

DECEMBER  
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	16%	-2	*
Plans to Make Capital Outlays	24%	1	*
Plans to Increase Inventories	-5%	-2	*
Expect Economy to Improve	-36%	6	*
Expect Real Sales Higher	-4%	4	*
Current Inventory (too low)	-5%	-5	*
Current Job Openings	40%	0	*
Expected Credit Conditions	-8%	3	*
Now a Good Time to Expand	8%	0	*
Earnings Trends	-25%	7	*
Total Change		12	

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.*

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# SUMMARY

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## OPTIMISM INDEX

The Optimism Index increased 1.3 points in December to 91.9. This is the 24th consecutive month below the 50-year average of 98. The last time the Index was at or above the average was December 2021. The Index hovered around the “90” level all last year. Of the 10 index components, 5 increased, 3 decreased, and 2 were unchanged.

## LABOR MARKETS

Forty percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, unchanged from November. Thirty-three percent have openings for skilled workers (unchanged) and 14 percent have openings for unskilled labor (unchanged). The difficulty in filling open positions is particularly acute in the construction and transportation sectors. Job openings in construction were up 9 points from last month and over half have a job opening they can't fill. Openings are lowest in the agriculture and finance sectors. Owners' plans to fill open positions remain elevated, with a seasonally adjusted net 16 percent planning to create new jobs in the next three months, down 2 points from November and 16 points below its record high reading of 32 percent reached in August 2021. Overall, 55 percent reported hiring or trying to hire in December, up 1 point from November. Forty-nine 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 (down 1 point). Twenty-eight percent of owners reported few qualified applicants for their open positions (up 2 points) and 21 percent reported none (down 3 points). Reports of labor quality as the single most important problem for business owners decreased 4 points to 20 percent, and labor cost rose 1 point to 9 percent in the list of problems.

## CAPITAL SPENDING

Fifty-eight percent reported capital outlays in the last six months, down 3 points from November. A recovery in investment is needed to support an improvement in productivity, but this is unlikely to occur while owners remain pessimistic about future business conditions and lending standards tighten with high interest rates. Longer term, the worker shortage has given firms an incentive to invest in labor saving technology. But, overall, capital spending is not strong historically. Of those making expenditures, 40 percent reported spending on new equipment (down 1 point), 22 percent acquired vehicles (down 1 point), and 19 percent improved or expanded facilities (up 2 points). Eleven percent spent money on new fixtures and furniture (unchanged) and 5 percent acquired new buildings or land for expansion (down 1 point). Twenty-four percent (seasonally adjusted) plan capital outlays in the next few months, up 1 point from November.

## **SALES AND INVENTORIES**

A net negative 11 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, a 6-point improvement from November. The net percent of owners expecting higher real sales volumes improved 4 points to a net negative 4 percent. The net percent of owners reporting inventory gains increased 1 point to a net negative 2 percent (reducing stocks on balance). Not seasonally adjusted, 12 percent reported increases in stocks (down 2 points) and 15 percent reported reductions (down 1 point). A net negative 5 percent of owners viewed current inventory stocks as “too low” in December, down 5 points from November. By industry, shortages are reported most frequently in the finance (16 percent), retail (12 percent), and manufacturing (11 percent) sectors. A net negative 5 percent of owners plan inventory investment in the coming months, down 2 points from November.

## **COMPENSATION AND EARNINGS**

Seasonally adjusted, a net 36 percent reported raising compensation, unchanged from November. A seasonally adjusted net 29 percent plan to raise compensation in the next three months, up 1 point from November. Nine percent cited labor costs as their top business problem, up 1 point from November. Twenty percent said that labor quality was their top business problem (down 4 points). The frequency of reports of positive profit trends was a net negative 25 percent, 7 points better than November. Among owners reporting lower profits, 31 percent blamed weaker sales, 17 percent blamed the rise in the cost of materials, 16 percent cited lower prices, and 9 percent cited labor costs. For owners reporting higher profits, 48 percent credited sales volumes, 19 percent cited usual seasonal change, and 14 percent cited higher selling prices.

## **CREDIT MARKETS**

Three percent of owners reported that all their borrowing needs were not satisfied (up 1 point). Twenty-five percent reported all credit needs met (unchanged) and 61 percent said they were not interested in a loan (down 2 points). A net 8 percent reported their last loan was harder to get than in previous attempts (unchanged). Five percent reported that financing was their top business problem (unchanged). A net 20 percent of owners reported paying a higher rate on their most recent loan, down 5 points from November. The average rate paid on short maturity loans was 9.8 percent, up 0.5 percentage points from last month. Twenty-nine percent of all owners reported borrowing on a regular basis (down 2 points).

