

The background of the entire page is a photograph of a bright, modern restaurant interior. A waiter in a white shirt and green apron is setting a table. The room features wooden tables and chairs with green tufted seats, large windows with white frames, and spherical pendant lights. The floor has a black and white checkered pattern.

**Small Business
Economic Trends
Industry Report**

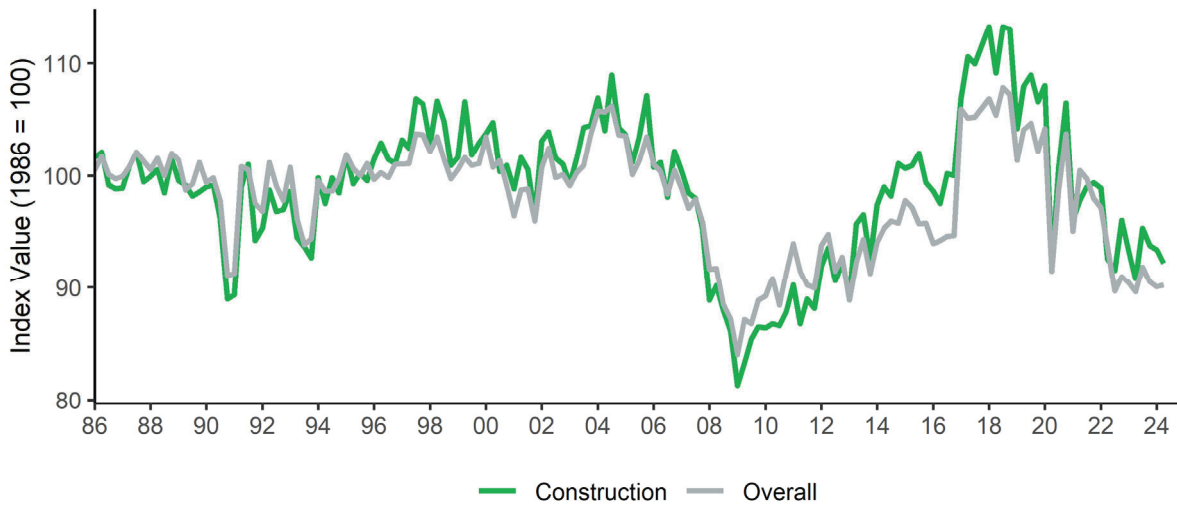
▶ April 2024

The Industry data are aggregated and seasonally adjusted through the nfib-sbet.org website. The “overall” data are as published [here](#) and may differ slightly from website results due to rounding and seasonal adjustment differences.

CONSTRUCTION

NFIB Small Business Optimism Index

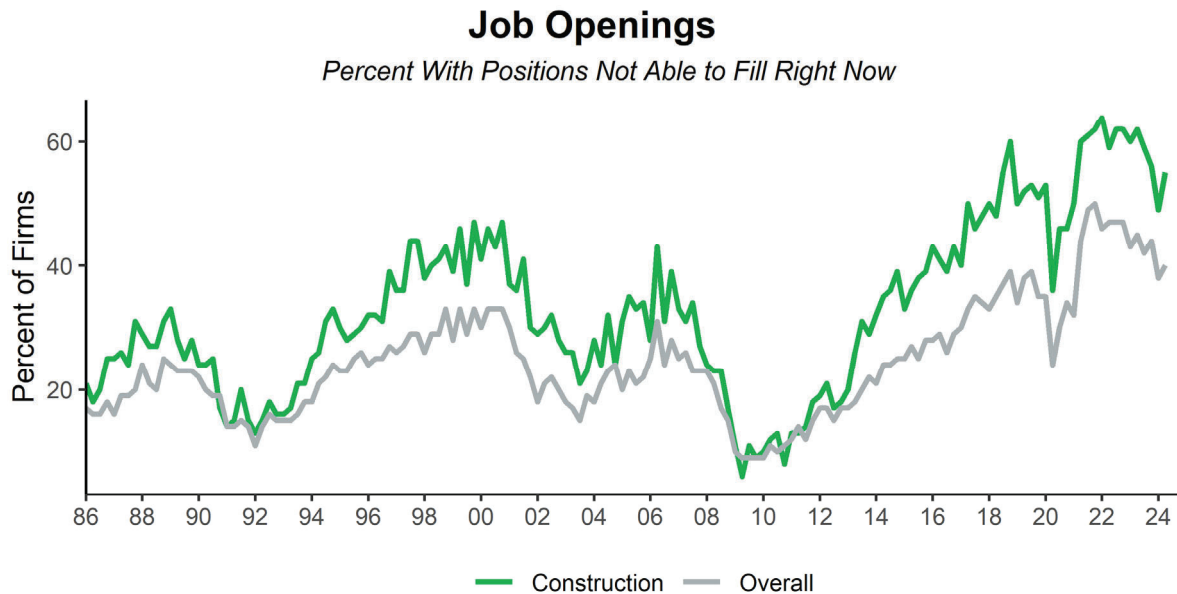
Based on Ten Survey Indicators (Seasonally Adjusted)



