	5.7	5.7	5.3	5.7	5.3	5.9	6.2	6.7	6.7	7.9	7.7
<b>2023</b>	7.6	7.9	7.8	8.5	7.8	9.2	8.5	9.0	9.8	9.1		

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to October 2023  
(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
2018	4	7	3	4	4	-2	4	4	5	4	6	3
2019	7	2	5	2	2	0	2	1	0	0	2	2
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		

### 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
2018	-5	-3	-6	-4	-4	0	-3	-3	-1	-2	-5	-1
2019	-3	-2	-6	-4	-4	0	-3	-6	-6	-4	1	-4
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		

### INVENTORY PLANS

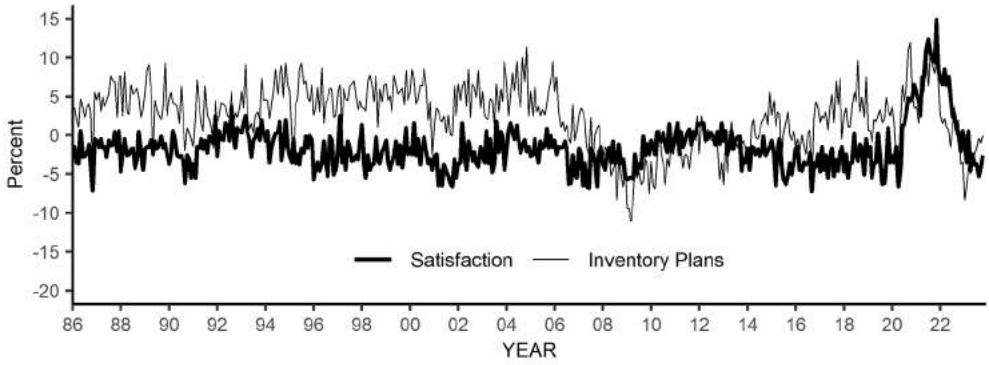
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	3	4	1	1	4	6	4	10	3	5	2	8
2019	1	1	-1	2	2	3	3	2	2	5	3	3
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		

# SMALL BUSINESS CAPITAL OUTLAYS

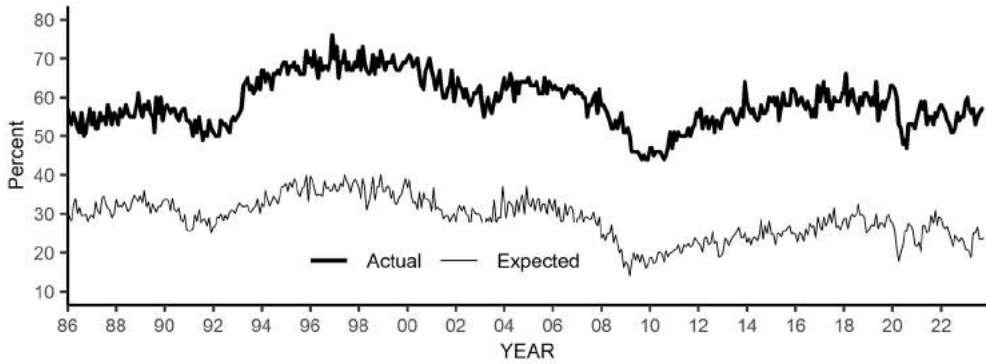
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 October 2023  
*(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>2018</b>	61	66	58	61	62	59	58	56	60	58	61	61
<b>2019</b>	60	58	60	58	64	54	57	59	57	59	60	63
<b>2020</b>	63	62	60	53	52	48	49	47	53	53	53	52
<b>2021</b>	55	57	59	57	59	53	55	55	53	56	55	57
<b>2022</b>	58	57	56	54	53	51	51	52	56	54	55	55
<b>2023</b>	59	60	57	56	57	53	55	56	57	57		

## SMALL BUSINESS CAPITAL OUTLAYS (CONTINUED)

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

Type	Current Month	One Year Ago	Two Years Ago
<b>Vehicles</b>	24	22	24
<b>Equipment</b>	37	37	40
<b>Furniture or Fixtures</b>	12	11	12
<b>Add. Bldgs. or Land</b>	7	6	7
<b>Improved Bldgs. or Land</b>	18	17	14

