



# NFIB SMALL BUSINESS ECONOMIC TRENDS

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May 2019

## SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	81%	1	6%
Plans to Make Capital Outlays	30%	3	19%
Plans to Increase Inventories	2%	0	0%
Expect Economy to Improve	16%	3	19%
Expect Real Sales Higher	83%	3	19%
Current Inventory	-4%	0	0%
Current Job Openings	8%	0	0%
Expected Credit Conditions	15%	-9	-6%
Now a Good Time to Expand	30%	5	31%
Earnings Trends	19%	2	12%
Total Change		16	100%

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 Director of Research and Policy Analysis Holly Wade are responsible for the report.*

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# SUMMARY

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## OPTIMISM INDEX

The Small Business Optimism Index posted another solid gain, increasing 1.5 points to 105.0. One Index component fell, three were unchanged, and six improved. Capital spending plans increased sharply accompanied by a significant increase in actual outlays in the preceding months. Expectations for sales, business conditions, and the environment for expansion all advanced strongly. The inventory imbalance is currently resolved and owners plan a modest build in stocks. Earnings trends remained very strong and credit conditions very favorable. Uncertainty levels remain high but owners are focused on a very busy Main Street.

## LABOR MARKETS

Sixty-two percent reported hiring or trying to hire (up 5 points), but 54 percent (up 5 points) reported few or no qualified applicants for the positions they were trying to fill. Twenty-five percent of all owners cited the difficulty of finding qualified workers as their Single Most Important Business Problem, equaling the record high.

Thirty-eight percent of all owners reported job openings they could not fill in the current period, unchanged from April and 1 point below the record high. In construction, 59 percent had openings, 93 percent of those openings were for skilled workers. Fourteen percent of all firms reported using temporary workers. A seasonally-adjusted net 21 percent plan to create new jobs, up 1 point. Not seasonally adjusted, 29 percent plan to increase total employment at their firm (down 2 points), and 3 percent plan reductions (unchanged).

Thirty-two percent have openings for skilled workers (unchanged) and 16 percent have openings for unskilled labor (up 1 point). Thirty-three percent of owners reported few qualified applicants for their open positions (up 2 points) and 21 percent reported none (up 3 points).

## CAPITAL SPENDING

Sixty-four percent reported capital outlays, up 6 points, the highest reading since February 2018. Of those making expenditures, 44 percent reported spending on new equipment (up 3 points), 29 percent acquired vehicles (up 3 points), and 19 percent improved or expanded facilities (up 3 points). Six percent acquired new buildings or land for expansion (down 1 point) and 14 percent spent money for new fixtures and furniture (up 1 point). Overall, a very solid investment performance, supportive of continued improvements in productivity and real wages.

Thirty percent plan capital outlays in the next few months, up 3 points and historically high. Plans to invest were most frequent in transportation (45 percent), manufacturing (39 percent), professional services (39 percent), and construction (31 percent). Investment spending has been solid for the past two years. Small business owners clearly remain confident in the strength of the economy and are willing to bet capital spending dollars on it.

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This survey was conducted in May 2019. A sample of 5,000 small-business owners/members was drawn. Six hundred and fifty (650) usable responses were received—a response rate of 13 percent.

## **SALES AND INVENTORIES**

A net 9 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, unchanged from April and historically strong. The net percent of owners expecting higher real sales volumes rose 3 points to a net 23 percent of owners, a solid reading. The pace of economic growth is solid and consumers as well as businesses-to-business are an important source of the improvement in sales.

The net percent of owners reporting inventory increases was unchanged at a net 2 percent (seasonally adjusted), consistent with the significant build up in the first quarter that added nearly 1 point to GDP growth. The net percent of owners viewing current inventory stocks as “too low” was unchanged at a net negative 4 percent. Relatively few owners viewed stocks as excessive. The net percent of owners planning to expand inventory holdings was unchanged at a net 2 percent, a solid number. Overall, owners are ready to place new orders and build some inventory in anticipation of stronger real sales.

## **COMPENSATION AND EARNINGS**

Reports of higher worker compensation were unchanged at a lofty net 34 percent of all firms (unchanged). Plans to raise compensation posted a 4-point gain to a net 24 percent. Overall, reports of rising compensation are holding at historically high levels. Twenty-five percent (up 1 point) selected “quality of labor” as their top business problem, more than cited taxes or regulations. The frequency of reports of positive profit trends improved 2 points to a net negative 1 percent, a very solid gain.

## **CREDIT MARKETS**

Three percent of owners reported that all their borrowing needs were not satisfied, down 1 point and historically very low. Thirty-four percent reported all credit needs met (up 2 points) and 54 percent said they were not interested in a loan, up 3 points. Four percent reported their last loan was harder to get than the previous one, unchanged and historically low. Two percent reported that financing was their top business problem (unchanged) compared to 16 percent citing taxes. The percent of owners reporting paying a higher rate on their most recent loan was 12 percent, down 1 point. Thirty-one percent of all owners reported borrowing on a regular basis (unchanged). The average rate paid on short maturity loans rose 110 basis points to 7.8 percent. Overall, credit markets have been very supportive of growth and will not likely become an impediment this year, even if lending rates do rise.

