

January  
2025

NFIB

SMALL BUSINESS  
**ECONOMIC**  
**TRENDS**

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Holly Wade

SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	18%	-1	*
Plans to Make Capital Outlays	20%	-7	*
Plans to Increase Inventories	0%	-6	*
Expect Economy to Improve	47%	-5	*
Expect Real Sales Higher	20%	-2	*
Current Inventory (too low)	-1%	0	*
Current Job Openings	35%	0	*
Expected Credit Conditions	-4%	-2	*
Now a Good Time to Expand	17%	-3	*
Earnings Trends	-25%	1	*
Total Change		-25	

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 fell by 2.3 points in January to 102.8, the third consecutive month above the 51-year average of 98. Of the 10 Optimism Index components, one increased, seven decreased, and two were unchanged. The Uncertainty Index rose 14 points to 100 (third highest reading), after two months of decline.

## LABOR MARKETS

In January, 35 percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, unchanged from December. Twenty-nine percent have openings for skilled workers (unchanged) and 10 percent have openings for unskilled labor (down 3 points). While reports of too few unskilled applicants declined, shortages of skilled applicants persist. The difficulty in filling open positions is particularly acute in the transportation, construction, and manufacturing industries. Job openings in construction were up 4 points from last month and down 2 points from the prior year. Openings were the lowest in the agriculture and finance industries. A seasonally adjusted net 18 percent of owners plan to create new jobs in the next three months, down 1 point from December. Job creation plans are below the levels seen the last time the economy experienced solid growth although still in firm territory historically. Overall, 52 percent reported hiring or trying to hire in January, down 3 points from December. Forty-seven percent (90 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 2 points). Twenty-four percent of owners reported few qualified applicants for their open positions (down 4 points) and 23 percent reported none (up 2 points). The percent of small business owners reporting labor quality as the single most important problem for business fell 1 point from December to 18 percent. Labor costs reported as the single most important problem for business owners fell 2 points to 9 percent, 4 points below the highest reading of 13 percent reached in December 2021.

## CAPITAL SPENDING

Fifty-eight percent reported capital outlays in the last six months, up 2 points from December. Unions are demanding job protection from innovation including AI, but only 6 percent of the private sector workforce is unionized (33 percent in the public sector) so progress on productivity enhancement depends on the non-union private sector employers and their investments in new technologies. Investments increase output per hour of work, the key to improved compensation. Of those making expenditures, 41 percent reported spending on new equipment (up 4 points), 24 percent acquired vehicles (unchanged), and 16 percent improved or expanded facilities (unchanged). Twelve percent spent money on new fixtures and furniture (up 1 point) and 5 percent acquired new buildings or land for expansion (down 2 points). Twenty percent (seasonally adjusted) plan capital outlays in the next six months, down 7 points from December. This Index component had the greatest impact on this month's Index decline.

## SALES AND INVENTORIES

A net negative 14 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down 1 point from December. The net percent of owners expecting higher real sales volumes fell 2 points from December's highest reading since January 2020 to a net 20 percent (seasonally adjusted). The net percent of owners reporting inventory gains fell 6 points to a net negative 6 percent (seasonally adjusted). Not seasonally adjusted, 9 percent reported increases in stocks (down 4 points) and 21 percent reported reductions (up 7 points). A net negative 1 percent (seasonally adjusted) of owners viewed current inventory stocks as "too low" in January, unchanged from December. A net 0 percent (seasonally adjusted) of owners plan inventory investment in the coming months, down 6 points from December's highest reading since December 2021.

## COMPENSATION AND EARNINGS

Seasonally adjusted, a net 33 percent reported raising compensation, up 4 points from December's lowest reading since March 2021. A seasonally adjusted net 20 percent plan to raise compensation in the next three months, down 4 points from December. The frequency of reports of positive profit trends was a net negative 25 percent (seasonally adjusted), 1 point less negative than December. The last time earnings changes were this high was December 2023. Among owners reporting lower profits, 34 percent blamed weaker sales, 17 percent cited usual seasonal change, 10 percent blamed the rise in the cost of materials, and 9 percent cited labor costs. For owners reporting higher profits, 49 percent credited sales volumes, 24 percent cited usual seasonal change, and 11 percent cited higher selling prices.

