

For Immediate Release
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NFIB Debuts Uncertainty Index

New monthly survey shows sky-high uncertainty among small business owners leading up to presidential election

Washington, D.C. (October 12, 2016) – With a turbulent presidential campaign in its final days and the economy stuck in neutral, uncertainty among small business owners is at a 42-year high, according to a new monthly survey launched today by the **National Federation of Independent Business (NFIB)**.

“Our data has been showing for months that growing numbers of small business owners are anxious about the future and that the cause of their anxiety is the inability to predict what government will do next to make their lives harder,” said **NFIB President and CEO Juanita Duggan**.

The NFIB Uncertainty Index draws from data produced by the NFIB Small Business Economic Trends Report, the organization’s flagship monthly research report relied upon by economists and business analysts all over the world as an indicator of economic health. The new research measures the degree to which business owners can anticipate future events and how that affects their behavior.

“Uncertainty is the inability to anticipate the outcomes of important future events which are critical to planning and forecasting for the firm,” explained **NFIB Chief Economist Bill Dunkelberg**. “The rising level of discomfort is apparent in NFIB’s Uncertainty Index.”

Dunkelberg said that high levels of uncertainty could have a chilling effect on important business decisions, such as inventory investment, capital spending, and hiring.

“Being fairly confident about an outcome, good or bad, allows planning to occur,” he said. “Having no clear direction on which to base a decision generally puts the decision on hold.”

Uncertainty has been building in the NFIB data. In the past two months the number of business owners that “don’t know” where the economy is heading, whether it’s a good time to invest, or whether they expect to expand, has reached the highest level in 42 years.

“This is a critically important piece of economic research because it captures the effect of unpredictability,” said Duggan. “Small business owners need predictability, and in this environment, it’s just not there.”

She said the torrent of new regulations coming from the Obama administration, and the threat of potentially higher taxes and more regulations under the next administration, makes business owners reluctant to do much of anything to grow, hire, or even prepare for the worst case scenario.

“They cannot plan for what they cannot anticipate,” said Duggan. “The uncertainty level among small business owners is off the charts, and we think that explains this long period of economic inertia,” said Duggan.

For more information about the NFIB Uncertainty Index, please visit www.nfib.com.

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