## **INFLATION**

The net percent of owners raising average selling prices fell 3 points to a net 10 percent, seasonally adjusted. Seasonally adjusted, a net 20 percent plan price hikes (down 1 point). While 11 percent reported cutting selling prices, only 2 percent plan to do so, suggesting that most price cutting is an unanticipated, unplanned response to market conditions. Overall, a comforting report for inflation watchers but less so for the Federal Reserve that would like to see more inflation.

# COMMENTARY

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The first quarter GDP revision put the growth rate at 3.1 percent, only 0.1 percent lower than first thought. April is not looking quite as strong, with investment spending at large firms and manufacturing looking a bit weaker. But one month does not a quarter make. The financial press is replete with concerns about a growing “weakness,” both here and abroad, but there is no sign of concern on Main Street as the Optimism Index ventured into rarely reached territory. The surge in optimism was supported by solid gains in reported capital spending, hiring, inventory investment, and profit trends.

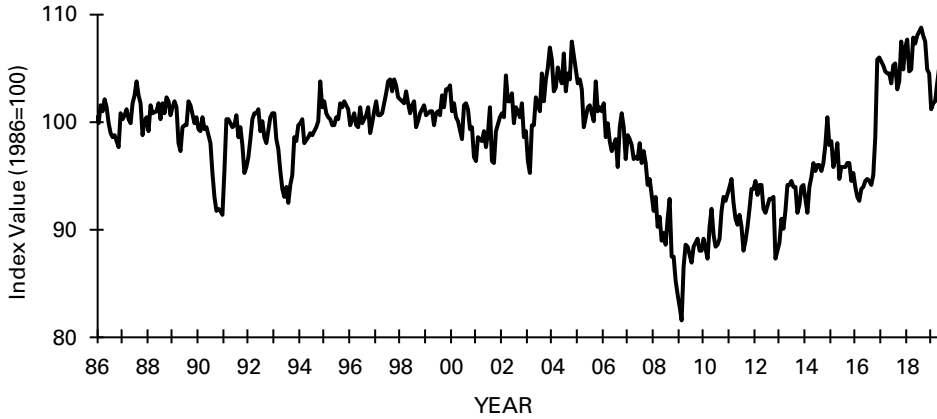
Slower growth is not bad in a fully employed economy that can't find enough workers to fill open job positions. The labor supply has become a constraint on growth, especially in construction and transportation. An even lower unemployment rate would be hard to sustain because the economy is at “full employment,” and that can be accommodated with growth rates under 3 percent. Many observers are arguing that the economy needs another “artificial stimulus” from the Federal Reserve. Not so. Interest rates are low enough to keep credit flowing. What is important is growth that is strong enough to make new investments look profitable. This should not be difficult because we are at “full employment” so our capital stock needs to be expanded and upgraded to work with our existing supply of labor.

Productivity increased at a 3.6 percent annual rate in the first quarter, the best reading in a decade. The pickup in productivity growth coincides with a ramp up in investment spending on Main Street, which lagged for the decade prior to 2017. Half of private employment is in the small business sector, so productivity improvement there is important for income growth for U.S. workers. It is important to keep policy focus on the small business half of the economy to ensure that it is not dissuaded from investing and hiring because of “policy oversight” like not making the tax cuts permanent.

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

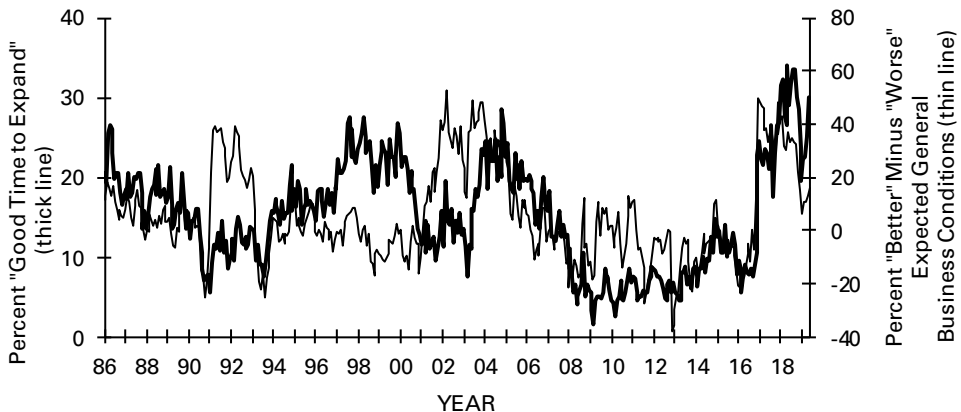
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2014</b>	94.0	91.6	94.0	94.8	96.2	95.4	96.0	95.9	95.3	96.0	97.8	100.3
<b>2015</b>	97.7	98.1	95.7	96.5	97.9	94.6	95.7	95.7	96.0	96.0	94.5	95.2
<b>2016</b>	93.9	92.9	92.6	93.6	93.8	94.5	94.6	94.4	94.1	94.9	98.4	105.8
<b>2017</b>	105.9	105.3	104.7	104.5	104.5	103.6	105.2	105.3	103.0	103.8	107.5	104.9
<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							

# SMALL BUSINESS OUTLOOK

## OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to May 2019  
(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
2014	8	6	9	9	10	8	10	10	12	11	11	15
2015	13	13	11	11	14	10	12	11	11	13	12	8
2016	10	8	6	8	9	8	8	9	7	9	11	23
2017	25	22	22	24	23	21	23	27	17	23	27	27
2018	32	32	28	27	34	29	32	34	33	30	29	24
2019	20	22	23	25	30							