## CREDIT MARKETS

Three percent of owners reported that all their borrowing needs were not satisfied, up 1 point from December. Twenty-five percent reported all credit needs met (up 1 point) and 62 percent said they were not interested in a loan (down 3 points). A net 3 percent reported their last loan was harder to get than in previous attempts (down 1 point). The last time this reading was this low was June 2022. Three percent reported that financing was their top business problem in January (down 1 point). A net 3 percent of owners reported paying a higher rate on their most recent loan, up 2 points from December's lowest reading since September 2021. The average rate paid on short maturity loans was 9.4 percent, up 0.7 of a point from December. Twenty-seven percent of all owners reported borrowing on a regular basis, up 2 points from December.

## INFLATION

The net percent of owners raising average selling prices fell 2 points from December to a net 22 percent seasonally adjusted. Eighteen percent of owners reported that inflation was their single most important problem in operating their business (higher input and labor costs), down 2 points from December, and matching labor quality as the top issue. The last time it was this low was November 2021. Unadjusted, 9 percent (down 2 points) reported lower average selling prices and 30 percent (down 1 point) reported higher average prices. Price hikes were most frequent in the finance (47 percent higher, 6 percent lower), retail (35 percent higher, 6 percent lower), wholesale (34 percent higher, 4 percent lower), and professional services (30 percent higher, 3 percent lower) sectors. Seasonally adjusted, a net 26 percent plan price hikes in January (down 2 points).

# COMMENTARY

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Small business owners greeted the new year with a surge in optimism. Seventeen percent (seasonally adjusted) now view the current period as a good time to expand substantially, up from just 4 percent a few months ago. A seasonally adjusted net 20 percent expect real sales gains compared to a net negative 18 percent a few months earlier. Better business conditions were expected by a seasonally adjusted net 47 percent, up from a net negative 13 percent just four months ago (net of negative responses). Reports of unfilled job openings and plans to hire to fill them remained historically high. Owners have been unsuccessful filling them over the past four years, finding few qualified applicants while government related hiring soared. Tough competition.

President Trump hit the ground running, and small business owners are anxiously watching with expectations of preserving the TCJA tax cuts and a reduction in regulations, especially those that increase the cost of production but produce little benefit to users and consumers. New homes constructed are not allowed to install natural gas capabilities in some locations, there's a push to transition to electric cars, and all this puts more pressure on the electricity grid which is already unable to handle the demand for electricity. The electricity demands of AI are going to be huge, exacerbating the problem. Policies must be promulgated that make sense given the capabilities of the economy and businesses to deliver, centered on relying on the private sector to find and implement solutions.

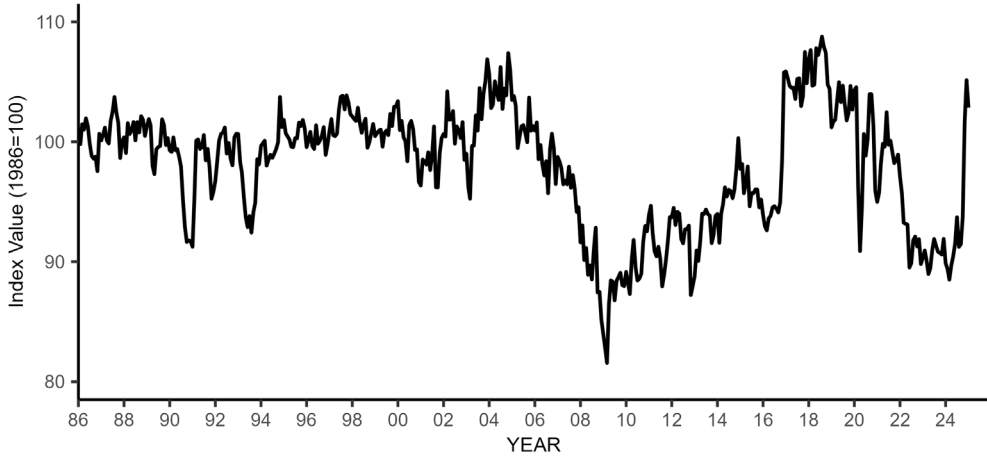
The economy is still grappling with disasters, two huge hurricanes, and California fires. Some California politicians think oil companies should pay for restoration. Higher oil taxes to provide the needed funds would spread the cost of the fires over all consumers, and reward the poor land management policies of the state government. North Carolina is still a mess and now snowed under. Government aid is tied up in the transition in D.C. Florida had two major hits in two weeks but seems to be coming back. A lot of money will be spent on reconstruction, but that is just replacing assets lost, not adding new capacity. But it will positively impact GDP and employment when it occurs.