## **INFLATION**

The net percent of owners raising average selling prices was unchanged from November at a net 25 percent seasonally adjusted. Twenty-three percent of owners reported that inflation was their single most important problem in operating their business, up 1 point from last month and surpassing labor quality as the top problem. Unadjusted, 15 percent (up 1 point) reported lower average selling prices and 36 percent (unchanged) reported higher average prices. Price hikes were most frequent in finance (52 percent higher, 12 percent lower), retail (49 percent higher, 8 percent lower), construction (41 percent higher, 12 percent lower), services (36 percent higher, 5 percent lower), and professional services (33 percent higher, 4 percent lower). Seasonally adjusted, a net 32 percent plan price hikes (down 2 points).

# COMMENTARY

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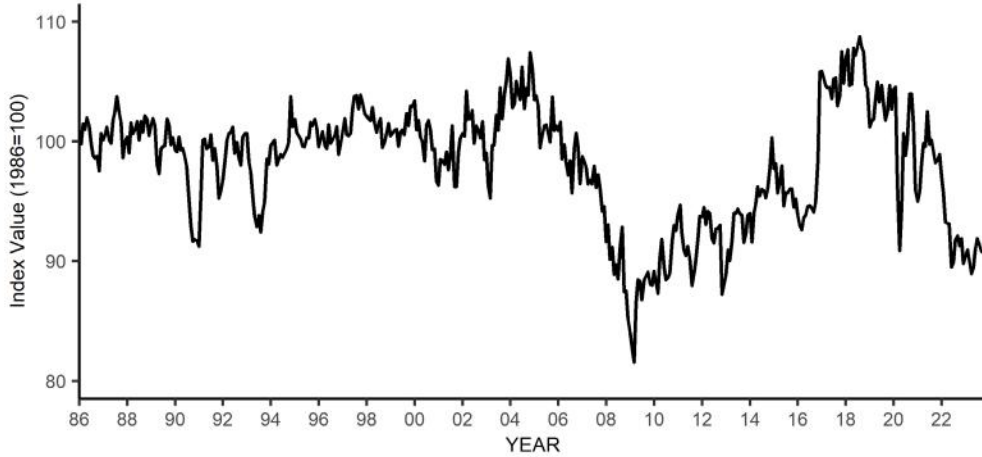
2023 is in the rear-view mirror now, but it will weigh heavily on the 2024 economy. Government spending will continue to grow faster than the overall economy. New business construction in favored segments of the economy will continue to surge, buoyed by generous subsidies and tax breaks. President Biden will continue to promise student loan forgiveness that is unlikely to be delivered, all while the budget deficit grows. The need to refinance trillions of our \$34 trillion in debt will keep interest rates high. Consumer spending will be slowed due to excess debt and a slowing job market. And prices will remain elevated, the Consumer Price Index is 20% higher than it was in 2020. Incomes did not rise as much, so real incomes fell. Used car prices are 30% higher, new cars up 20%, etc. The Fed will start cutting its policy rate, a stimulus for financial markets and mortgage rates but not much help for most consumers. Overall, the growth rate will most likely be lower than last year, the economy will slow down, possibly delivering that long predicted recession by year end.

Small business owners remain very pessimistic about economic prospects this year and did not notice the third quarter surge in the economy last year. When Trump won the 2016 election, small business optimism surged to a 50-year record high level and remained elevated until Covid related policies shut down much of the economy. The Index jumped from 98 in November 2016 to 106 in December and stayed well above 100 until February 2020. The election in November will again have a major impact on optimism, spending, and growth once again. In 2023, the Index averaged 91, the 50-year average is 98 (Yup, 50 years collecting information from random samples of our 300,000 + member firms!). Meantime, the government is actively spewing out new regulations and looking for ways to spend more on favored projects. There has been no push to raise taxes to pay for all this, the Administration seems content to borrow all the money it needs and leave the repayment and interest payment issues to future governments. Economic growth will be weak, worsening the burden of the debt on the private economy.