Index Components (Seasonally Adjusted)	Construction	Change from Last Quarter	Overall
Plans to Increase Employment	16%	-5	12%
Plans to Make Capital Outlays	18%	-9	22%
Plans to Increase Inventories	-8%	-2	-6%
Expect Economy to Improve	-31%	-1	-37%
Expect Real Higher Sales	-19%	-1	-12%
Current Inventory (Too Low)	-2%	2	-4%
Current Job Openings	55%	6	40%
Expected Credit Conditions	-9%	-2	-9%
Now a Good Time to Expand	4%	-6	4%
Earnings Trends	-14%	3	-27%
Optimism Index	92.2	-1.2	89.7

The Optimism Index for construction in April was 92.2, down 1.2 points from the previous quarter but higher than the overall Optimism Index by 2.5 points. Owners in the construction industry were the second most optimistic among the four reported industries, following services.

Owners in construction had the highest percentage of unfilled job openings among the four reported industries at 55 percent, up 6 points from January. Fifty-one percent of the job openings in construction are for skilled workers (up 8 points from last quarter), and nineteen percent are for unskilled workers (up 3 points from last quarter). Fifty-eight percent of construction firms reported few or no qualified applicants, down 3 points from January.



Rising prices for materials (lumber, copper, etc.) have also increased the cost of production. Forty-eight percent of construction firms reported raising their selling prices in April, up 12 points from last quarter. Earnings trends in construction improved 3 points from the previous quarter to a net negative 14 percent. Small businesses in the construction industry are seeing better earnings than most firms and had the best performance reported among the four industries.

Actual Earnings Changes

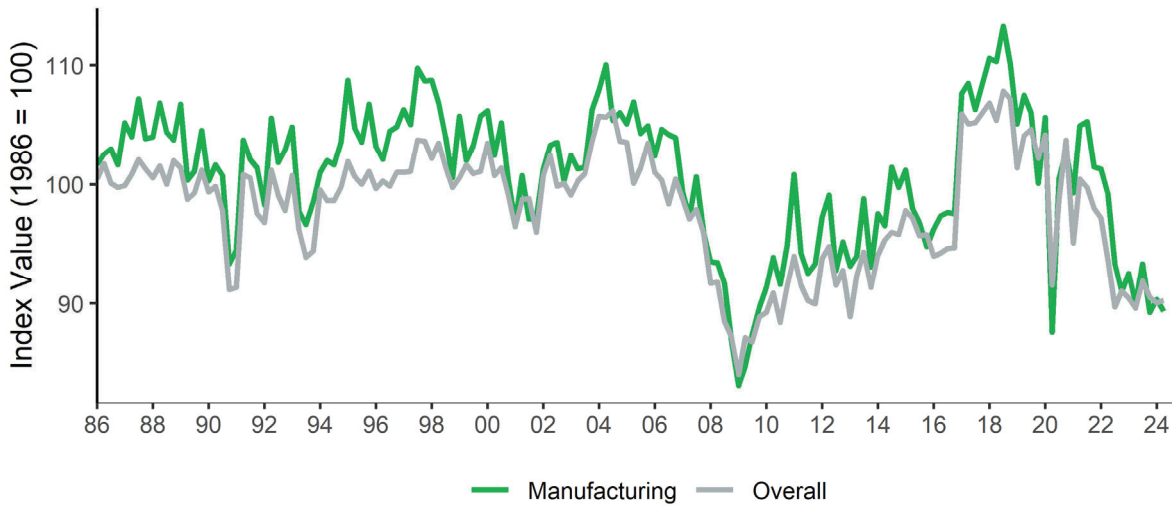
Net Percent ("Higher" Minus "Lower") Last Quarter Compared to the Prior Quarter