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
May 2019

Reason	Good Time	Not Good Time	Uncertain
Economic Conditions	26	8	7
Sales Prospects	3	3	5
Fin. & Interest Rates	0	1	1
Cost of Expansion	0	4	8
Political Climate	2	5	13
Other/Not Available	1	5	7

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

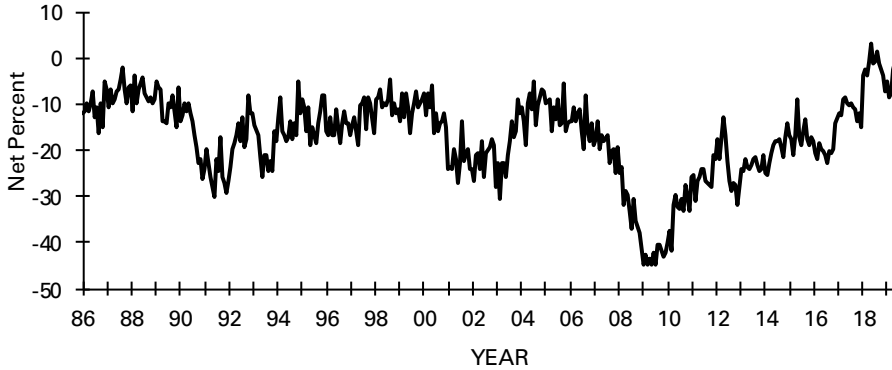
Net Percent ("Better" Minus "Worse") Six Months From Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-11	-16	-13	-8	-1	-9	-5	-5	-4	-5	10	12
2015	0	2	-2	-5	-4	-8	-3	-8	-6	-6	-10	-15
2016	-21	-21	-17	-18	-13	-9	-5	-12	0	-7	12	50
2017	48	47	46	38	39	33	37	37	31	32	48	37
2018	41	43	32	30	37	33	35	34	33	33	22	16
2019	6	11	11	13	16							

# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to May 2019  
(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
2014	-25	-26	-23	-21	-19	-18	-18	-18	-19	-22	-17	-14
2015	-17	-18	-21	-17	-9	-17	-19	-16	-13	-18	-19	-17
2016	-18	-21	-22	-19	-20	-20	-21	-23	-20	-21	-20	-14
2017	-12	-13	-9	-9	-10	-10	-10	-11	-11	-14	-12	-15
2018	-4	-3	-4	-1	3	-1	-1	1	-1	-3	-4	-7
2019	-5	-9	-8	-3	-1							

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
May 2019

	Current Month	One Year Ago	Two Years Ago
Sales Volume	8	8	11
Increased Costs*	6	6	8
Cut Selling Prices	3	2	3
Usual Seasonal Change	6	4	7
Other	5	3	2

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

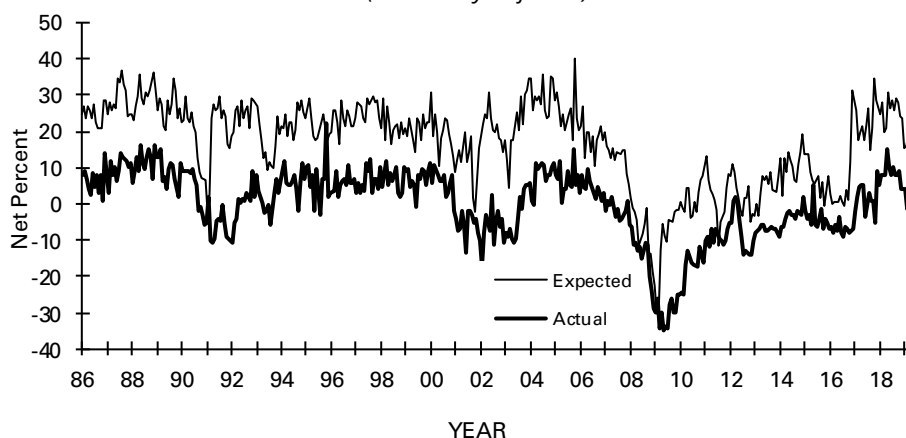


# SMALL BUSINESS SALES

## SALES

Actual (Prior Three Months) and Expected (Next Three Months)

January 1986 to May 2019  
(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
2014	-9	-6	-6	-4	-3	-2	-3	-3	-4	-2	-3	2
2015	-2	-4	-3	-6	5	-6	-6	-4	-1	-7	-4	-5
2016	-7	-6	-8	-6	-8	-4	-8	-9	-6	-7	-8	-7
2017	-2	2	5	5	5	-4	0	3	1	1	-5	9
2018	5	8	8	8	15	10	8	10	8	8	9	4
2019	4	-1	5	9	9							

