



# NFIB SMALL BUSINESS ECONOMIC TRENDS

William C. Dunkelberg  
Holly Wadg

May 2012

Based on a Survey of Small and Independent Business Owners

## SMALL BUSINESS OPTIMISM INDEX COMPONENTS

| Index Component               | Seasonally Adjusted Level | Change from Last Month | Contribution to Index Change |
|-------------------------------|---------------------------|------------------------|------------------------------|
| Plans to Increase Employment  | 5%                        | 5                      | *                            |
| Plans to Make Capital Outlays | 25%                       | 3                      | *                            |
| Plans to Increase Inventories | 0%                        | 0                      | *                            |
| Expect Economy to Improve     | - 5%                      | 3                      | *                            |
| Expect Real Sales Higher      | 6%                        | - 2                    | *                            |
| Current Inventory             | 0%                        | - 3                    | *                            |
| Current Job Openings          | 17%                       | 2                      | *                            |
| Expected Credit Conditions    | - 8%                      | 3                      | *                            |
| Now a Good Time to Expand     | 7%                        | 0                      | *                            |
| Earnings Trend                | - 12%                     | 11                     | *                            |
| Total Change                  |                           | 22                     | *                            |

(Column 1 is the current reading; column 2 is the change from the prior month; column 3 the percent of the total change accounted for by each component; \* is under 1 percent and not a meaningful calculation)

# ECONOMIC TRENDS

---

*NFIB Research Foundation 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 Foundation. 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 Foundation. © NFIB Research Foundation. ISBS #0940791-24-2. Chief Economist William C. Dunkelberg and Senior Policy Analyst Holly Wade are responsible for the report.*

## IN THIS ISSUE

---

|                                  |    |
|----------------------------------|----|
| Summary . . . . .                | 1  |
| Commentary . . . . .             | 3  |
| Optimism . . . . .               | 4  |
| Outlook . . . . .                | 4  |
| Earnings . . . . .               | 6  |
| Sales . . . . .                  | 7  |
| Prices . . . . .                 | 8  |
| Employment . . . . .             | 9  |
| Compensation . . . . .           | 10 |
| Credit Conditions . . . . .      | 12 |
| Inventories . . . . .            | 14 |
| Capital Outlays . . . . .        | 16 |
| Most Important Problem . . . . . | 18 |
| Survey Profile . . . . .         | 19 |
| Economic Survey . . . . .        | 20 |

# SUMMARY

---

## OPTIMISM INDEX

The Index of Small Business Optimism gained 2 points to 94.5 in April, a nice gain on an absolute basis. This month's Index is the highest reading since December 2007, the peak of the last expansion. That's the good news. The bad news is that April's gain is the same as it was in February 2011 proving a year with no real gains. No surprise, since nothing much happened during that time that would make owners more optimistic about the future.

## LABOR MARKETS

The net change in employment per firm seasonally adjusted was 0.1, half of the March gain, but equal to February and the third month in a row in positive territory. So, some job creation is occurring, although a lot of it will be "below the radar" of government statistics for a while. Forty-seven percent of owners hired or tried to hire in the last three months and 34 percent (72 percent of those trying to hire or hiring) reported few or no qualified applicants for positions. The percent of owners reporting hard to fill job openings rose 2 points to 17 percent, a point below January, the highest reading since June 2008. Hard-to-fill job openings are a strong predictor of the unemployment rate and indicate that the rate would likely fall (as it did, to 8.1 percent), other things equal. Seasonally adjusted, the net percent of owners planning to create new jobs rose 5 percentage points, a nice gain which hopefully signals continued gains in actual employment per firm.

## CAPITAL SPENDING

The frequency of reported capital outlays over the past six months rose 2 points to 54 percent, nothing to write home about. The record low of 44 percent was reached most recently in August 2010, so spending rates are 10 points ahead of that. But in 2007, an average of 60 percent reported making capital outlays. So, it appears that spending remains more in "maintenance" than in "expansion" mode. The percent of owners planning capital outlays in the next three to six months gained 3 points to 25 percent, the best reading since early 2008 but well below "normal." Seven percent characterized the current period as a good time to expand facilities (seasonally adjusted), unchanged. The net percent of owners expecting better business conditions in six months was a negative 5 percent (3 point improvement), better, but still more owners expecting the economy to deteriorate than looking for improvement. A net 6 percent of all owners expect improved real sales volumes, down 2 points. Nineteen (19) percent reported "poor sales" as their top business problem, down 3 points, a good sign, but still too high. Overall, the outlook is not conducive to a lot of new spending or hiring.



# SUMMARY

---

## INVENTORIES AND SALES

The net percent of all owners (seasonally adjusted) reporting higher nominal sales over the past three months gained another 3 points to 4 percent, this after a surprising 8 point gain in March. This is the best reading since April 2007 and equal to the average 4 percent reading in 2006. Nineteen (19) percent still cite weak sales as their top business problem, historically high, but down from the record 33 percent reading in December 2010. Hardly a ringing endorsement of prospects for a strong recovery. Still, sales trends are looking good, maybe the improvement is “sneaking up” on small business owners. The net percent of owners expecting higher real sales lost 2 points, falling to a net 6 percent of all owners (seasonally adjusted). A net negative 8 percent of all owners reported growth in inventories (seasonally adjusted), a one point improvement. Plans to add to inventories remained at a net 0 percent of all firms (seasonally adjusted). So, as inventories pile up at the larger firms, small business customers remain reluctant to buy them.

## INFLATION

Twenty-six (26) percent of the NFIB owners reported raising their average selling prices in the past 3 months (up 1 point), and 16 percent reported price reductions (down 1 point). Twenty-five (25) percent plan on raising average prices in the next few months, 2 percent plan reductions. Price cutting appears to be fading and this will put upward pressure on the inflation measures.

## PROFITS AND WAGES

Reports of positive earnings trends improved a stunning 11 points to a negative 12 percent in April, the best reading since April 2007. The improvement was driven by the best sales trend reports since April 2007. Profits are the major source of capital for financing hiring and expansion for small firms, making this a very welcome development. Three percent reported reduced worker compensation and 18 percent reported raising compensation, yielding a seasonally adjusted net 14 percent reporting higher worker compensation, the highest reading in 39 months and unchanged from March. A net seasonally adjusted 9 percent plan to raise compensation in the coming months also unchanged from March. Overall, April was a great report for profit and sales trends, hopefully the beginning of a solid trend.

## CREDIT MARKETS

Financing remained low on the list of concerns for business owners. Only 3 percent cited financing as their top business problem. Ninety-two (92) percent reported that all their credit needs were met or that they were not interested in borrowing. Thirty-one (31) percent reported all credit needs met, eight percent reported that not all of their credit needs were satisfied (the record low is 4 percent, reached in 2000), and 49 percent said they did not want a loan. A net 7 percent reported loans “harder to get” compared to their last attempt (asked of regular borrowers only), down 4 points.



# COMMENTARY

---

April was a good report, lots of positive changes, but unfortunately leaving us in the same place we were in February of last year. So, a year with no progress. Most encouraging were long awaited gains in positive sales and profit trends, a key ingredient to any recovery on Main Street.

First quarter GDP growth was reported at 2.2 percent, weaker than most observers expected but consistent with the NFIB survey numbers. The Index continues to hold at the higher values of what would be considered recession level readings. Optimism has been unable to break out into expansion mode for years, producing a few false starts with no follow-through. There are hints in the April data that suggest that job creation and consumer spending were better than first reported by the government, so revisions may be positive. The unemployment rate decline was anticipated by the increase in reported hard-to-fill job openings and reported job creation was weaker in April than March, but positive. Job creation was weaker than the survey anticipated, but there will likely be upward revisions to the April figures.