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

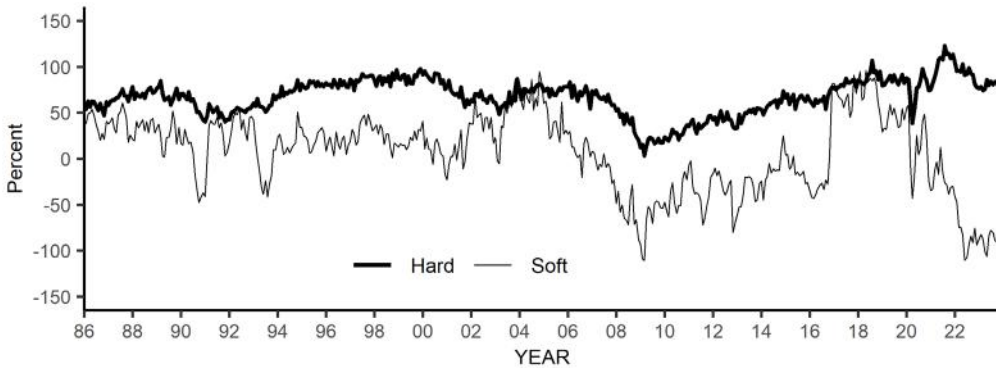
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	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	90.6	91.9

## OPTIMISM INDEX COMPONENTS

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

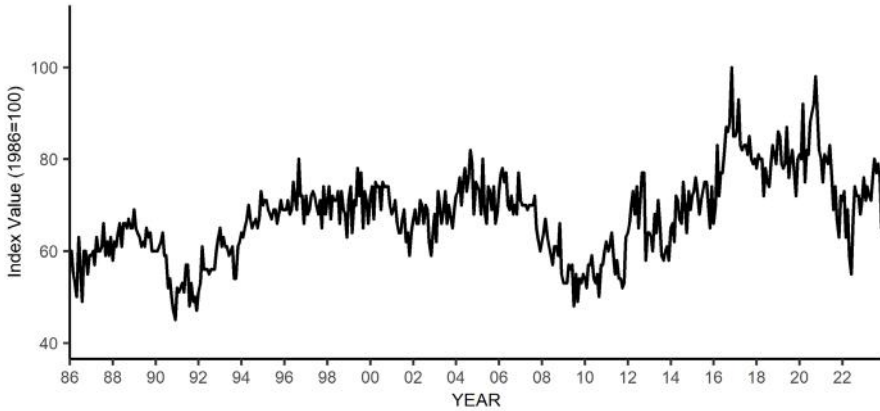
Soft: Expected Business Conditions, Outlook for Expansion, Expected Real Sales, Expected Credit Conditions, Inventory Satisfaction



# SMALL BUSINESS UNCERTAINTY

## UNCERTAINTY INDEX

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



## UNCERTAINTY INDEX

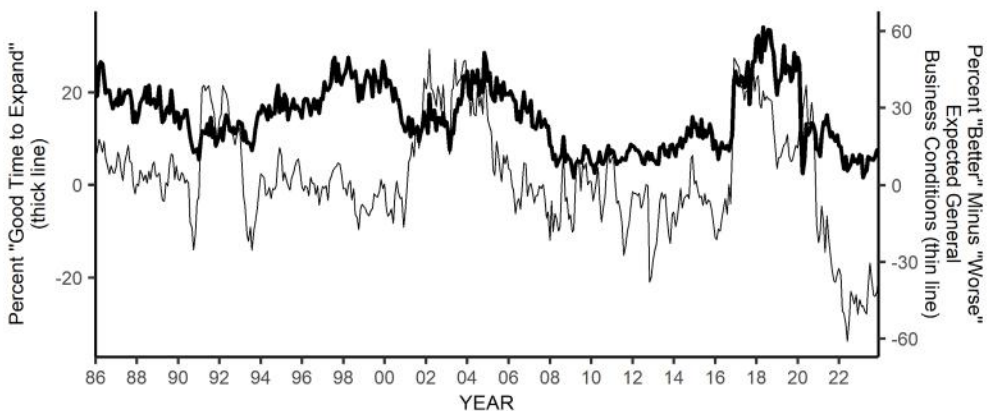
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	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	65	71

# SMALL BUSINESS OUTLOOK

## OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to December 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	8	8

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
December 2023

Reason	Good Time	Not Good Time	Uncertain
<b>Economic Conditions</b>	3	32	16
<b>Sales Prospects</b>	2	2	1
<b>Fin. &amp; Interest Rates</b>	0	8	4
<b>Cost of Expansion</b>	0	4	2
<b>Political Climate</b>	0	12	7
<b>Other / Not Available</b>	1	2	1