MANUFACTURING

NFIB Small Business Optimism Index

Based on Ten Survey Indicators (Seasonally Adjusted)



Index Components (Seasonally Adjusted)	Manufacturing	Change from Last Quarter	Overall
Plans to Increase Employment	6%	-13	12%
Plans to Make Capital Outlays	32%	4	22%
Plans to Increase Inventories	-4%	0	-6%
Expect Economy to Improve	-41%	-1	-37%
Expect Real Higher Sales	-13%	8	-12%
Current Inventory (Too Low)	-9%	-1	-4%
Current Job Openings	37%	-11	40%
Expected Credit Conditions	-11%	-6	-9%
Now a Good Time to Expand	5%	-2	4%
Earnings Trends	-25%	10	-27%
Optimism Index	89.3	-1	89.7

The Optimism Index for manufacturing in April was 89.3, down 1 point from January and only 0.4 points below the overall Optimism Index.

Hiring remains a challenge for manufacturing firms, although the sector is having more success filling job openings than the overall small business sector. Thirty-seven percent of firms reported unfilled job openings, down 11 points from January. A net 6 percent of firms in the manufacturing sector plan to create new jobs in the next three months, down 13 points from the previous quarter and marking the greatest change of all index components. Hiring plans for the manufacturing sector are 6 points lower than for the overall small business economy.

Real Sales Expectations

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



The percent of firms expecting strong future sales rose 8 points in April from the first quarter. A net negative 13 percent of manufacturing owners expect higher sales in the next three months, only 1 point worse than the overall small business economy.

RETAIL

NFIB Small Business Optimism Index

Based on Ten Survey Indicators (Seasonally Adjusted)



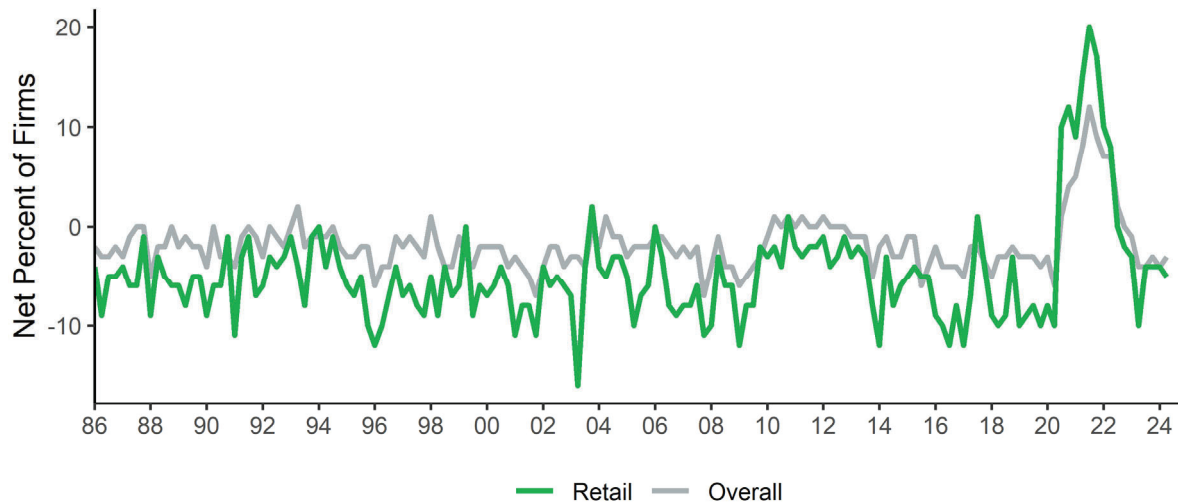
Index Components (Seasonally Adjusted)	Retail	Change from Last Quarter	Overall
Plans to Increase Employment	14%	6	12%
Plans to Make Capital Outlays	21%	3	22%
Plans to Increase Inventories	-4%	-4	-6%
Expect Economy to Improve	-37%	-3	-37%
Expect Real Higher Sales	-14%	8	-12%
Current Inventory (Too Low)	-5%	-1	-4%
Current Job Openings	42%	5	40%
Expected Credit Conditions	-8%	0	-9%
Now a Good Time to Expand	2%	-3	4%
Earnings Trends	-39%	-9	-27%
Optimism Index	88.8	0.4	89.7

Retailers exhibited a notably lower level of optimism than the average for all firms in April with an industry Optimism Index of 88.8, down 0.4 points from January.