## SALES EXPECTATIONS

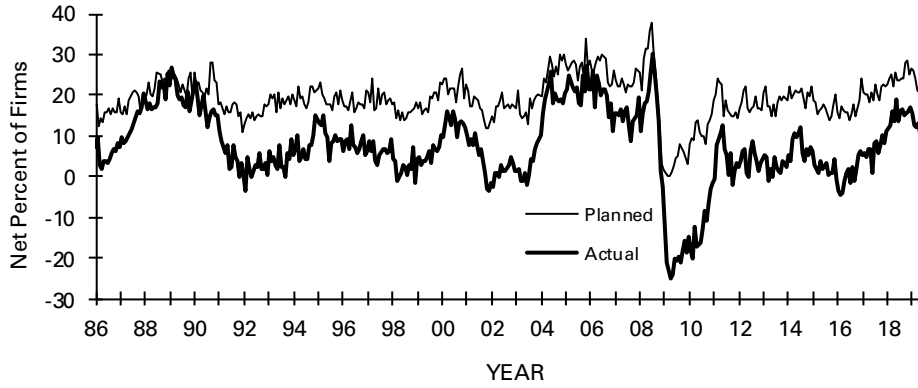
Net Percent ("Higher" Minus "Lower") During Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	13	2	13	9	15	12	11	7	6	11	14	19
2015	14	14	14	9	7	5	7	8	2	6	-1	7
2016	3	0	1	1	1	2	1	-1	4	1	11	31
2017	29	26	18	20	22	17	22	27	15	21	34	28
2018	25	28	20	21	31	26	29	26	29	28	24	23
2019	16	16	19	21	23							

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
 January 1986 to May 2019  
 (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
2014	5	4	9	11	10	11	12	6	4	7	5	7
2015	6	3	2	1	4	2	3	1	1	1	4	-1
2016	-4	-4	-4	-1	1	2	-2	3	-1	2	5	6
2017	5	6	5	7	7	1	8	9	6	8	10	8
2018	11	13	16	14	19	14	16	17	15	16	16	17
2019	15	13	12	13	10							

## 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
2014	19	22	19	21	21	21	22	19	17	21	20	22
2015	19	18	15	16	17	18	17	15	14	15	18	20
2016	16	14	17	16	16	16	14	15	18	15	19	24
2017	21	20	20	18	21	19	23	20	19	22	23	22
2018	23	24	25	22	26	24	24	24	24	28	29	25
2019	27	26	24	21	20							

# 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
2014	2	2	2	2	1	1	1	0	3	1	1	7
2015	5	4	2	2	4	0	0	6	5	0	0	-1
2016	1	-3	0	-1	-1	-2	-2	-3	3	0	-2	4
2017	3	4	2	4	5	-1	2	2	-1	3	2	3
2018	4	4	4	7	7	3	6	5	1	5	5	5
2019	7	9	12	7	9							

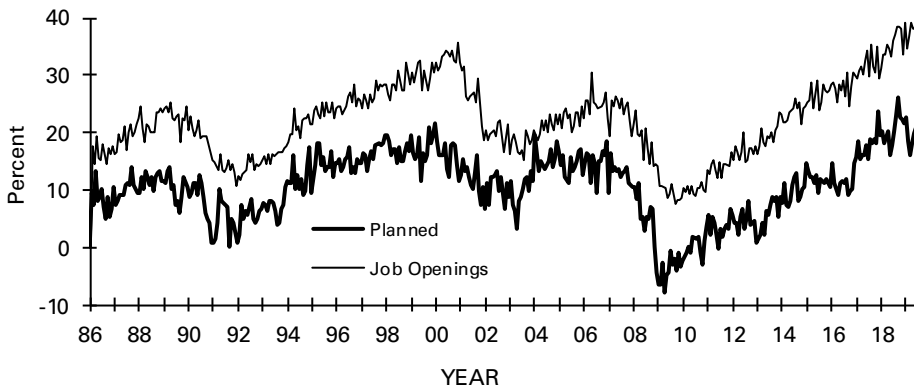
## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	38	40	41	41	46	43	42	46	42	45	45	43
2015	42	47	42	44	47	44	48	48	45	48	47	48
2016	45	42	41	46	48	48	46	48	48	48	52	44
2017	47	44	45	48	51	46	52	52	49	52	44	54
2018	49	47	47	50	48	55	52	55	53	53	53	54
2019	49	49	54	49	54							

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to May 2019  
(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
2014	22	22	22	24	24	26	24	25	21	24	25	25
2015	26	29	24	27	29	24	25	28	27	27	28	28
2016	29	28	25	29	27	29	26	30	24	28	31	29
2017	31	32	30	33	34	30	35	31	30	35	30	31
2018	34	34	35	35	33	36	37	38	38	38	34	39
2019	35	37	39	38	38							

### HIRING PLANS

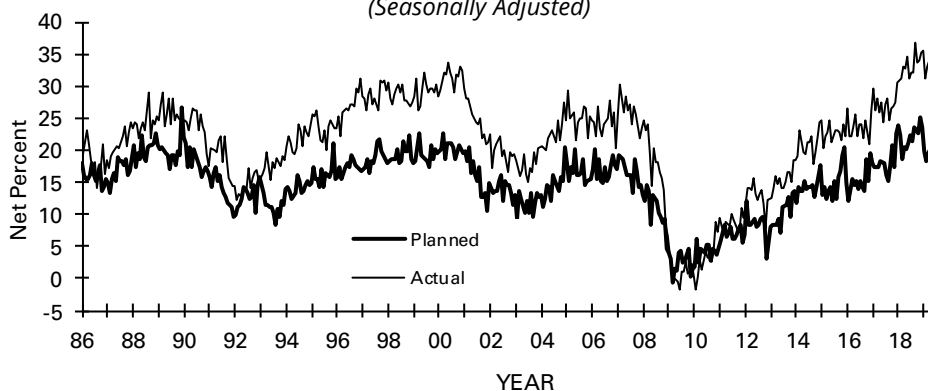
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	11	7	7	8	11	12	13	8	9	10	11	15
2015	13	12	12	11	13	9	12	11	12	11	11	15
2016	11	10	9	11	12	11	12	9	10	10	15	16
2017	18	15	16	16	18	15	19	18	19	18	24	20
2018	20	18	20	16	18	20	23	26	23	22	22	23
2019	18	16	18	20	21							