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

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

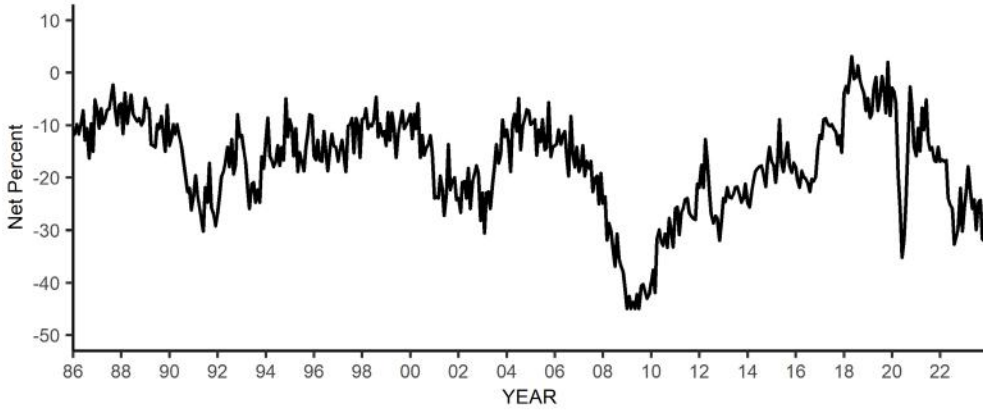
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	41	43	32	30	37	33	35	34	33	33	22	16
<b>2019</b>	6	11	11	13	16	16	20	12	9	10	13	16
<b>2020</b>	14	22	5	29	34	39	25	24	32	27	8	-16
<b>2021</b>	-23	-19	-8	-15	-26	-12	-20	-28	-33	-37	-38	-35
<b>2022</b>	-33	-35	-49	-50	-54	-61	-52	-42	-44	-46	-43	-51
<b>2023</b>	-45	-47	-47	-49	-50	-40	-30	-37	-43	-43	-42	-36



# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to December 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	-32	-25

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
December 2023

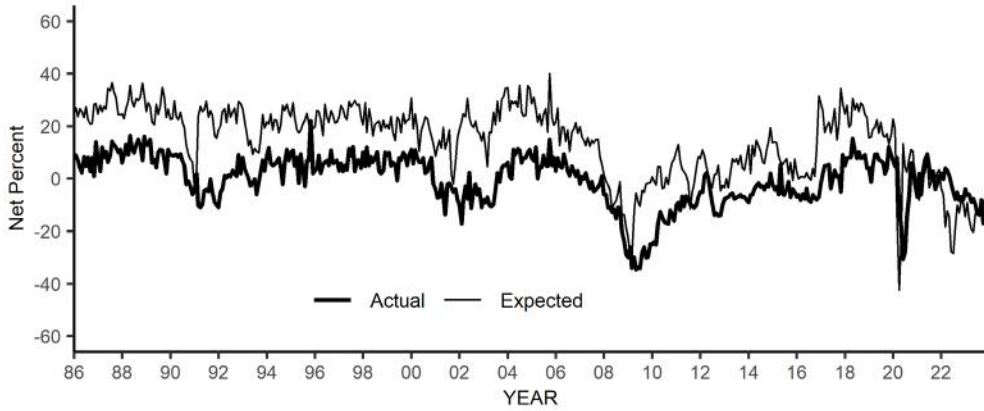
Reason	Current Month	One Year Ago	Two Years Ago
<b>Sales Volume</b>	12	10	7
<b>Increased Costs*</b>	12	20	15
<b>Cut Selling Prices</b>	6	4	3
<b>Usual Seasonal Change</b>	4	4	3
<b>Other</b>	1	1	1

\* 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 December 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	-17	-11

## SALES EXPECTATIONS

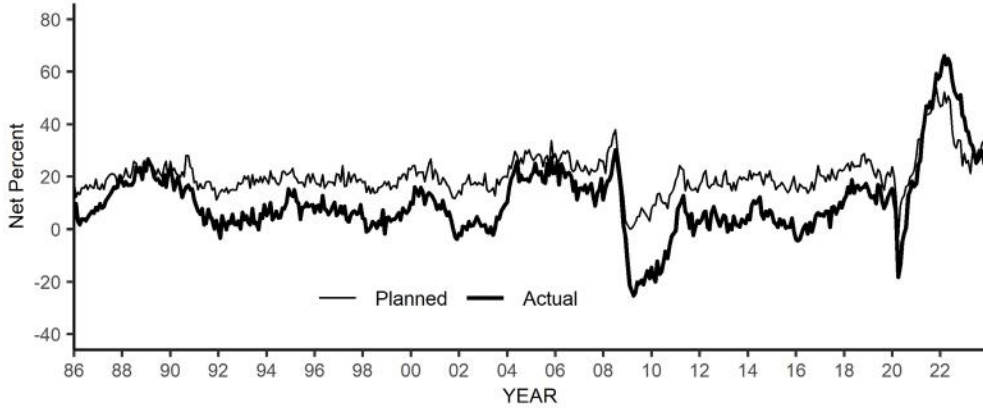
Net Percent ("Higher" Minus "Lower") During Next Three Months  
 (Seasonally Adjusted)