The economy enters 2025 in decent condition but with a slowing momentum. The widely predicted recession in 2024 never showed up due to heavy government spending and hiring, and consumer spending financed with higher debt levels. The inflation rate eased from its 9 percent rate in 2022, falling to just below 3 percent, but still above the Fed's target of 2 percent. In Trump's last administration, the rate averaged 1.5 percent, powered by low energy and oil prices, something Trump seems to be planning again. The Fed left its policy rate unchanged in January (Britain cut theirs) at 4.5-4.75 percent, and the 10-year Treasury bond has been rising in yield, not good for credit costs. So, the stage is set, players are taking positions, we'll see how this story develops.

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

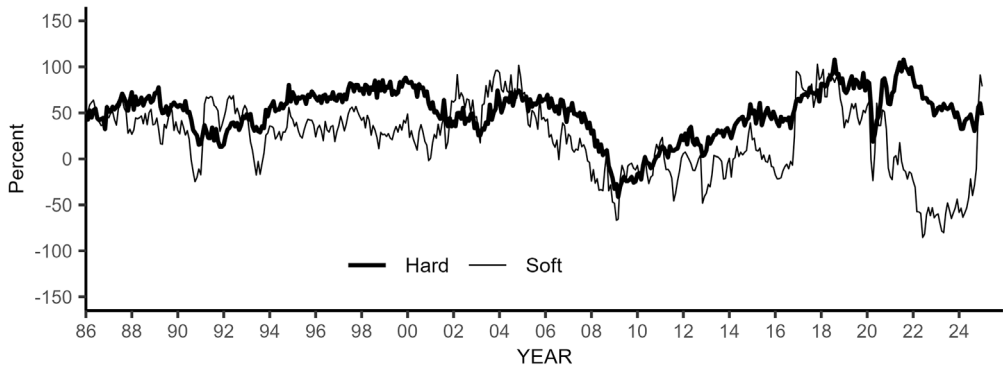
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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
<b>2024</b>	89.9	89.4	88.5	89.7	90.5	91.5	93.7	91.2	91.5	93.7	101.7	105.1
<b>2025</b>	102.8											

## OPTIMISM INDEX COMPONENTS

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

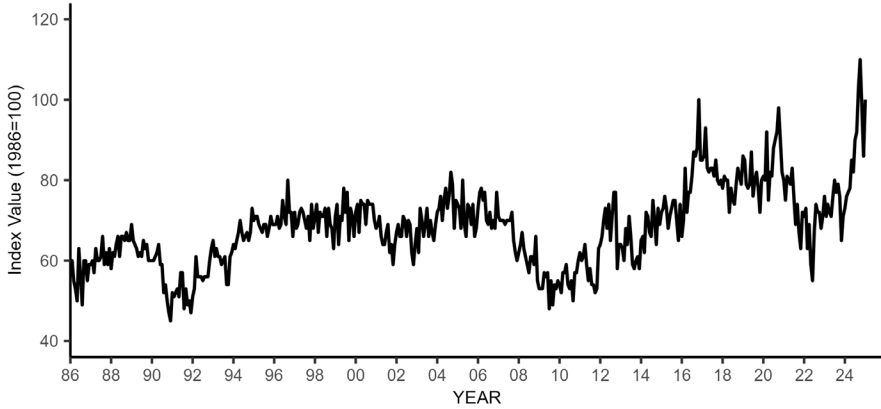
Soft: Expected Business Conditions, Outlook for Expansion, Expected Real Sales, Expected Credit Conditions, Inventory Satisfaction



# SMALL BUSINESS UNCERTAINTY

## UNCERTAINTY INDEX

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



## UNCERTAINTY INDEX

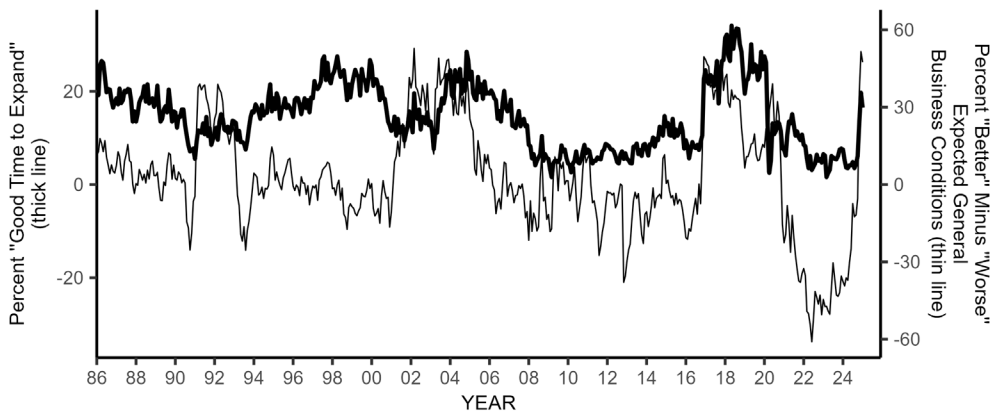
Sum of "Don't Know" & "Uncertain" Answers on 6 Questions  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<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
<b>2024</b>	73	76	77	78	85	82	90	92	103	110	98	86
<b>2025</b>	100											