Earnings trends in retail fell 9 points from the previous quarter to a net negative 39 percent meaning 39 percentage points more of them reported earnings headed down than increasing. This was the greatest change from the previous quarter among all index components. Retail owners' expectations about economic conditions over the next six months declined 3 points to a net negative 37 percent, the same as the overall small business economy. Supply chain disruptions and staffing shortages are limiting sales opportunities for small retailers, unable to take full advantage of stronger consumer spending. Overall, retailers have a very negative outlook for their business environment.

Inventory Satisfaction

Net Percent ("too low" minus "too large") in the Next Three Months

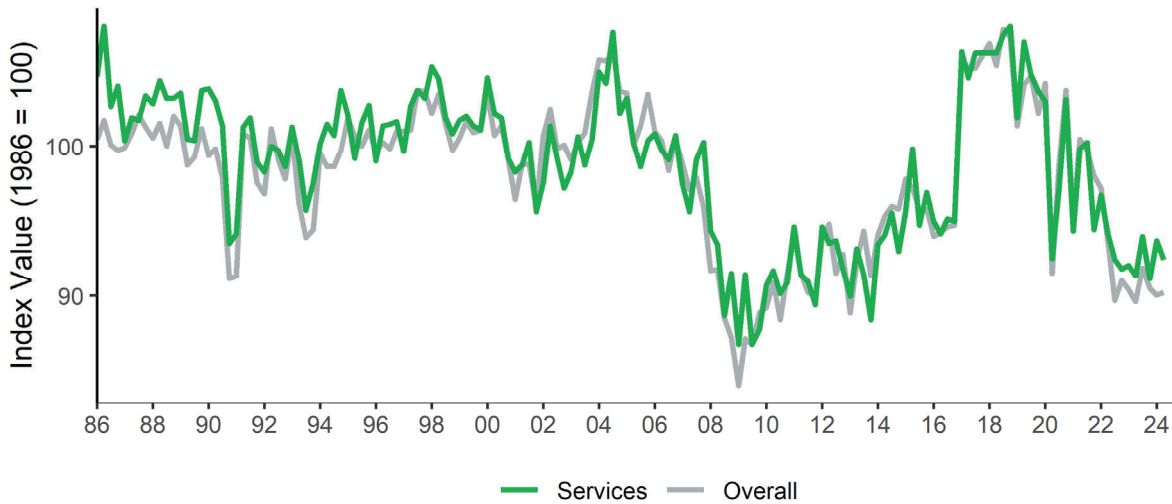


A net negative 5 percent of retailers report current inventory levels "too low," compared to a net negative 4 percent of all small businesses (e.g. more firms reported stocks too high than too low). Retailers have decreased inventory levels, and a net negative 4 percent plan to increase inventories over the next three to six months, down 4 points from January but 2 points above all firms. In the first quarter, the reduction in private inventories shaved nearly half a percent from the GDP growth rate.

SERVICES

NFIB Small Business Optimism Index

Based on Ten Survey Indicators (Seasonally Adjusted)



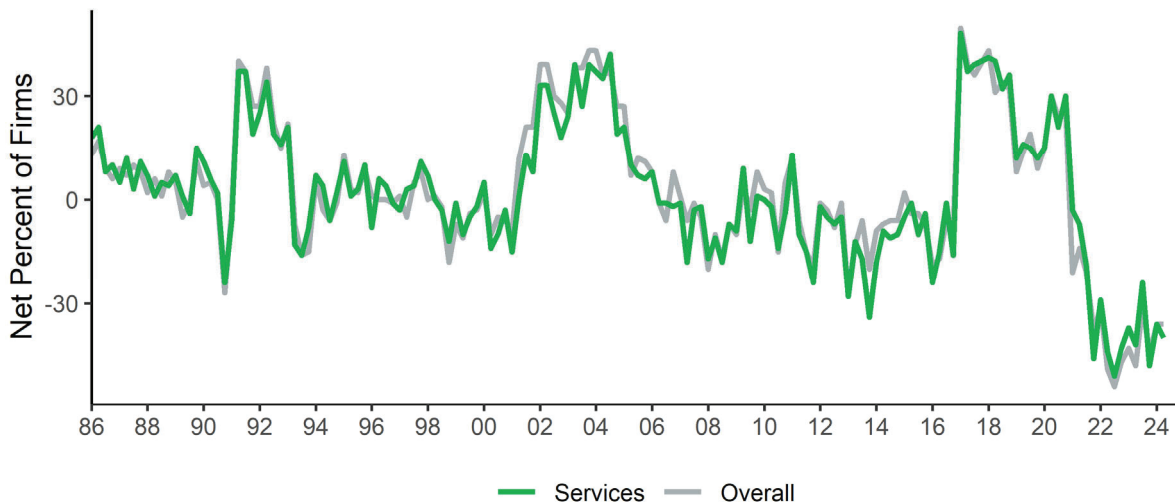
Index Components (Seasonally Adjusted)	Services	Change from Last Quarter	Overall
Plans to Increase Employment	17%	-4	12%
Plans to Make Capital Outlays	15%	-11	22%
Plans to Increase Inventories	3%	1	-6%
Expect Economy to Improve	-40%	-4	-37%
Expect Real Higher Sales	6%	6	-12%
Current Inventory (Too Low)	-1%	2	-4%
Current Job Openings	37%	-6	40%
Expected Credit Conditions	-5%	2	-9%
Now a Good Time to Expand	2%	-8	4%
Earnings Trends	-21%	-7	-27%
Optimism Index	92.4	-1.3	89.7