### AMOUNT OF CAPITAL EXPENDITURES MADE

#### Percent Distribution of Per Firm Expenditures During the Last Six Months

Amount	Current Month	One Year Ago	Two Years Ago
<b>\$1 to \$999</b>	2	2	2
<b>\$1,000 to \$4,999</b>	4	6	6
<b>\$5,000 to \$9,999</b>	5	5	4
<b>\$10,000 to \$49,999</b>	15	15	19
<b>\$50,000 to \$99,999</b>	12	11	10
<b>\$100,000 +</b>	16	13	11
<b>No Answer</b>	3	0	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
<b>2018</b>	29	29	26	29	30	29	30	33	30	30	29	25
<b>2019</b>	26	27	27	27	30	26	28	28	27	29	30	28
<b>2020</b>	28	26	21	18	20	22	26	26	28	27	26	22
<b>2021</b>	22	23	20	27	27	25	26	30	28	31	27	29
<b>2022</b>	29	27	26	27	25	23	22	25	24	23	24	23
<b>2023</b>	21	21	20	19	25	25	27	24	24	24		

# SINGLE MOST IMPORTANT PROBLEM

## SINGLE MOST IMPORTANT PROBLEM

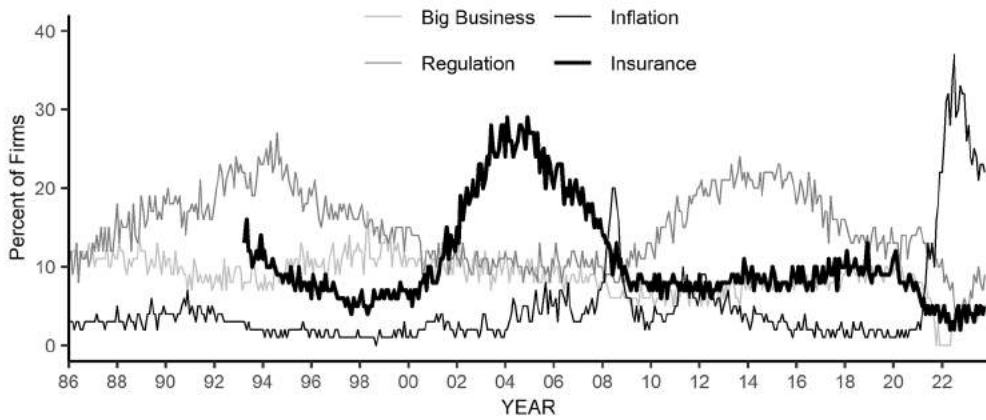
October 2023

Problem	Current	One Year Ago	Survey High	Survey Low
<b>Taxes</b>	13	12	32	8
<b>Inflation</b>	22	33	41	0
<b>Poor Sales</b>	5	3	34	2
<b>Fin. &amp; Interest Rates</b>	5	1	37	0
<b>Cost of Labor</b>	9	10	13	2
<b>Government Regulation</b>	9	5	27	4
<b>Comp. from Large Bus.</b>	4	3	14	0
<b>Quality of Labor</b>	23	23	29	3
<b>Cost/Avail. of Insurance</b>	5	2	29	0
<b>Other</b>	5	8	31	1

## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation

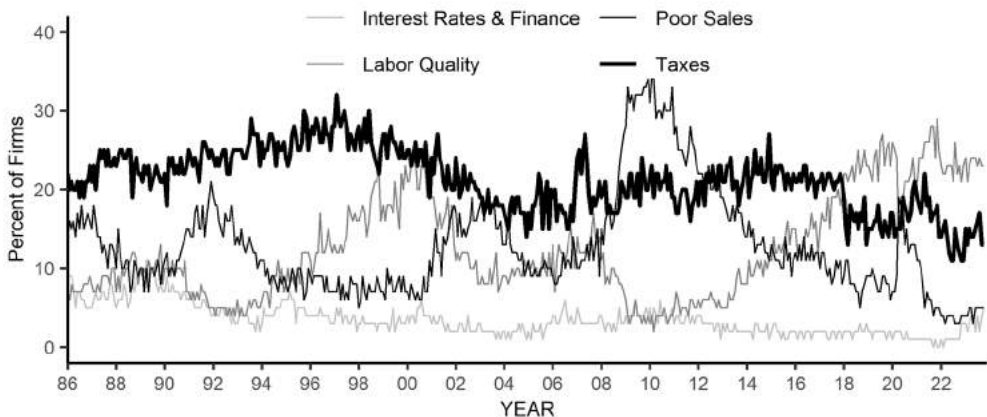
January 1986 to October 2023



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality

January 1986 to October 2023



## SURVEY PROFILE

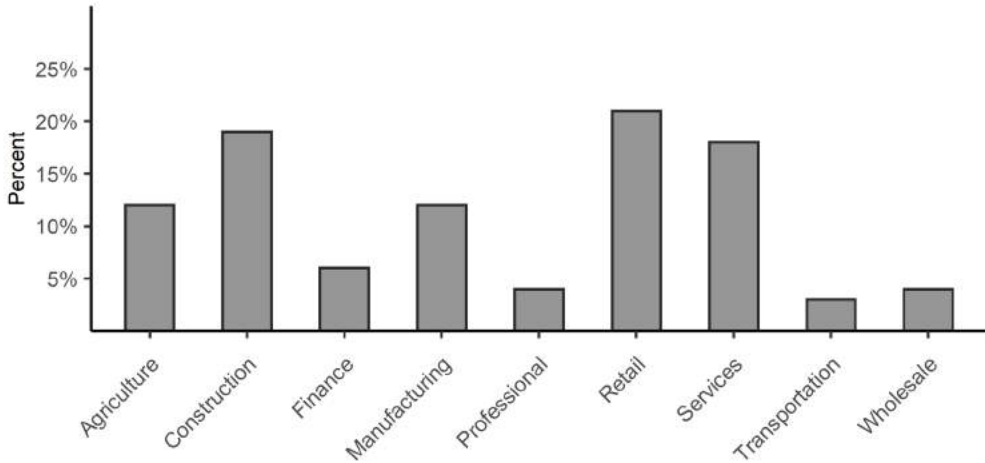
### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	1658	642	570	1554	562	665	1718	680	642	1743	700	621
<b>2019</b>	1740	526	643	1735	650	606	1502	680	603	1618	500	488
<b>2020</b>	1692	641	627	1832	814	670	1652	751	604	1719	561	542
<b>2021</b>	1109	678	514	1516	659	592	1440	595	537	1431	613	639
<b>2022</b>	1504	665	560	1457	581	505	1351	622	557	1342	572	514
<b>2023</b>	1466	626	573	1365	632	496	1313	611	582	1382		

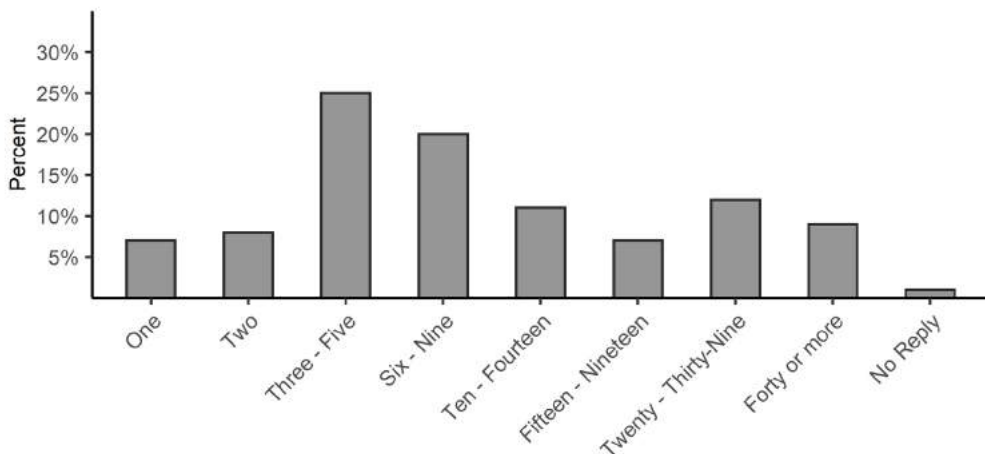
### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

Industry of Small Business



### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

Number of Full and Part-Time Employees



# NFIB RESEARCH CENTER SMALL BUSINESS ECONOMIC SURVEY

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SMALL BUSINESS SURVEY QUESTIONS	PAGE IN REPORT
Do you think the next three months will be a good time for small business to expand substantially? Why? .....	5
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? .....	7
If higher or lower, what is the most important reason? .....	7
During the last calendar quarter, was your dollar sales volume higher, lower, or about the same as it was for the quarter before? .....	8
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? .....	8
How are your average selling prices compared to three months ago? .....	9
In the next three months, do you plan to change the average selling prices of your goods and/or services? .....	9
During the last three months, did the total number of employees in your firm increase, decrease, or stay about the same? .....	10
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)? .....	10
Do you have any job openings that you are not able to fill right now? .....	11
In the next three months, do you expect to increase or decrease the total number of people working for you? .....	11
Over the past three months, did you change the average employee compensation? .....	12
Do you plan to change average employee compensation during the next three months? .....	12

SMALL BUSINESS SURVEY QUESTIONS

PAGE IN REPORT

Are...loans easier or harder to get than they were three months ago? .....	13
During the last three months, was your firm able to satisfy its borrowing needs? .....	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? .....	15
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? .....	15
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 inadequate? .....	16
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? .....	16
During the last six months, has your firm made any capital expenditures to improve or purchase equipment, buildings, or land? .....	17
If [your firm made any capital expenditures], what was the total cost of all these projects? .....	18
Looking ahead to the next three to six months, do you expect to make any capital expenditures for plant and/or physical equipment? .....	18
What is the single most important problem facing your business today? .....	19
Please classify your major business activity, using one of the categories of example below .....	20
How many employees do you have full and part-time, including yourself? .....	20