## SMALL BUSINESS COMPENSATION

### COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to May 2019  
(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
2014	19	19	23	20	20	21	21	22	18	20	22	24
2015	25	20	22	23	25	21	23	23	23	22	24	22
2016	27	22	22	24	26	22	24	24	22	25	21	26
2017	30	26	28	26	28	24	27	28	25	27	27	27
2018	31	31	33	33	35	31	32	32	37	34	34	35
2019	36	31	33	34	34							

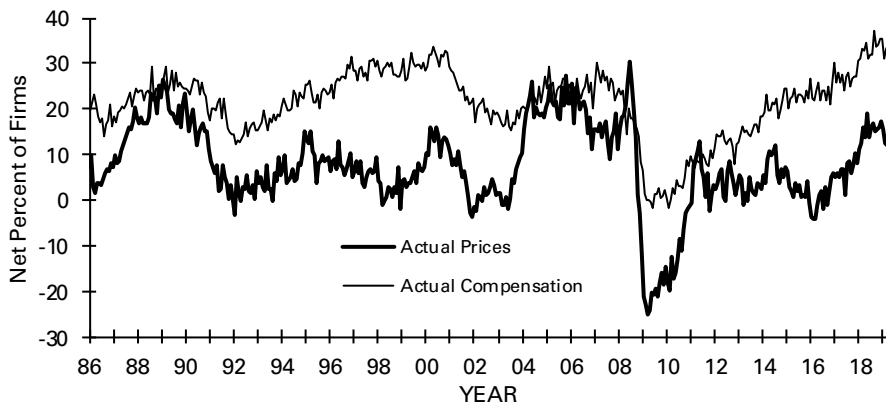
### COMPENSATION PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	12	14	14	14	15	14	14	14	15	13	14	18
2015	13	14	13	14	14	12	15	12	16	17	19	21
2016	15	12	16	15	15	14	15	14	14	19	15	20
2017	18	17	18	18	18	18	16	15	18	21	17	23
2018	24	22	19	21	20	21	22	21	24	23	25	24
2019	20	18	20	20	24							

### PRICES AND LABOR COMPENSATION

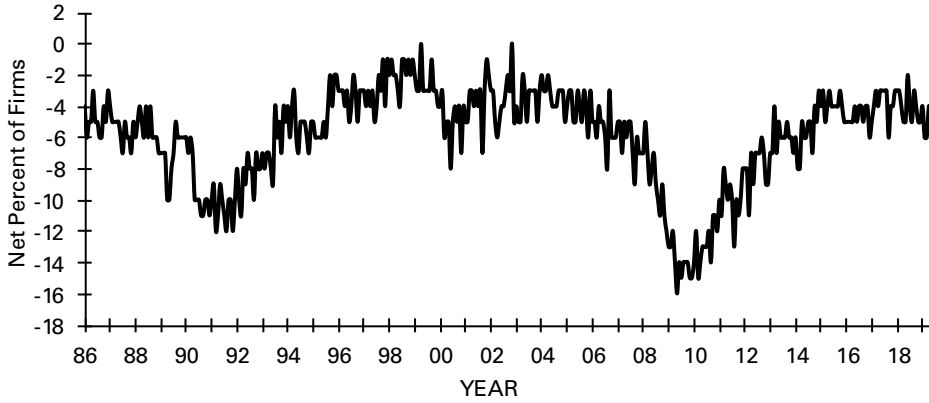
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to May 2019



\* 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
2014	31	30	31	30	31	28	30	29	31	28	33	31
2015	33	30	32	30	29	31	30	33	29	28	27	31
2016	33	31	32	29	29	29	28	29	32	28	31	30
2017	30	31	30	31	28	27	30	31	29	30	30	34
2018	31	31	32	31	34	28	32	32	29	32	32	35
2019	33	33	34	31	31							

## 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
2014	-6	-8	-8	-5	-6	-6	-5	-5	-7	-4	-5	-3
2015	-4	-3	-5	-4	-3	-4	-4	-4	-4	-3	-4	-5
2016	-5	-5	-5	-5	-4	-5	-4	-4	-5	-4	-4	-6
2017	-5	-4	-3	-4	-3	-3	-3	-3	-6	-4	-4	-3
2018	-3	-3	-4	-5	-5	-2	-4	-5	-3	-4	-5	-5
2019	-4	-6	-6	-4	-4							

# 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>2014</b>	31/5	29/5	30/5	30/5	30/5	27/6	30/6	28/4	28/6	29/4	29/4	32/4
<b>2015</b>	32/4	33/3	35/5	31/4	30/4	32/5	32/4	33/3	30/2	30/3	32/3	32/4
<b>2016</b>	35/3	31/4	31/5	31/4	31/4	32/5	30/3	29/4	32/6	29/4	30/4	29/4
<b>2017</b>	31/4	30/3	32/4	32/3	31/3	27/4	31/3	34/3	33/2	29/4	32/4	32/3
<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							