The services sector industry had the highest optimism among the four reported industries. Although the Optimism Index decreased in April by 1.3 points to 92.4, it is 2.7 points above the overall index.

Most of the decrease in the services sector’s optimism was driven by a decrease in plans to make capital outlays and a decrease in those thinking the next three months will be a good time for small business to expand. Fifteen percent plan capital outlays in the next few months, down 11 points from January and 7 points below the overall reading. Only 2 percent of small business owners in the services sector believe it is a good time to expand, down 8 points from the previous quarter.

Outlook for General Business Conditions

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

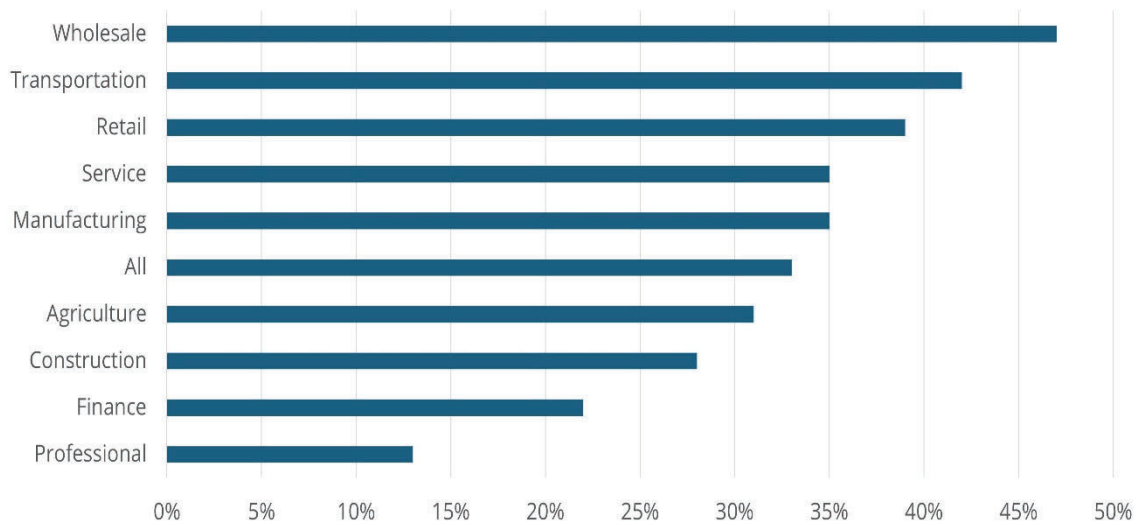


The outlook for general business conditions was more pessimistic among small businesses in the services industry than it was for the overall small business economy. A net negative 40 percent of small business owners in the services industry reported they expect the economy to improve, meaning 40 percent more small business owners think that conditions will be worse than those who think it will be better six months from now. April’s reading was 4 points below January, and 3 points lower than the overall reading.

EXTRA

Are supply chain disruptions impacting your business?

Percent of small business owners reporting significant or moderate supply chain impact.



A third (33 percent) of all small business owners reported significant or moderate supply chain impacts. By industry it is not surprising that wholesale ranked the highest, with nearly half (47 percent) of those small businesses reporting a significant or moderate supply chain impact. Transportation closely followed with 42 percent and third was retail (39 percent). The finance and professional services industries were the least impacted of all industries.