# SMALL BUSINESS OUTLOOK

## OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to January 2025  
(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>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
<b>2024</b>	8	5	4	4	4	4	5	4	4	6	14	20
<b>2025</b>	17											

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
January 2025

Reason	Good Time	Not Good Time	Uncertain
<b>Economic Conditions</b>	3	17	22
<b>Sales Prospects</b>	1	3	3
<b>Fin. &amp; Interest Rates</b>	0	4	5
<b>Cost of Expansion</b>	0	5	7
<b>Political Climate</b>	10	3	7
<b>Other / Not Available</b>	1	2	2

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

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

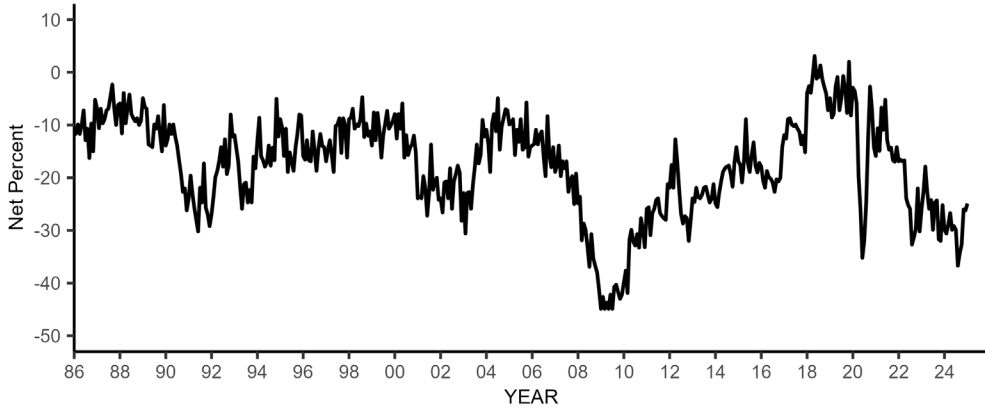
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2020</b>	14	22	5	29	34	39	25	24	32	27	8	-16
<b>2021</b>	-23	-19	-8	-15	-26	-12	-20	-28	-33	-37	-38	-35
<b>2022</b>	-33	-35	-49	-50	-54	-61	-52	-42	-44	-46	-43	-51
<b>2023</b>	-45	-47	-47	-49	-50	-40	-30	-37	-43	-43	-42	-36
<b>2024</b>	-38	-39	-36	-37	-30	-25	-7	-13	-12	-5	36	52
<b>2025</b>	47											



# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to January 2025  
(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>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
<b>2024</b>	-30	-31	-29	-27	-30	-29	-30	-37	-34	-33	-26	-26
<b>2025</b>	-25											

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
January 2025

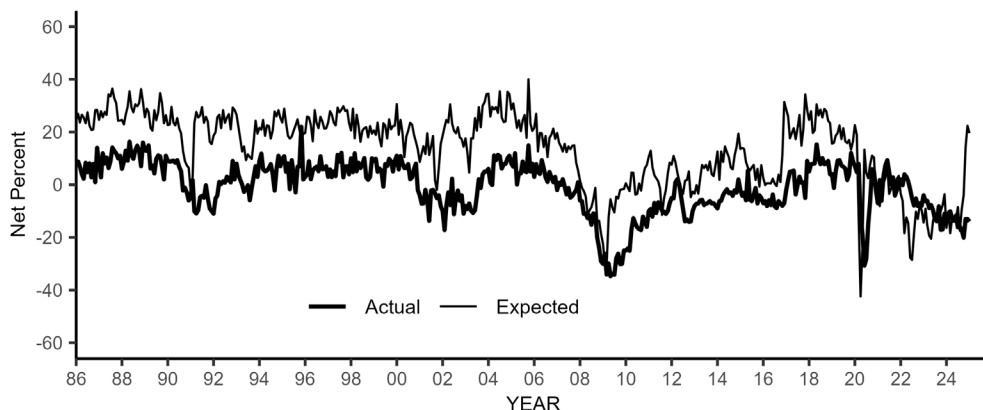
Reason	Current Month	One Year Ago	Two Years Ago
<b>Sales Volume</b>	14	14	11
<b>Increased Costs*</b>	9	12	17
<b>Cut Selling Prices</b>	3	4	4
<b>Usual Seasonal Change</b>	7	7	6
<b>Other</b>	1	1	1