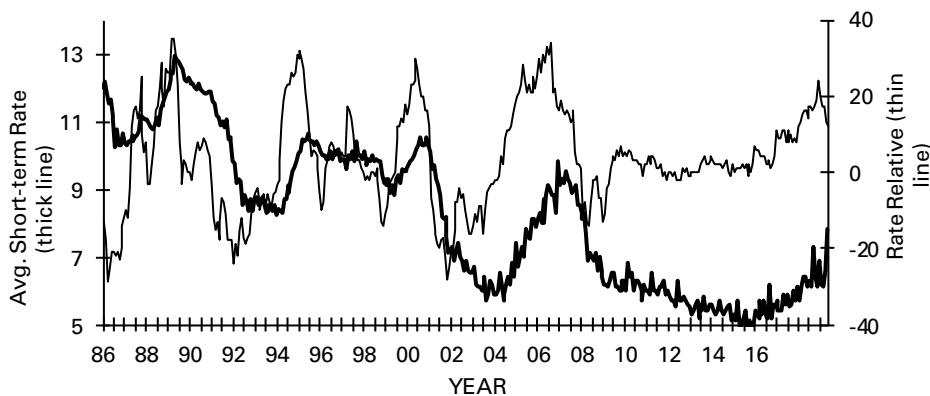
## EXPECTED CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2014</b>	-7	-7	-7	-6	-7	-7	-5	-5	-7	-5	-6	-5
<b>2015</b>	-5	-4	-6	-4	-4	-4	-5	-7	-6	-5	-4	-6
<b>2016</b>	-7	-7	-6	-6	-6	-6	-5	-5	-7	-6	-5	-6
<b>2017</b>	-3	-3	-3	-4	-4	-3	-4	-3	-4	-5	-4	-4
<b>2018</b>	-4	-3	-6	-6	-5	-4	-4	-6	-5	-5	-5	-6
<b>2019</b>	-5	-5	-7	-4	-5							

## INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
January 1986 to May 2019



## 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
2014	4	3	2	2	2	2	1	2	3	0	0	-1
2015	2	0	1	1	1	2	1	2	-1	2	0	2
2016	7	6	6	4	4	4	2	2	3	1	2	4
2017	11	9	9	11	11	8	11	8	10	8	9	8
2018	12	13	15	16	16	14	17	17	16	17	19	24
2019	20	17	17	13	12							

*Borrowing at Least Once Every Three Months.*

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

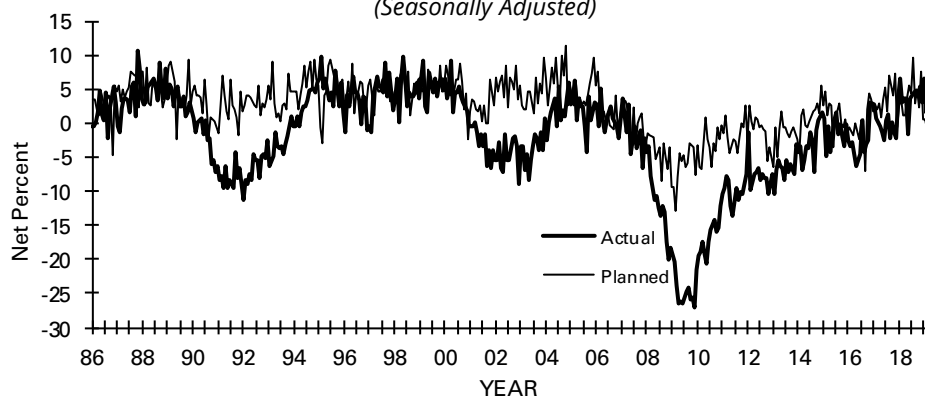
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	5.6	5.4	5.3	5.4	5.7	5.7	5.4	5.3	5.4	5.5	5.6	5.1
2015	5.3	5.1	5.7	5.0	4.8	5.0	5.2	5.4	4.8	5.1	4.7	5.0
2016	5.4	5.3	5.2	5.7	5.3	5.7	5.3	5.2	6.2	5.2	5.6	5.5
2017	5.7	5.4	5.4	5.4	5.9	5.6	5.9	5.5	5.6	6.0	5.7	6.1
2018	5.9	5.7	6.1	6.4	6.4	6.1	6.3	6.1	7.3	6.4	6.1	6.4
2019	6.9	6.2	6.1	6.6	7.8							

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to May 2019  
(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
2014	-4	-3	-7	-6	-3	-4	-2	-3	-7	-1	1	1
2015	2	1	-5	-1	-4	0	2	-2	0	-2	-4	0
2016	-2	-3	-3	-5	-6	-6	-5	0	-4	-3	-3	3
2017	3	1	0	-1	-1	-3	1	1	-2	0	-2	-2
2018	4	7	3	4	4	-2	4	4	5	4	6	3
2019	7	2	5	2	2							

### 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
2014	-2	-5	-2	-2	-3	-2	-3	-2	0	-3	-2	-2
2015	-1	-3	-7	-2	-1	-4	-6	-6	-5	-4	-5	-4
2016	-2	-2	-5	-5	-4	-4	-4	-2	-7	-4	-4	-3
2017	-5	-2	-5	-3	-6	-3	-2	-5	-3	-5	-2	-2
2018	-5	-3	-6	-4	-4	0	-3	-3	-1	-2	-5	-1
2019	-3	-2	-6	-4	-4							