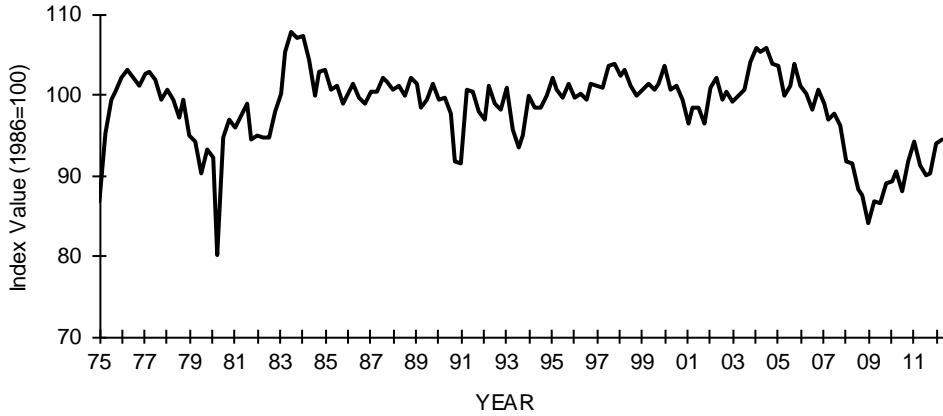
Looking at the larger economic picture, there isn't much reason for owners to become optimistic, the stock market is good, but the economy is bifurcated. The big tech, manufacturing and agriculture firms are doing very well as profits are at a record level. But that has not been the case on Main Street. Washington clearly is not going to address our fiscal imbalances and uncertainty is huge, about taxes, health care, new rules to help unions, energy prices, regulations and the election outcome. The Federal Reserve has taken policy into territory for which no maps exist; it's not clear where its policies will take us. Developments in Europe only magnify fears that there is another "adjustment" ahead that will be as disruptive as the one we just went through. Consumer and owner confidence in government policies is at historic lows. Whatever discretionary spending consumers and owners might do is still being deferred where possible. Owners are betting their own money and are looking for better odds before putting money on the table. Most likely, there will be little improvement on Main Street in optimism or hiring and spending this year.



# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

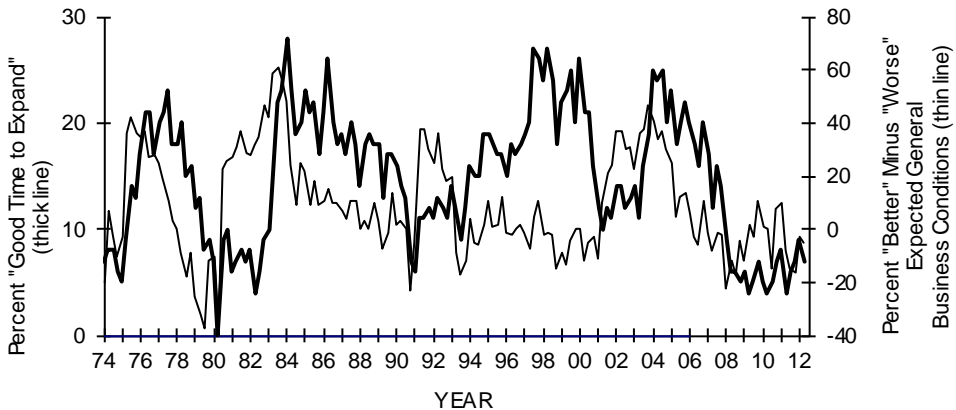
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

|             | Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  |
|-------------|------|------|------|------|------|------|------|------|------|------|------|------|
| <b>2007</b> | 98.9 | 98.2 | 97.3 | 96.8 | 97.2 | 96.0 | 97.6 | 96.3 | 97.3 | 96.2 | 94.4 | 94.6 |
| <b>2008</b> | 91.8 | 92.9 | 89.6 | 91.5 | 89.3 | 89.2 | 88.2 | 91.1 | 92.9 | 87.5 | 87.8 | 85.2 |
| <b>2009</b> | 84.1 | 82.6 | 81.0 | 86.8 | 88.9 | 87.8 | 86.5 | 88.6 | 88.8 | 89.1 | 88.3 | 88.0 |
| <b>2010</b> | 89.3 | 88.0 | 86.8 | 90.6 | 92.2 | 89.0 | 88.1 | 88.8 | 89.0 | 91.7 | 93.2 | 92.6 |
| <b>2011</b> | 94.1 | 94.5 | 91.9 | 91.2 | 90.9 | 90.8 | 89.9 | 88.1 | 88.9 | 90.2 | 92.0 | 93.8 |
| <b>2012</b> | 93.9 | 94.3 | 92.5 | 94.5 |      |      |      |      |      |      |      |      |

## SMALL BUSINESS OUTLOOK

### OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January Quarter 1974 to April Quarter 2012  
(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>2007</b> | 17  | 18  | 12  | 12  | 12  | 13  | 16  | 12  | 14  | 14  | 13  | 14  |
| <b>2008</b> | 9   | 8   | 5   | 6   | 4   | 4   | 6   | 6   | 11  | 5   | 7   | 7   |
| <b>2009</b> | 6   | 3   | 1   | 4   | 5   | 4   | 5   | 5   | 9   | 7   | 8   | 7   |
| <b>2010</b> | 5   | 4   | 2   | 4   | 5   | 6   | 5   | 4   | 6   | 7   | 9   | 8   |
| <b>2011</b> | 8   | 7   | 5   | 4   | 5   | 4   | 6   | 5   | 6   | 7   | 8   | 10  |
| <b>2012</b> | 9   | 8   | 7   | 7   |     |     |     |     |     |     |     |     |

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
April 2012

| Reason                           | Good Time | Not Good Time | Uncertain |
|----------------------------------|-----------|---------------|-----------|
| <b>Economic Conditions</b>       | 4         | 34            | 16        |
| <b>Sales Prospects</b>           | 4         | 3             | 2         |
| <b>Fin. &amp; Interest Rates</b> | 1         | 1             | 1         |
| <b>Cost of Expansion</b>         | 0         | 3             | 3         |
| <b>Political Climate</b>         | 0         | 14            | 9         |
| <b>Other/Not Available</b>       | 1         | 1             | 1         |

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

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

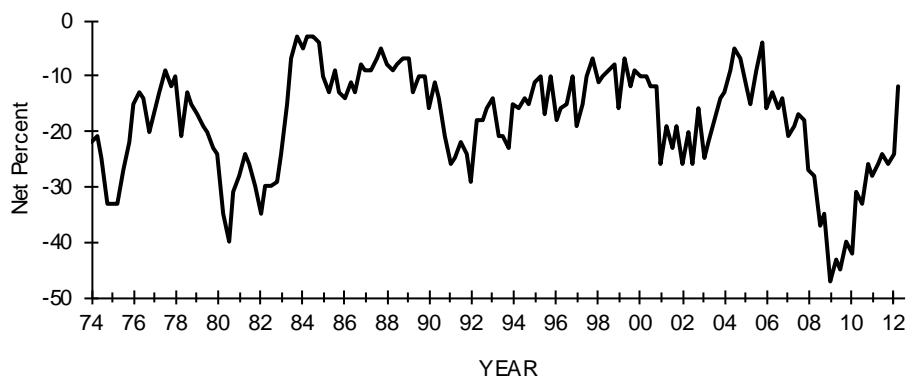
|             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | -1  | -2  | -7  | -8  | -3  | -5  | -1  | 0   | 2   | -2  | -10 | -4  |
| <b>2008</b> | -22 | -9  | -23 | -12 | -12 | -19 | -17 | 4   | 14  | -4  | -2  | -13 |
| <b>2009</b> | -12 | -21 | -22 | 2   | 12  | 7   | -3  | 10  | 8   | 11  | 3   | 2   |
| <b>2010</b> | 1   | -9  | -8  | 0   | 8   | -6  | -15 | -8  | -3  | 8   | 16  | 9   |
| <b>2011</b> | 10  | 9   | -5  | -8  | -5  | -11 | -15 | -26 | -22 | -16 | -12 | -8  |
| <b>2012</b> | -3  | -6  | -8  | -5  |     |     |     |     |     |     |     |     |



# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January Quarter 1974 to April Quarter 2012  
(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>2007</b> | -21 | -19 | -15 | -19 | -15 | -18 | -17 | -22 | -20 | -18 | -25 | -20 |
| <b>2008</b> | -27 | -25 | -33 | -28 | -28 | -33 | -37 | -30 | -35 | -35 | -38 | -42 |
| <b>2009</b> | -47 | -44 | -46 | -43 | -43 | -42 | -45 | -40 | -40 | -40 | -43 | -43 |
| <b>2010</b> | -42 | -39 | -43 | -31 | -28 | -32 | -33 | -30 | -33 | -26 | -30 | -34 |
| <b>2011</b> | -28 | -27 | -32 | -26 | -24 | -24 | -24 | -26 | -27 | -26 | -28 | -22 |
| <b>2012</b> | -24 | -19 | -23 | -12 |     |     |     |     |     |     |     |     |

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
April 2012

| Reason                       | Current Month | One Year Ago | Two Years Ago |
|------------------------------|---------------|--------------|---------------|
| <b>Sales Volume</b>          | 15            | 21           | 29            |
| <b>Increased Costs*</b>      | 10            | 13           | 9             |
| <b>Cut Selling Prices</b>    | 3             | 4            | 3             |
| <b>Usual Seasonal Change</b> | 6             | 6            | 5             |
| <b>Other</b>                 | 4             | 3            | 2             |

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

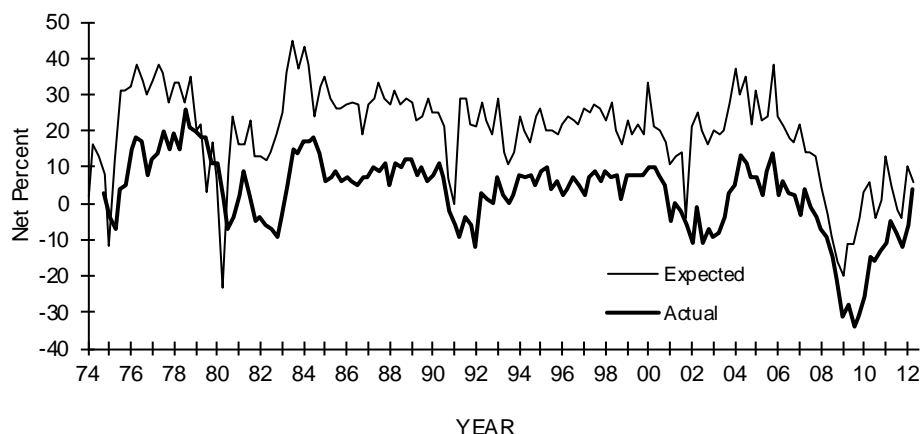




# SMALL BUSINESS SALES

## SALES

Actual (Prior Three Months) and Expected (Subsequent Three Months)  
 January 1974 to April 2012 (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>2007</b> | -3  | -1  | 0   | 4   | 1   | -4  | -1  | -4  | -4  | -4  | -3  | 1   |
| <b>2008</b> | -7  | -8  | -11 | -9  | -11 | -12 | -15 | -10 | -11 | -21 | -25 | -29 |
| <b>2009</b> | -31 | -28 | -34 | -28 | -33 | -34 | -34 | -27 | -26 | -31 | -31 | -25 |
| <b>2010</b> | -26 | -26 | -25 | -15 | -11 | -15 | -16 | -16 | -17 | -13 | -15 | -16 |
| <b>2011</b> | -11 | -11 | -12 | -5  | -9  | -7  | -8  | -9  | -10 | -12 | -11 | -7  |
| <b>2012</b> | -6  | -7  | 1   | 4   |     |     |     |     |     |     |     |     |



## SALES EXPECTATIONS

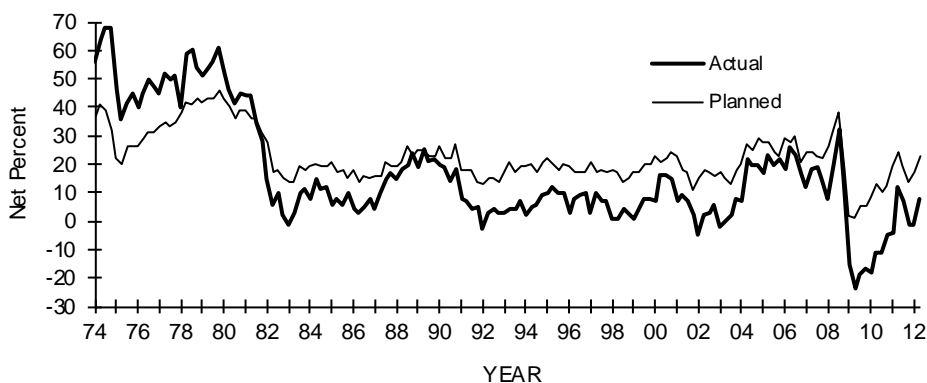
Net Percent (“Higher” Minus “Lower”) During Next Three Months  
 (Seasonally Adjusted)

|             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | 22  | 17  | 14  | 14  | 16  | 11  | 14  | 13  | 14  | 13  | 8   | 6   |
| <b>2008</b> | 4   | 0   | -3  | -3  | -11 | -11 | -9  | -6  | -2  | -16 | -14 | -18 |
| <b>2009</b> | -20 | -29 | -31 | -11 | -5  | -10 | -11 | -5  | -6  | -4  | -2  | -1  |
| <b>2010</b> | 3   | 0   | -3  | 6   | 5   | -5  | -4  | 0   | -3  | 1   | 6   | 8   |
| <b>2011</b> | 13  | 14  | 6   | 5   | 3   | 0   | -2  | -12 | -6  | -4  | 4   | 9   |
| <b>2012</b> | 10  | 12  | 8   | 6   |     |     |     |     |     |     |     |     |

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
 January Quarter 1974 to April Quarter 2012  
 (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>2007</b> | 12  | 13  | 15  | 18  | 16  | 19  | 19  | 13  | 9   | 15  | 14  | 16  |
| <b>2008</b> | 8   | 13  | 18  | 20  | 23  | 29  | 32  | 26  | 20  | 15  | 0   | -6  |
| <b>2009</b> | -15 | -24 | -23 | -24 | -22 | -17 | -19 | -19 | -21 | -17 | -17 | -22 |
| <b>2010</b> | -18 | -21 | -20 | -11 | -15 | -13 | -11 | -8  | -11 | -5  | -4  | -5  |
| <b>2011</b> | -4  | 5   | 9   | 12  | 15  | 10  | 7   | 1   | 6   | -1  | 0   | 0   |
| <b>2012</b> | -1  | 1   | 6   | 8   |     |     |     |     |     |     |     |     |