	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	-8	-4

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
 January 1986 to December 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	25	25

## 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	34	32

# 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	-2	-2

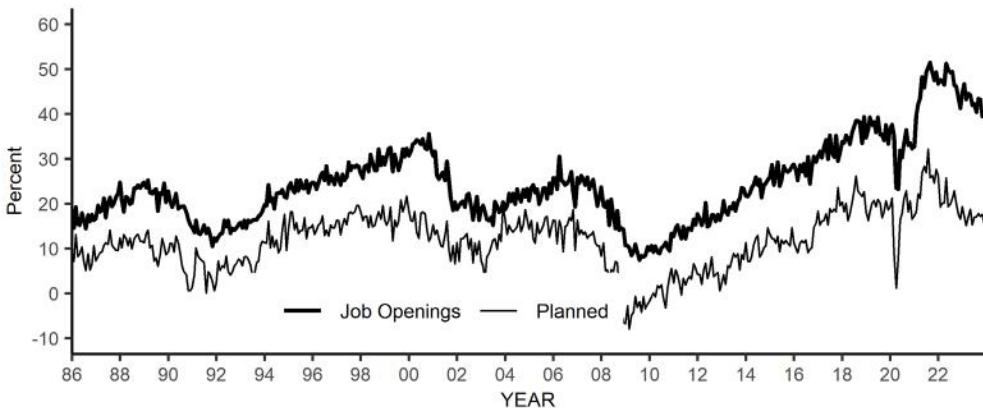
## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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	50	49

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to December 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
<b>2018</b>	34	34	35	35	33	36	37	38	38	38	34	39
<b>2019</b>	35	37	39	38	38	36	39	35	35	34	38	33
<b>2020</b>	37	38	35	24	23	32	30	33	36	33	34	32
<b>2021</b>	33	40	42	44	48	46	49	50	51	49	48	49
<b>2022</b>	47	48	47	47	51	50	49	49	46	46	44	41
<b>2023</b>	45	47	43	45	44	42	42	40	43	43	40	40

## HIRING PLANS

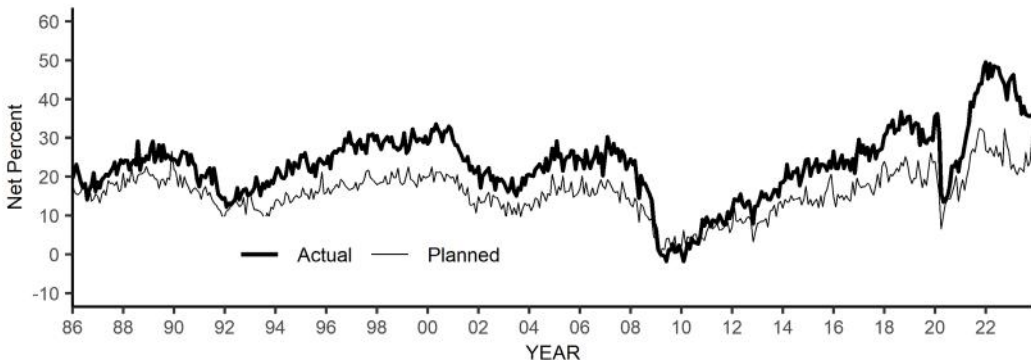
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2018</b>	20	18	20	16	18	20	23	26	23	22	22	23
<b>2019</b>	18	16	18	20	21	19	21	20	17	18	21	19
<b>2020</b>	19	21	9	1	8	16	18	21	23	18	21	17
<b>2021</b>	17	18	22	21	27	28	27	32	26	26	25	28
<b>2022</b>	26	19	20	20	26	19	20	21	23	20	18	17
<b>2023</b>	19	17	15	17	19	15	17	17	18	17	18	16

# SMALL BUSINESS COMPENSATION

## COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to December 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	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	30	29