\* 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 January 2025  
 (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>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
<b>2024</b>	-11	-13	-10	-13	-14	-12	-16	-16	-17	-20	-13	-13
<b>2025</b>	-14											

## SALES EXPECTATIONS

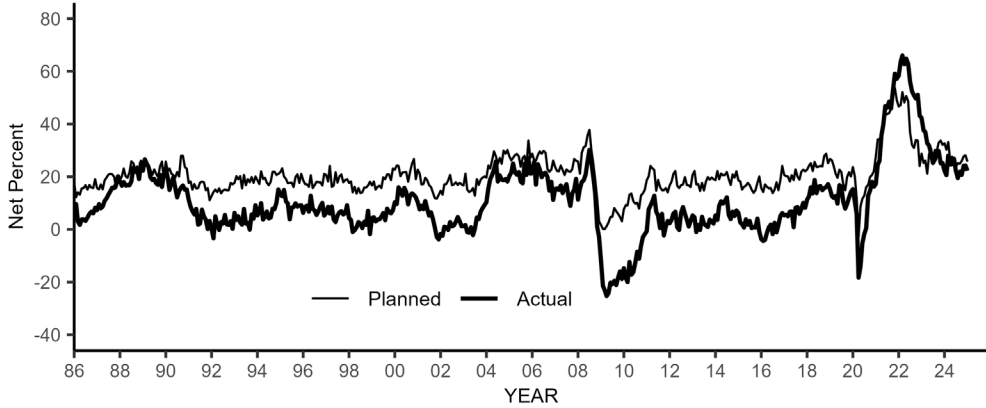
Net Percent ("Higher" Minus "Lower") During Next Three Months  
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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
<b>2024</b>	-16	-10	-18	-12	-13	-13	-9	-18	-9	-4	14	22
<b>2025</b>	20											

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
 January 1986 to January 2025  
 (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>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
<b>2024</b>	22	21	28	25	25	27	22	20	22	21	24	24
<b>2025</b>	22											

## 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>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
<b>2024</b>	33	30	33	26	28	26	24	25	25	26	28	28
<b>2025</b>	26											

# 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>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
<b>2024</b>	0	-1	-2	0	-2	-5	-3	-6	-4	-3	-1	-3
<b>2025</b>	1											

## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<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
<b>2024</b>	49	51	48	51	51	51	49	56	52	46	48	49
<b>2025</b>	47											

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to January 2025  
(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
2020	37	38	35	24	23	32	30	33	36	33	34	32
2021	33	40	42	44	48	46	49	50	51	49	48	49
2022	47	48	47	47	51	50	49	49	46	46	44	41
2023	45	47	43	45	44	42	42	40	43	43	40	40
2024	39	37	37	40	42	37	38	40	34	35	36	35
2025	35											

### HIRING PLANS

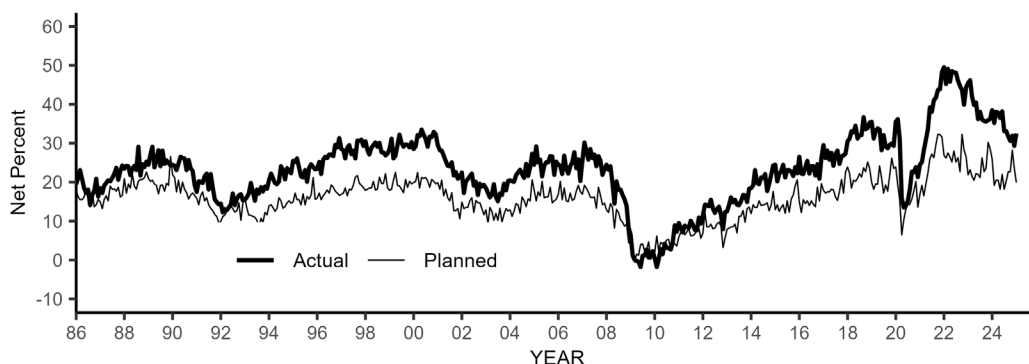
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	19	21	9	1	8	16	18	21	23	18	21	17
2021	17	18	22	21	27	28	27	32	26	26	25	28
2022	26	19	20	20	26	19	20	21	23	20	18	17
2023	19	17	15	17	19	15	17	17	18	17	18	16
2024	14	12	11	12	15	15	15	13	15	15	18	19
2025	18											