## 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>2007</b> | 24  | 23  | 22  | 24  | 23  | 21  | 23  | 22  | 21  | 22  | 26  | 26  |
| <b>2008</b> | 26  | 22  | 29  | 31  | 32  | 36  | 38  | 30  | 24  | 18  | 11  | 3   |
| <b>2009</b> | 2   | 1   | 0   | 1   | 3   | 5   | 5   | 8   | 6   | 5   | 4   | 3   |
| <b>2010</b> | 8   | 10  | 9   | 13  | 14  | 11  | 10  | 10  | 7   | 12  | 13  | 15  |
| <b>2011</b> | 19  | 21  | 24  | 24  | 23  | 15  | 19  | 16  | 14  | 14  | 15  | 14  |
| <b>2012</b> | 17  | 19  | 21  | 23  |     |     |     |     |     |     |     |     |

# 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>2007</b> | 2   | 4   | -6  | -5  | -2  | 0   | 1   | 4   | -1  | 3   | 0   | 2   |
| <b>2008</b> | 0   | -3  | -7  | -9  | -10 | -12 | -5  | -4  | -10 | -9  | -10 | -18 |
| <b>2009</b> | -15 | -15 | -22 | -25 | -24 | -23 | -17 | -16 | -16 | -12 | -12 | -12 |
| <b>2010</b> | -10 | -9  | -11 | -12 | -12 | -10 | -5  | -2  | -3  | -6  | -2  | -1  |
| <b>2011</b> | -4  | -2  | -4  | -6  | -3  | -7  | -2  | -2  | -5  | 0   | 2   | 1   |
| <b>2012</b> | 0   | -2  | -3  | -4  |     |     |     |     |     |     |     |     |

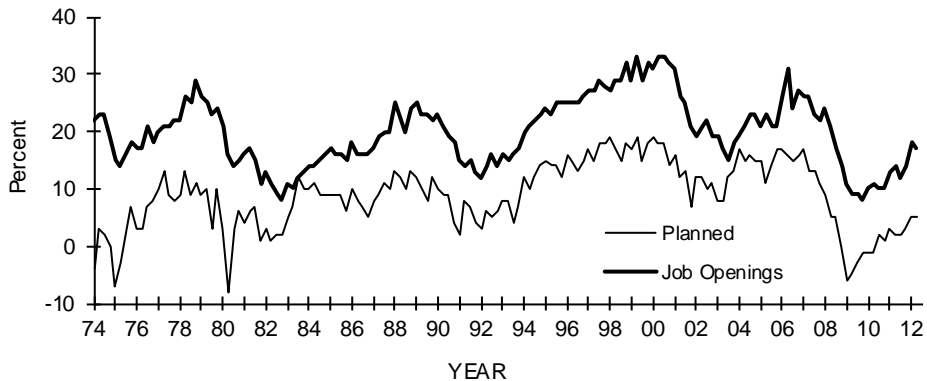
## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants  
(Seasonally Adjusted)

|             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | 41  | 41  | 43  | 43  | 42  | 45  | 43  | 44  | 48  | 46  | 40  | 37  |
| <b>2008</b> | 37  | 36  | 36  | 37  | 33  | 39  | 36  | 35  | 38  | 35  | 31  | 30  |
| <b>2009</b> | *   | *   | 24  | 24  | 25  | 27  | 26  | 23  | 25  | 25  | 28  | 21  |
| <b>2010</b> | 24  | 26  | 23  | 26  | 26  | 25  | 28  | 32  | 30  | 28  | 27  | 28  |
| <b>2011</b> | 28  | 30  | 29  | 32  | 30  | 33  | 31  | 33  | 34  | 31  | 35  | 34  |
| <b>2012</b> | 31  | 31  | 32  | 34  |     |     |     |     |     |     |     |     |

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January Quarter 1974 to April Quarter 2012  
(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>2007</b> | 26  | 25  | 26  | 26  | 24  | 26  | 23  | 25  | 25  | 22  | 19  | 21  |
| <b>2008</b> | 24  | 20  | 19  | 21  | 15  | 21  | 17  | 15  | 18  | 14  | 14  | 14  |
| <b>2009</b> | 11  | 11  | 10  | 9   | 9   | 11  | 9   | 8   | 8   | 8   | 8   | 10  |
| <b>2010</b> | 10  | 11  | 9   | 11  | 9   | 9   | 10  | 11  | 11  | 10  | 9   | 13  |
| <b>2011</b> | 13  | 15  | 15  | 14  | 12  | 15  | 12  | 15  | 14  | 14  | 16  | 15  |
| <b>2012</b> | 18  | 17  | 15  | 17  |     |     |     |     |     |     |     |     |

### HIRING PLANS

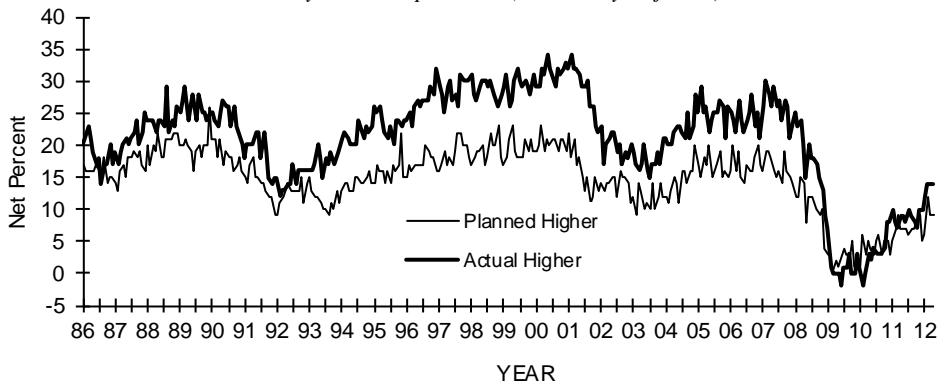
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

|             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | 17  | 13  | 12  | 13  | 13  | 12  | 13  | 15  | 14  | 11  | 11  | 11  |
| <b>2008</b> | 9   | 11  | 3   | 5   | 2   | 5   | 5   | 9   | 7   | 0   | -4  | -6  |
| <b>2009</b> | -6  | -3  | -10 | -5  | -5  | -1  | -3  | 0   | -4  | -1  | -3  | -2  |
| <b>2010</b> | -1  | -1  | -2  | -1  | 1   | 1   | 2   | 1   | -3  | 1   | 4   | 6   |
| <b>2011</b> | 3   | 5   | 2   | 2   | -1  | 3   | 2   | 5   | 4   | 3   | 7   | 6   |
| <b>2012</b> | 5   | 4   | 0   | 5   |     |     |     |     |     |     |     |     |

## SMALL BUSINESS COMPENSATION

### COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to April 2012 (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>2007</b> | 26  | 30  | 28  | 26  | 29  | 26  | 27  | 24  | 27  | 26  | 21  | 24  |
| <b>2008</b> | 25  | 23  | 24  | 20  | 15  | 20  | 18  | 18  | 17  | 15  | 13  | 9   |
| <b>2009</b> | 7   | 1   | 0   | 0   | 0   | -2  | 1   | 1   | 3   | 0   | 0   | 3   |
| <b>2010</b> | 1   | -2  | 0   | 3   | 2   | 4   | 3   | 3   | 3   | 4   | 8   | 8   |
| <b>2011</b> | 10  | 8   | 7   | 9   | 9   | 8   | 10  | 9   | 8   | 7   | 10  | 10  |
| <b>2012</b> | 12  | 14  | 14  | 14  |     |     |     |     |     |     |     |     |