### PRICES AND LABOR COMPENSATION

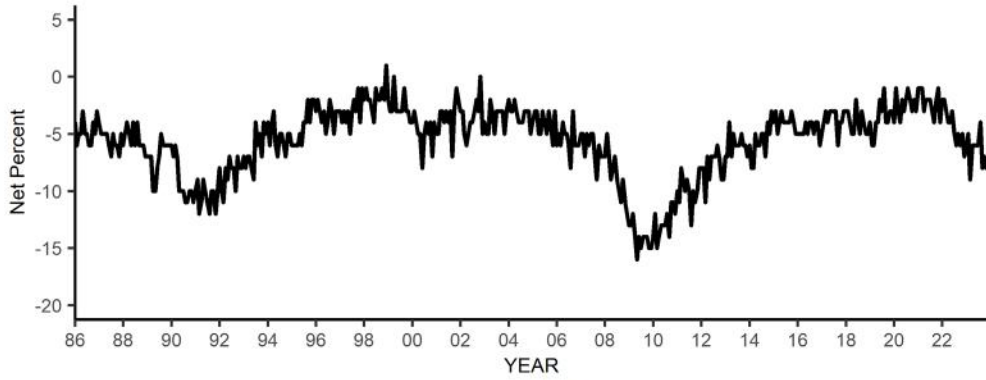
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to December 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	31	29

## 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	-8	-8

# 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	25/2	25/3

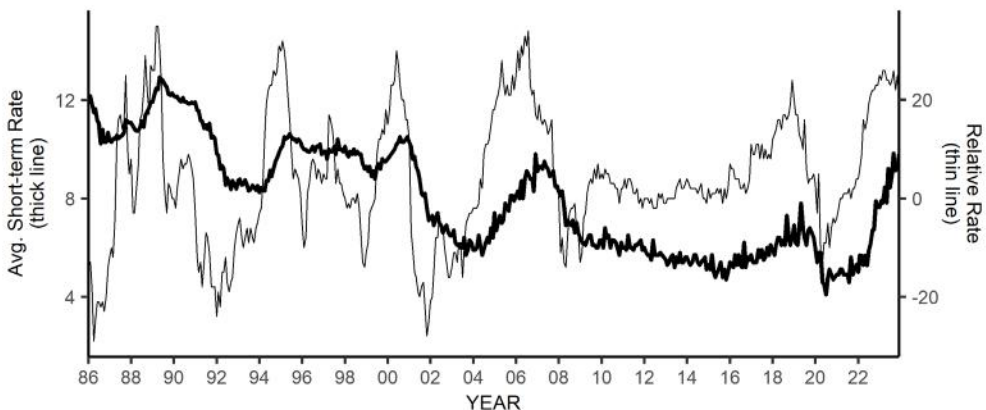
## EXPECT EASIER CREDIT CONDITIONS

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	-11	-8

## INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
*January 1986 to December 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	25	20

*Borrowing at Least Once Every Three Months.*

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

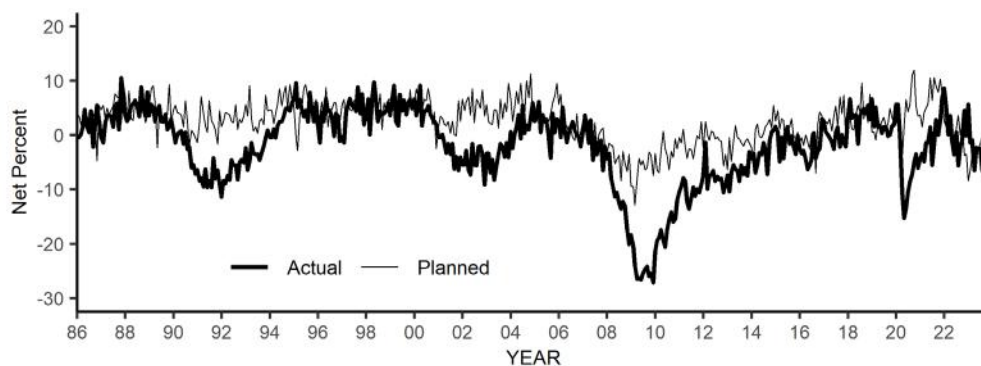
Average Interest Rate Paid

	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	9.3	9.8

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to December 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	-3	-2

### 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	0	-5

### INVENTORY PLANS

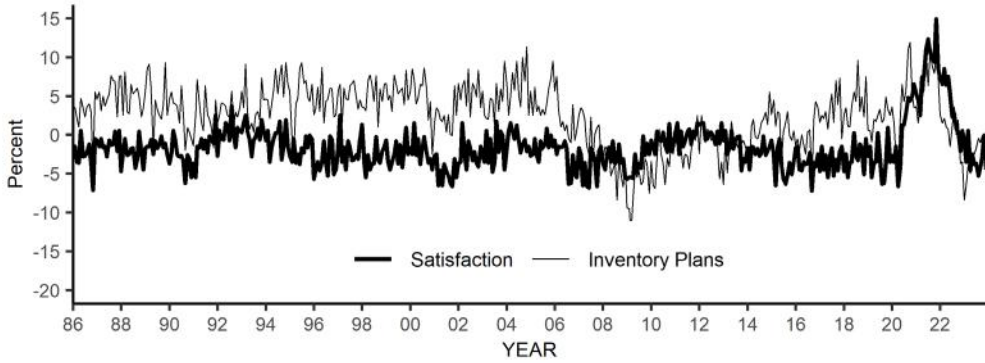
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	-3	-5