### INVENTORY PLANS

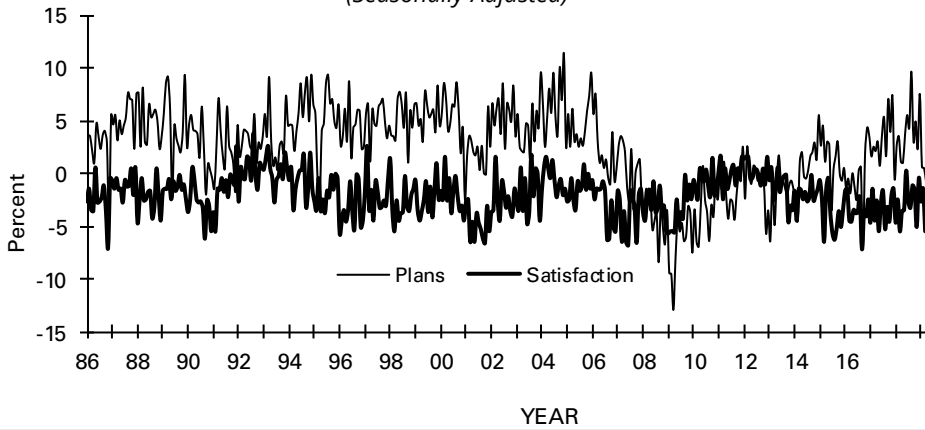
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-2	-5	1	2	0	-1	0	2	2	3	1	6
2015	3	5	1	3	3	-4	0	2	3	0	-1	1
2016	-1	-1	-2	0	-1	-3	0	1	-7	2	4	4
2017	2	3	2	3	1	4	5	2	7	4	7	-1
2018	3	4	1	1	4	6	4	10	3	5	2	8
2019	1	1	-1	2	2							

# SMALL BUSINESS CAPITAL OUTLAYS

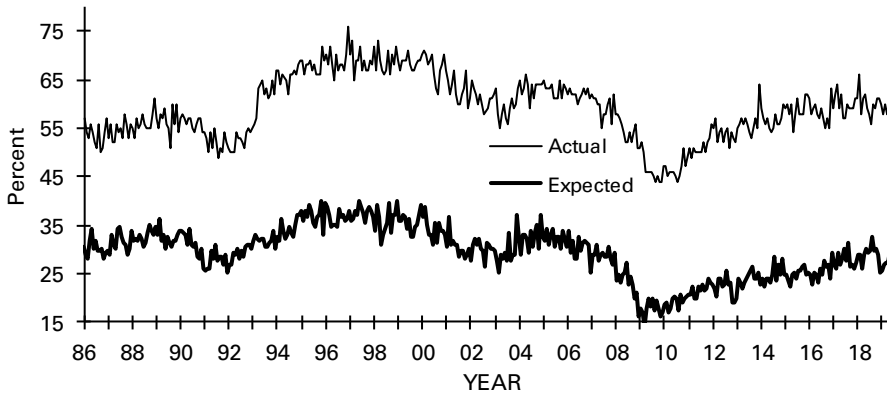
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 May 2019  
*(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
2014	59	57	56	57	55	54	55	58	56	56	57	60
2015	59	60	58	60	54	58	61	58	58	58	62	62
2016	61	58	59	60	58	57	59	57	55	57	55	63
2017	59	62	64	59	62	57	57	60	59	59	59	61
2018	61	66	58	61	62	59	58	56	60	59	61	61
2019	60	58	60	58	64							

## 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	29	24	26
Equipment	44	47	46
Furniture or Fixtures	14	13	14
Add. Bldgs. or Land	6	6	6
Improved Bldgs. or Lan	19	16	15

### 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	6	9	9
\$5,000 to \$9,999	5	5	7
\$10,000 to \$49,999	19	17	19
\$50,000 to \$99,999	10	9	9
\$100,000 +	17	15	16
No Answer	0	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
2014	23	24	22	24	24	23	25	29	24	27	25	28
2015	25	25	22	25	25	24	26	26	27	27	25	25
2016	25	23	25	25	23	26	25	28	27	27	24	29
2017	27	26	29	27	28	30	28	32	27	27	26	27
2018	29	29	26	29	30	29	30	33	30	30	29	25
2019	26	27	27	27	30							

# SINGLE MOST IMPORTANT PROBLEM

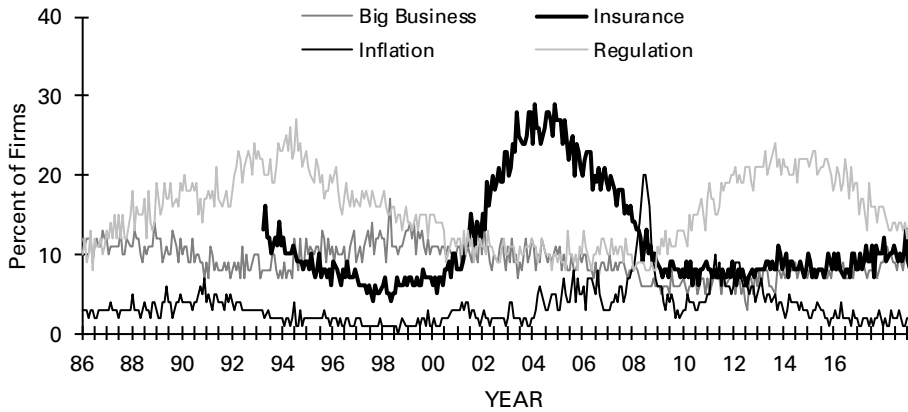
## SINGLE MOST IMPORTANT PROBLEM

May 2019

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	16	17	32	8
Inflation	2	3	41	0
Poor Sales	8	8	34	2
Fin. & Interest Rates	2	1	37	1
Cost of Labor	8	6	10	2
Govt. Regs. & Red Tape	12	13	27	4
Comp. From Large Bus.	10	10	14	4
Quality of Labor	25	23	25	3
Cost/Avail. of Insurance	10	10	29	4
Other	7	9	31	1