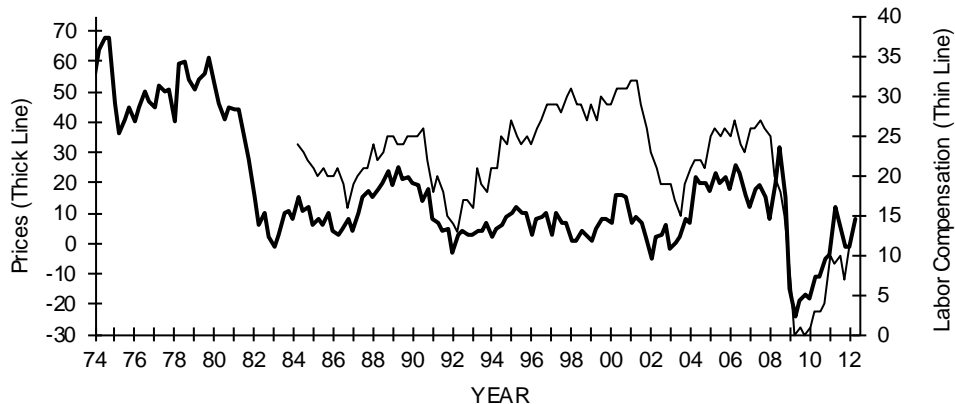
### COMPENSATION PLANS

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>2007</b> | 16  | 19  | 19  | 18  | 16  | 15  | 16  | 14  | 19  | 16  | 15  | 14  |
| <b>2008</b> | 12  | 12  | 15  | 14  | 8   | 12  | 12  | 11  | 10  | 9   | 10  | 4   |
| <b>2009</b> | 3   | 3   | 0   | 2   | 1   | 3   | 4   | 3   | 3   | 5   | 1   | 1   |
| <b>2010</b> | 1   | 6   | 3   | 5   | 4   | 3   | 5   | 6   | 3   | 5   | 5   | 3   |
| <b>2011</b> | 5   | 7   | 9   | 7   | 7   | 7   | 6   | 7   | 7   | 8   | 9   | 5   |
| <b>2012</b> | 6   | 12  | 9   | 9   |     |     |     |     |     |     |     |     |

### PRICES AND LABOR COMPENSATION

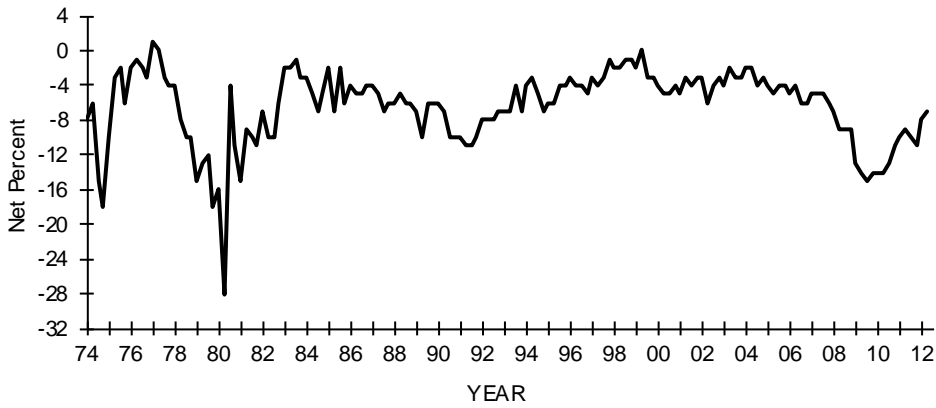
Net Percent Price Increase and Net Percent Compensation Increase  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January Quarter 1974 to April Quarter 2012



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

## REGULAR BORROWERS

Percent Borrowing at Least Once Every Three Months  
(Seasonally Adjusted)

|             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | 37  | 39  | 35  | 37  | 38  | 35  | 36  | 35  | 36  | 36  | 32  | 34  |
| <b>2008</b> | 36  | 34  | 33  | 36  | 35  | 35  | 34  | 34  | 32  | 33  | 31  | 33  |
| <b>2009</b> | 35  | 36  | 33  | 33  | 34  | 30  | 33  | 32  | 33  | 33  | 33  | 33  |
| <b>2010</b> | 32  | 34  | 35  | 31  | 32  | 29  | 32  | 31  | 33  | 31  | 28  | 30  |
| <b>2011</b> | 31  | 31  | 29  | 32  | 29  | 29  | 30  | 32  | 31  | 30  | 34  | 31  |
| <b>2012</b> | 32  | 32  | 31  | 32  |     |     |     |     |     |     |     |     |



## 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>2007</b> | -5  | -5  | -7  | -5  | -6  | -5  | -5  | -7  | -9  | -6  | -7  | -7  |
| <b>2008</b> | -7  | -5  | -7  | -9  | -8  | -7  | -9  | -10 | -11 | -9  | -11 | -12 |
| <b>2009</b> | -13 | -13 | -12 | -14 | -16 | -14 | -15 | -14 | -14 | -14 | -15 | -15 |
| <b>2010</b> | -14 | -12 | -15 | -14 | -13 | -13 | -13 | -12 | -14 | -11 | -11 | -12 |
| <b>2011</b> | -10 | -11 | -8  | -9  | -10 | -9  | -10 | -13 | -10 | -11 | -10 | -8  |
| <b>2012</b> | -8  | -8  | -11 | -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  
(Borrowers Only)

|             | Jan   | Feb  | Mar   | Apr  | May  | Jun   | Jul   | Aug  | Sep   | Oct  | Nov   | Dec  |
|-------------|-------|------|-------|------|------|-------|-------|------|-------|------|-------|------|
| <b>2007</b> | 36/5  | 40/5 | 35/5  | 38/4 | 39/6 | 36/4  | 37/5  | 35/4 | 37/5  | 36/6 | 32/4  | 32/7 |
| <b>2008</b> | 34/5  | 35/4 | 32/6  | 34/5 | 34/7 | 35/5  | 32/7  | 35/6 | 33/6  | 31/6 | 31/7  | 32/6 |
| <b>2009</b> | 33/8  | 32/8 | 29/10 | 30/8 | 28/9 | 30/10 | 28/10 | 30/7 | 30/10 | 29/9 | 29/10 | 28/8 |
| <b>2010</b> | 27/11 | 29/9 | 29/11 | 28/9 | 28/8 | 25/10 | 27/9  | 27/9 | 27/9  | 26/9 | 25/9  | 28/9 |
| <b>2011</b> | 28/8  | 29/8 | 28/7  | 28/8 | 28/8 | 25/9  | 28/8  | 28/7 | 29/8  | 28/9 | 30/7  | 29/7 |
| <b>2012</b> | 30/7  | 31/7 | 27/8  | 31/8 |      |       |       |      |       |      |       |      |