# SMALL BUSINESS CAPITAL OUTLAYS

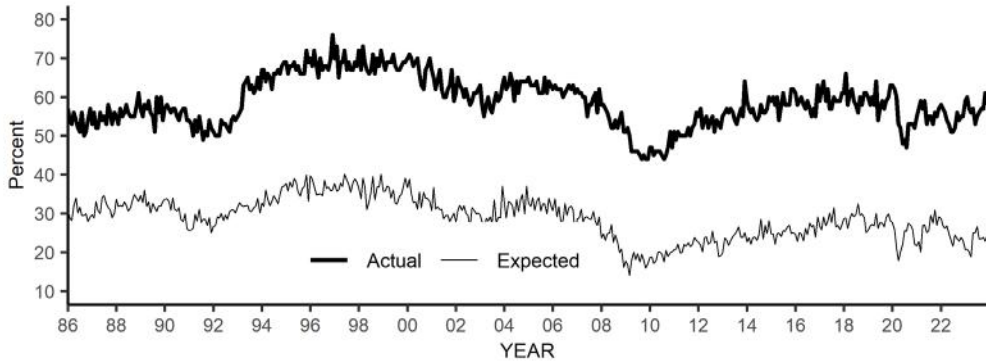
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 December 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	61	58

## 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>	22	22	25
<b>Equipment</b>	40	37	41
<b>Furniture or Fixtures</b>	11	12	13
<b>Add. Bldgs. or Land</b>	5	4	6
<b>Improved Bldgs. or Land</b>	19	11	19

### 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>	8	6	5
<b>\$5,000 to \$9,999</b>	3	5	4
<b>\$10,000 to \$49,999</b>	16	16	15
<b>\$50,000 to \$99,999</b>	13	10	13
<b>\$100,000 +</b>	15	14	16
<b>No Answer</b>	1	2	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	23	24

# SINGLE MOST IMPORTANT PROBLEM

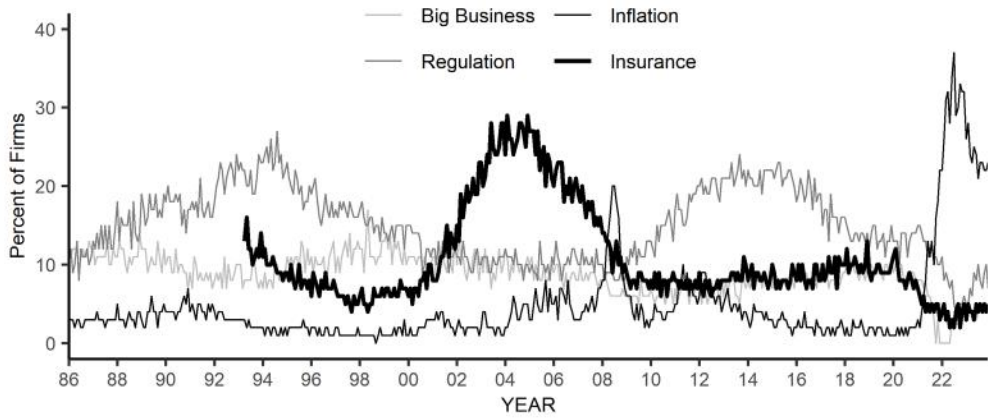
## SINGLE MOST IMPORTANT PROBLEM

December 2023

Problem	Current	One Year Ago	Survey High	Survey Low
<b>Taxes</b>	17	11	32	8
<b>Inflation</b>	23	32	41	0
<b>Poor Sales</b>	5	4	34	2
<b>Fin. &amp; Interest Rates</b>	5	3	37	0
<b>Cost of Labor</b>	9	8	13	2
<b>Government Regulation</b>	7	6	27	4
<b>Comp. from Large Bus.</b>	5	5	14	0
<b>Quality of Labor</b>	20	23	29	3
<b>Cost/Avail. of Insurance</b>	5	5	29	0
<b>Other</b>	4	3	31	1