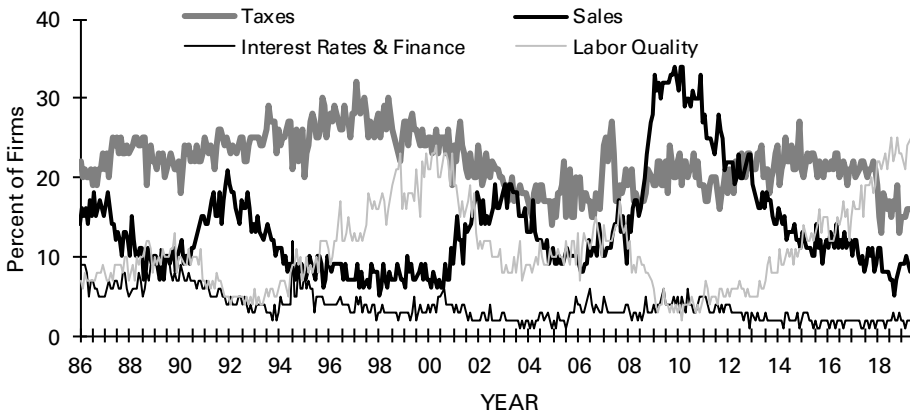
## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation  
January 1986 to May 2019



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality  
January 1986 to May 2019



## SURVEY PROFILE

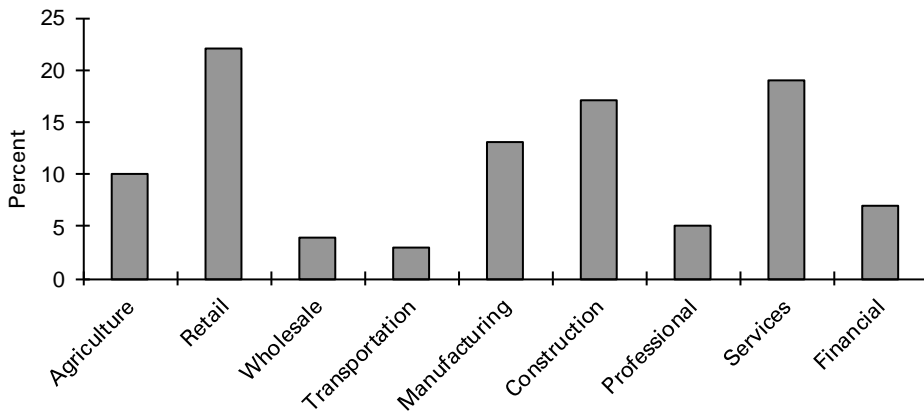
### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2014</b>	1864	792	685	1699	678	672	1645	598	608	1502	615	568
<b>2015</b>	1663	716	575	1500	616	620	1495	656	556	1411	601	509
<b>2016</b>	1438	756	727	1644	700	735	1703	730	723	1702	724	619
<b>2017</b>	1873	764	704	1618	699	624	1533	713	629	1513	544	495
<b>2018</b>	1658	642	570	1554	562	665	1718	680	642	1743	700	621
<b>2019</b>	1740	526	643	1735	650							

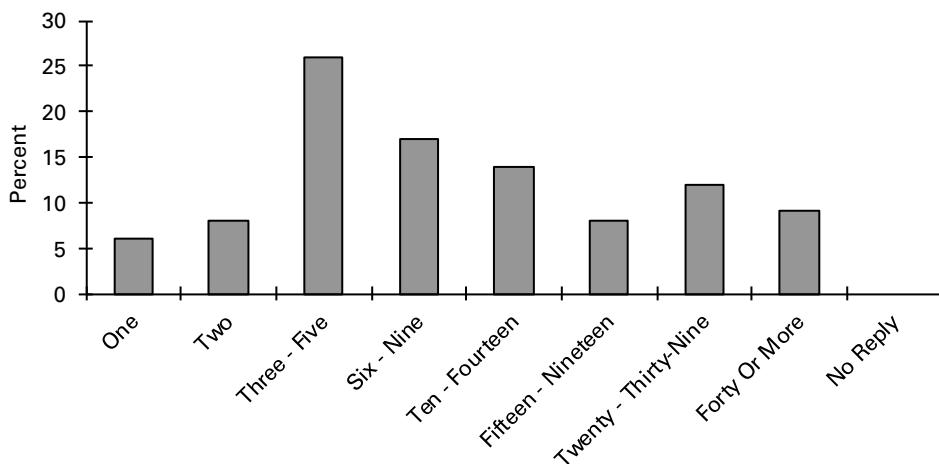
### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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

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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