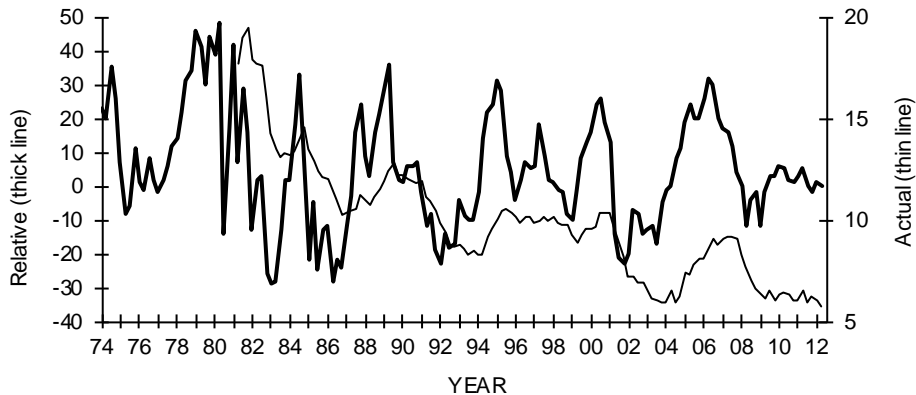
### EXPECTED CREDIT CONDITIONS

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

|             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | -7  | -8  | -8  | -7  | -6  | -6  | -6  | -9  | -10 | -8  | -8  | -10 |
| <b>2008</b> | -9  | -8  | -9  | -11 | -10 | -10 | -12 | -11 | -13 | -16 | -13 | -15 |
| <b>2009</b> | -14 | -16 | -14 | -12 | -15 | -13 | -14 | -13 | -15 | -16 | -15 | -15 |
| <b>2010</b> | -13 | -14 | -16 | -15 | -12 | -13 | -14 | -14 | -14 | -12 | -10 | -11 |
| <b>2011</b> | -10 | -10 | -9  | -13 | -11 | -10 | -11 | -13 | -12 | -11 | -10 | -9  |
| <b>2012</b> | -9  | -10 | -11 | -8  |     |     |     |     |     |     |     |     |

### INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
January Quarter 1974 to April Quarter 2012



## 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>2007</b> | 17  | 21  | 19  | 16  | 15  | 12  | 12  | 14  | 15  | 4   | 3   | 1   |
| <b>2008</b> | 0   | -9  | -5  | -12 | -15 | -11 | -4  | -2  | -3  | -2  | -6  | -8  |
| <b>2009</b> | -12 | -9  | -1  | -2  | 0   | 0   | 3   | 3   | 5   | 3   | 8   | 3   |
| <b>2010</b> | 6   | 6   | 9   | 5   | 4   | 0   | 2   | 3   | 1   | 1   | 0   | 1   |
| <b>2011</b> | 3   | 6   | 5   | 5   | 3   | 0   | 0   | 1   | 1   | -2  | -1  | -3  |
| <b>2012</b> | 1   | 2   | 3   | 0   |     |     |     |     |     |     |     |     |

\*Borrowing at Least Once Every Three Months.

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

Average Interest Rate Paid

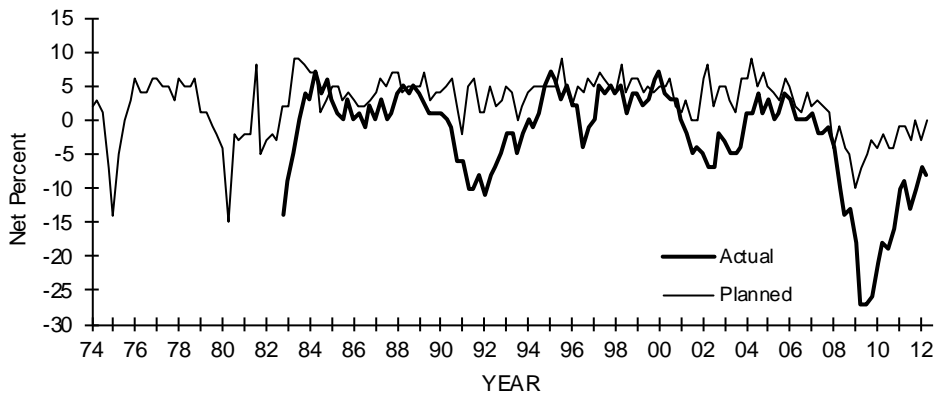
|             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | 9.1 | 9.3 | 9.3 | 9.2 | 9.5 | 9.3 | 9.2 | 8.7 | 9.0 | 9.1 | 8.5 | 8.5 |
| <b>2008</b> | 8.3 | 8.1 | 8.3 | 7.7 | 6.9 | 7.1 | 7.0 | 6.9 | 7.1 | 6.6 | 7.0 | 6.6 |
| <b>2009</b> | 6.4 | 6.2 | 6.2 | 6.1 | 6.3 | 6.5 | 6.5 | 6.1 | 6.1 | 6.0 | 5.9 | 6.3 |
| <b>2010</b> | 6.3 | 6.0 | 6.8 | 6.4 | 6.5 | 6.0 | 6.3 | 6.3 | 6.2 | 6.0 | 5.7 | 6.2 |
| <b>2011</b> | 6.0 | 6.0 | 5.9 | 6.5 | 6.0 | 6.0 | 5.9 | 6.1 | 6.1 | 6.2 | 5.7 | 6.2 |
| <b>2012</b> | 6.0 | 5.8 | 5.7 | 5.7 |     |     |     |     |     |     |     |     |



## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January Quarter 1974 to April Quarter 2012  
(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 |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | 1   | 5   | 2   | -2  | 2   | -5  | -2  | -3  | -2  | -1  | -6  | -3  |
| <b>2008</b> | -4  | -2  | -7  | -10 | -12 | -11 | -14 | -13 | -12 | -13 | -17 | -21 |
| <b>2009</b> | -18 | -19 | -23 | -27 | -27 | -27 | -27 | -24 | -24 | -26 | -25 | -28 |
| <b>2010</b> | -21 | -18 | -18 | -18 | -20 | -21 | -19 | -15 | -14 | -16 | -15 | -13 |
| <b>2011</b> | -10 | -8  | -7  | -9  | -13 | -14 | -13 | -9  | -11 | -10 | -10 | -10 |
| <b>2012</b> | -7  | 0   | -9  | -8  |     |     |     |     |     |     |     |     |

### 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 |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | -2  | -2  | -5  | -3  | -6  | -7  | -2  | -2  | -3  | -7  | -3  | -3  |
| <b>2008</b> | -4  | -4  | -1  | -1  | -3  | -1  | -4  | -3  | -1  | -4  | -4  | -7  |
| <b>2009</b> | -6  | -5  | -4  | -5  | -2  | -5  | -4  | -4  | 0   | -3  | -2  | -4  |
| <b>2010</b> | -1  | -1  | -1  | 1   | 0   | -1  | 0   | -1  | -2  | 1   | -3  | -3  |
| <b>2011</b> | 0   | 2   | -1  | 1   | -1  | -1  | 0   | 1   | -1  | 0   | -1  | 0   |
| <b>2012</b> | 1   | 2   | 3   | 0   |     |     |     |     |     |     |     |     |