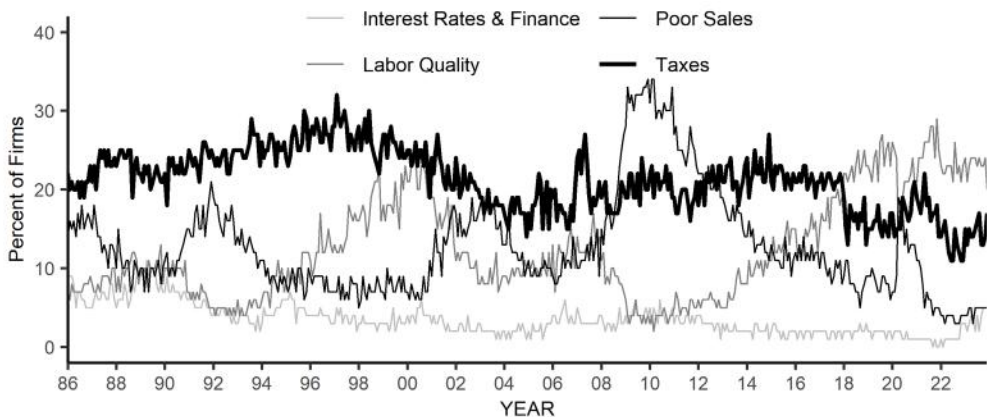
## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation  
January 1986 to December 2023



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality  
January 1986 to December 2023



## SURVEY PROFILE

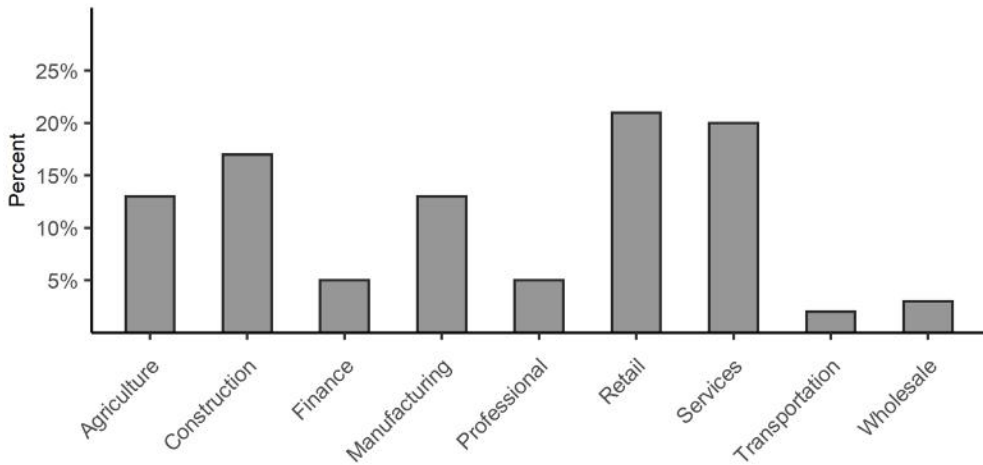
### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

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	573	518

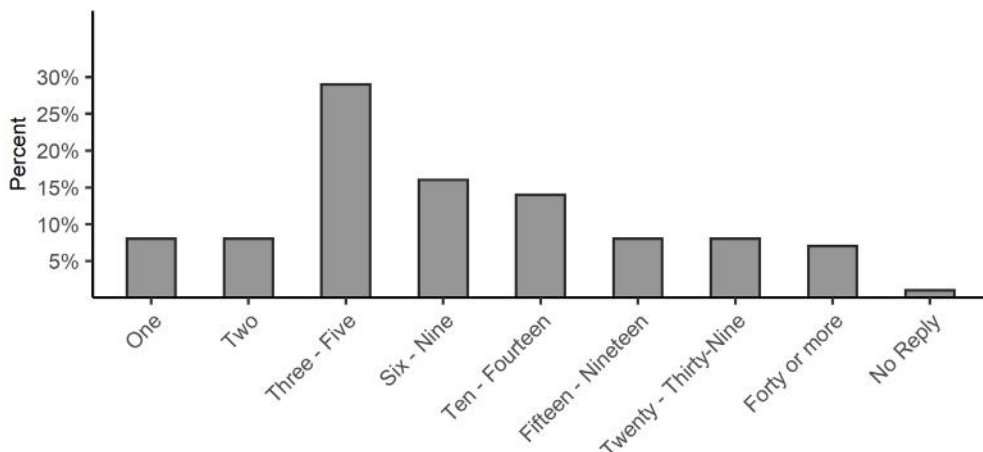
### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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