### INVENTORY PLANS

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

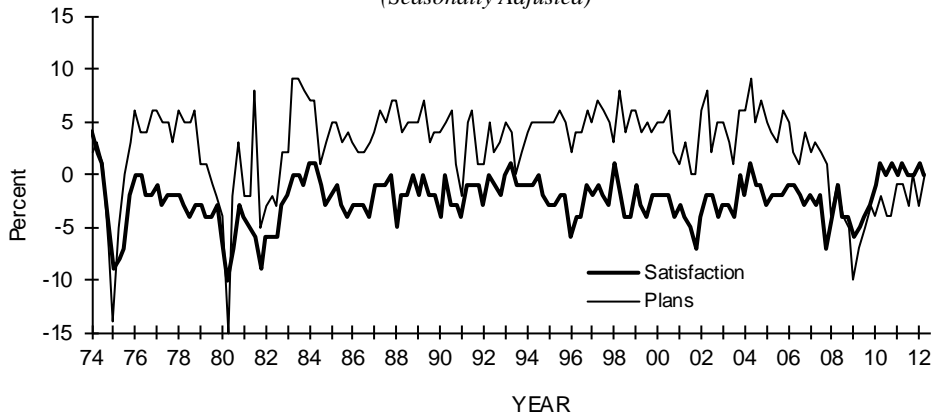
|             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>2007</b> | 2   | 3   | 3   | 3   | 0   | -3  | 2   | -4  | 0   | 1   | 2   | -3  |
| <b>2008</b> | -4  | -2  | -2  | -1  | -4  | -5  | -4  | -9  | -3  | -5  | -6  | -4  |
| <b>2009</b> | -10 | -10 | -13 | -7  | -3  | -6  | -5  | -7  | -6  | -3  | -3  | -8  |
| <b>2010</b> | -4  | -7  | -7  | -2  | 2   | -3  | -4  | -7  | -3  | -4  | 0   | -3  |
| <b>2011</b> | -1  | -2  | 1   | -1  | -3  | -3  | -3  | -5  | -2  | 0   | 0   | 2   |
| <b>2012</b> | -3  | 2   | 0   | 0   |     |     |     |     |     |     |     |     |



# SMALL BUSINESS CAPITAL OUTLAYS

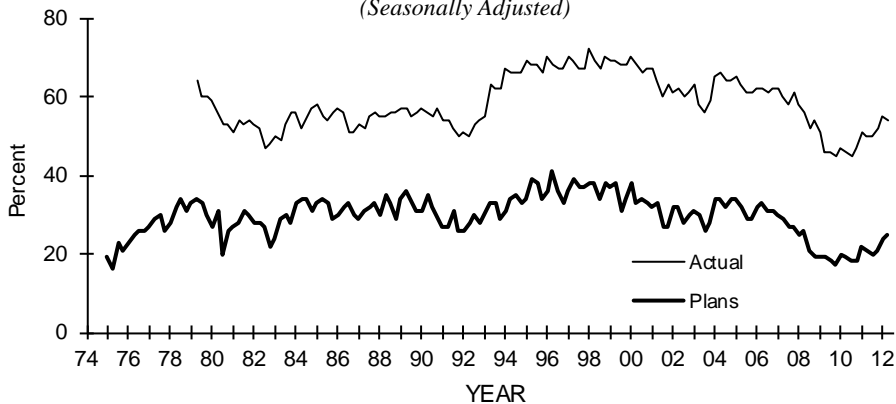
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 Quarter 1974 to April Quarter 2012  
*(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>2007</b> | 62  | 61  | 61  | 60  | 60  | 55  | 58  | 58  | 60  | 61  | 56  | 62  |
| <b>2008</b> | 58  | 58  | 57  | 56  | 54  | 52  | 52  | 54  | 52  | 54  | 56  | 51  |
| <b>2009</b> | 51  | 52  | 50  | 46  | 46  | 46  | 46  | 45  | 44  | 45  | 44  | 44  |
| <b>2010</b> | 47  | 47  | 45  | 46  | 46  | 46  | 45  | 44  | 45  | 47  | 51  | 47  |
| <b>2011</b> | 51  | 49  | 51  | 50  | 50  | 50  | 50  | 52  | 50  | 52  | 53  | 56  |
| <b>2012</b> | 55  | 57  | 52  | 54  |     |     |     |     |     |     |     |     |



## 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                | 22      | 18           | 16            |
| Equipment               | 39      | 35           | 30            |
| Furniture or Fixtures   | 13      | 11           | 9             |
| Add. Bldgs. or Land     | 6       | 3            | 4             |
| Improved Bldgs. or Land | 13      | 11           | 8             |

### 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       | 3            | 4             |
| \$1,000 to \$4,999   | 8       | 11           | 8             |
| \$5,000 to \$9,999   | 5       | 6            | 6             |
| \$10,000 to \$49,999 | 18      | 16           | 16            |
| \$50,000 to \$99,999 | 7       | 7            | 5             |
| \$100,000 +          | 10      | 7            | 7             |
| No Answer            | 3       | 0            | 0             |

### 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 |
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 2007 | 30  | 30  | 33  | 29  | 29  | 28  | 27  | 27  | 29  | 27  | 27  | 30  |
| 2008 | 25  | 26  | 25  | 26  | 25  | 26  | 21  | 23  | 21  | 19  | 21  | 17  |
| 2009 | 19  | 18  | 16  | 19  | 20  | 17  | 18  | 16  | 18  | 17  | 16  | 18  |
| 2010 | 20  | 20  | 19  | 19  | 20  | 19  | 18  | 16  | 19  | 18  | 20  | 21  |
| 2011 | 22  | 22  | 24  | 21  | 20  | 21  | 20  | 21  | 20  | 21  | 24  | 24  |
| 2012 | 24  | 23  | 22  | 25  |     |     |     |     |     |     |     |     |



# SINGLE MOST IMPORTANT PROBLEM

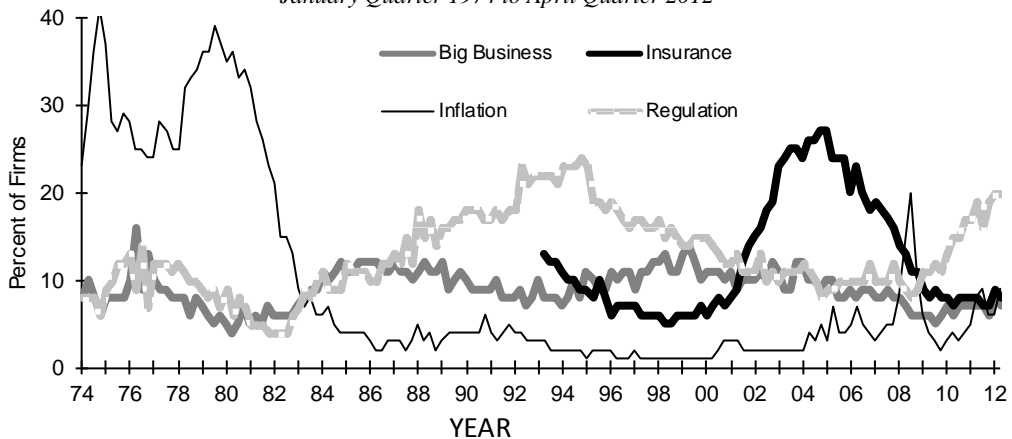
## SINGLE MOST IMPORTANT PROBLEM

April 2012

| Problem                           | Current | One Year Ago | Survey High | Survey Low |
|-----------------------------------|---------|--------------|-------------|------------|
| <b>Taxes</b>                      | 18      | 19           | 32          | 8          |
| <b>Inflation</b>                  | 9       | 8            | 41          | 0          |
| <b>Poor Sales</b>                 | 19      | 25           | 33          | 2          |
| <b>Fin. &amp; Interest Rates</b>  | 3       | 3            | 37          | 2          |
| <b>Cost of Labor</b>              | 4       | 4            | 9           | 2          |
| <b>Govt. Regs. &amp; Red Tape</b> | 20      | 17           | 27          | 4          |
| <b>Comp. From Large Bus.</b>      | 7       | 7            | 14          | 4          |
| <b>Quality of Labor</b>           | 6       | 4            | 23          | 3          |
| <b>Cost/Avail. of Insurance</b>   | 8       | 8            | 29          | 4          |
| <b>Other</b>                      | 6       | 5            | 31          | 2          |

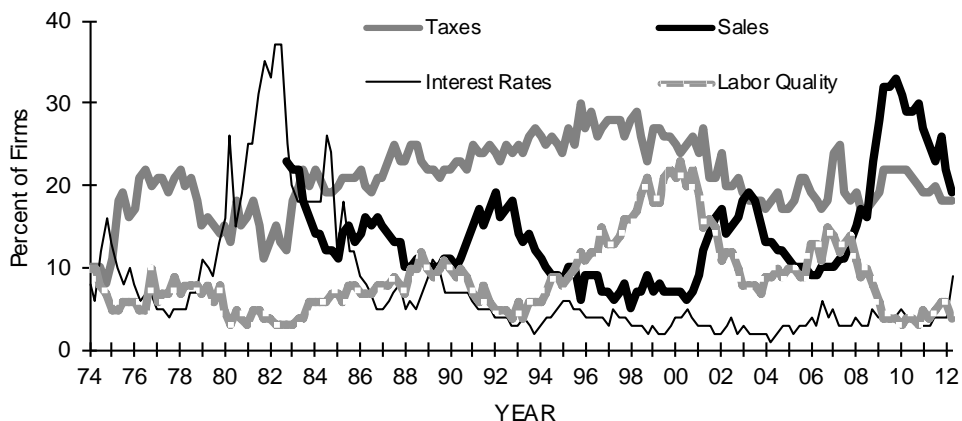
### SELECTED SINGLE MOST IMPORTANT PROBLEM

Insurance, Big Business Competition, Inflation, and Regulation  
January Quarter 1974 to April Quarter 2012



### SELECTED SINGLE MOST IMPORTANT PROBLEM

Sales, Fin. & Interest Rates, Labor Cost, Labor Quality, and Taxes  
January Quarter 1974 to April Quarter 2012



# SURVEY PROFILE

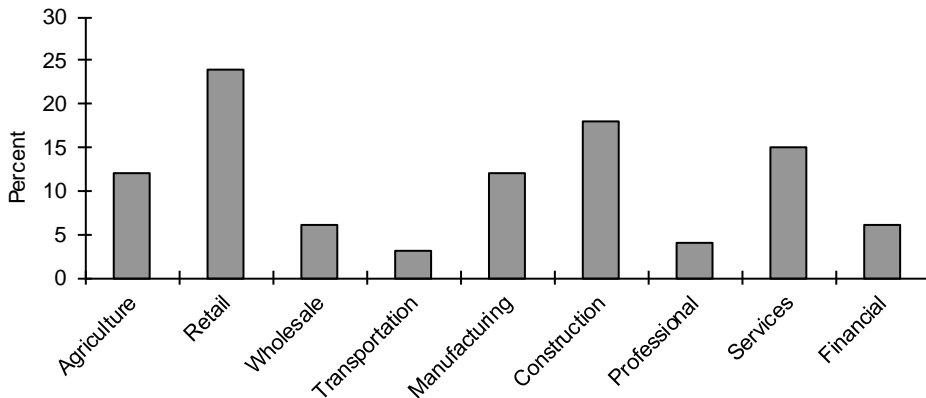
## OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

|             | Jan  | Feb | Mar | Apr  | May | Jun | Jul  | Aug | Sep | Oct  | Nov | Dec |
|-------------|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|
| <b>2007</b> | 1755 | 750 | 737 | 1703 | 618 | 589 | 1613 | 720 | 674 | 1614 | 719 | 670 |
| <b>2008</b> | 1845 | 700 | 735 | 1768 | 737 | 703 | 1827 | 812 | 743 | 1992 | 826 | 805 |
| <b>2009</b> | 2013 | 846 | 867 | 1794 | 814 | 758 | 1994 | 882 | 827 | 2059 | 825 | 830 |
| <b>2010</b> | 2114 | 799 | 948 | 2176 | 823 | 804 | 2029 | 874 | 849 | 1910 | 807 | 804 |
| <b>2011</b> | 2144 | 774 | 811 | 1985 | 733 | 766 | 1817 | 926 | 729 | 2077 | 781 | 735 |
| <b>2012</b> | 2155 | 819 | 757 | 1817 |     |     |      |     |     |      |     |     |

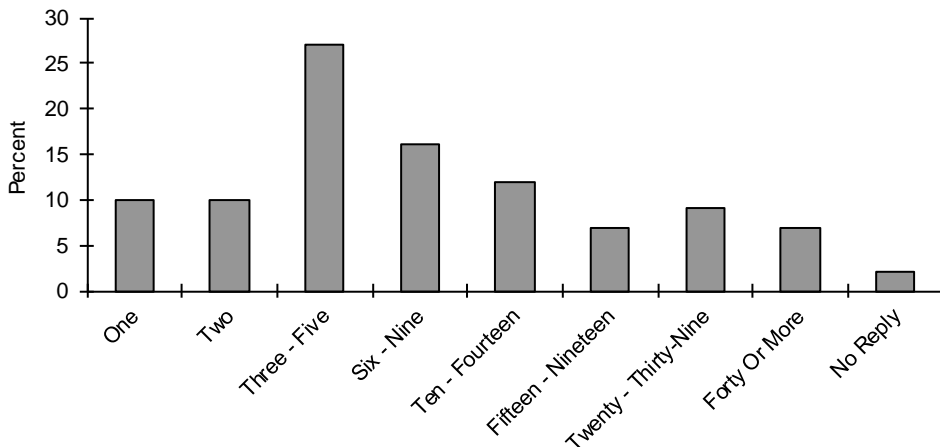
## NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

Industry of Small Business



## NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

Number of Full and Part-Time Employees



# NFIB RESEARCH FOUNDATION SMALL BUSINESS ECONOMIC SURVEY

## SMALL BUSINESS SURVEY QUESTIONS

## PAGE IN REPORT

|   |           |
|---|-----------|
| <b>Do you think the next three months will be a good time for small business to expand substantially? Why? . . . . .</b>  | <b>4</b>  |
| <b>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? . . . . .</b>                | <b>5</b>  |
| <b>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? . . . . .</b> | <b>6</b>  |
| <b>If higher or lower, what is the most important reason? . . . . .</b>   | <b>6</b>  |
| <b>During the last calendar quarter, was your dollar sales volume higher, lower, or about the same as it was for the quarter before? . . . . .</b>  | <b>7</b>  |
| <b>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? . . . . .</b>                           | <b>7</b>  |
| <b>How are your average selling prices compared to three months ago? . . . . .</b>  | <b>8</b>  |
| <b>In the next three months, do you plan to change the average selling prices of your goods and/or services? . . . . .</b>  | <b>8</b>  |
| <b>During the last three months, did the total number of employees in your firm increase, decrease, or stay about the same? . . . . .</b>   | <b>9</b>  |
| <b>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)? . . . . .</b>                           | <b>9</b>  |
| <b>Do you have any job openings that you are not able to fill right now? . . . . .</b>  | <b>10</b> |
| <b>In the next three months, do you expect to increase or decrease the total number of people working for you? . . . . .</b>  | <b>10</b> |
| <b>Over the past three months, did you change the average employee compensation? . . . . .</b>  | <b>11</b> |
| <b>Do you plan to change average employee compensation during the next three months? . . . . .</b>  | <b>11</b> |



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**