## SMALL BUSINESS COMPENSATION

### COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to January 2025  
(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>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
<b>2024</b>	39	35	38	38	37	38	33	33	32	31	32	29
<b>2025</b>	33											

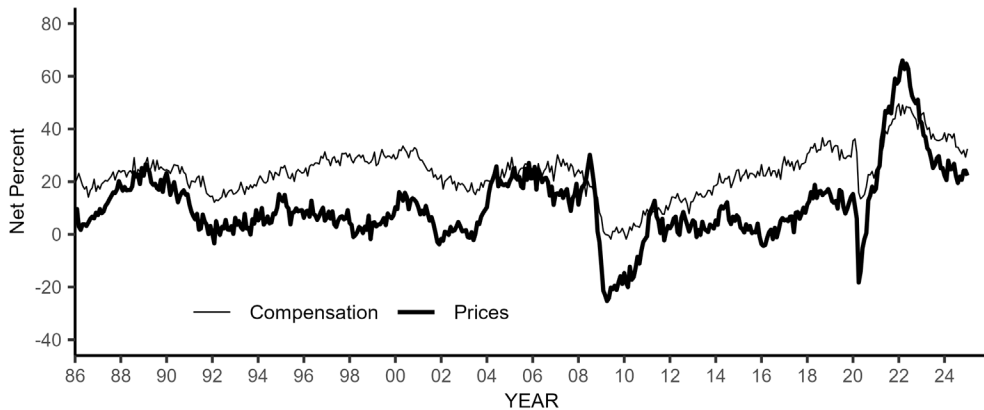
### COMPENSATION PLANS

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>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
<b>2024</b>	26	19	21	21	18	22	18	20	23	23	28	24
<b>2025</b>	20											

### PRICES AND LABOR COMPENSATION

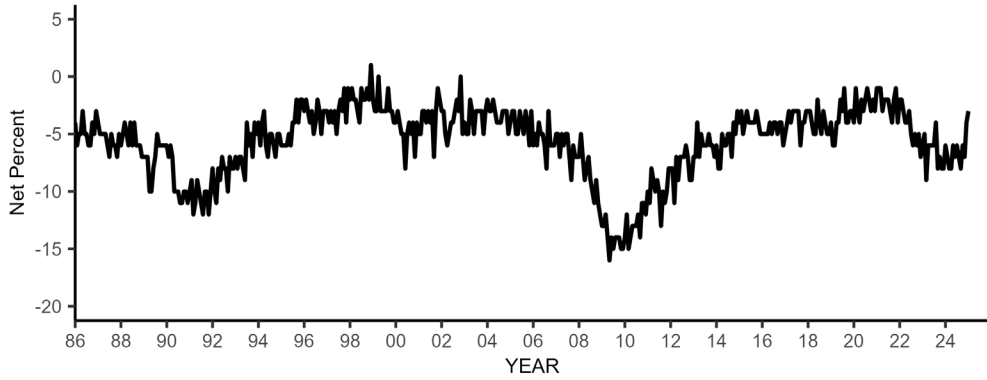
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to January 2025



\* 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
2020	31	28	26	29	26	27	26	24	26	25	22	26
2021	23	26	23	24	23	21	21	20	20	23	21	23
2022	23	23	25	26	23	25	26	27	26	28	27	28
2023	29	30	30	31	29	28	27	28	31	27	31	29
2024	29	25	28	31	31	28	27	27	26	25	28	25
2025	27											

## 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
2020	-4	-1	-3	-4	-2	-3	-2	-1	-2	-3	-2	-3
2021	-1	-1	-1	-3	-2	-2	-2	-3	-4	-2	-1	-4
2022	-2	-2	-3	-4	-4	-3	-5	-6	-5	-6	-5	-7
2023	-6	-5	-9	-6	-6	-6	-6	-4	-8	-7	-8	-8
2024	-6	-7	-8	-8	-6	-7	-6	-7	-8	-6	-7	-4
2025	-3											

# 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>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
<b>2024</b>	26/3	24/3	27/2	28/3	29/3	24/4	25/2	26/3	24/2	23/2	26/4	24/2
<b>2025</b>	25/3											

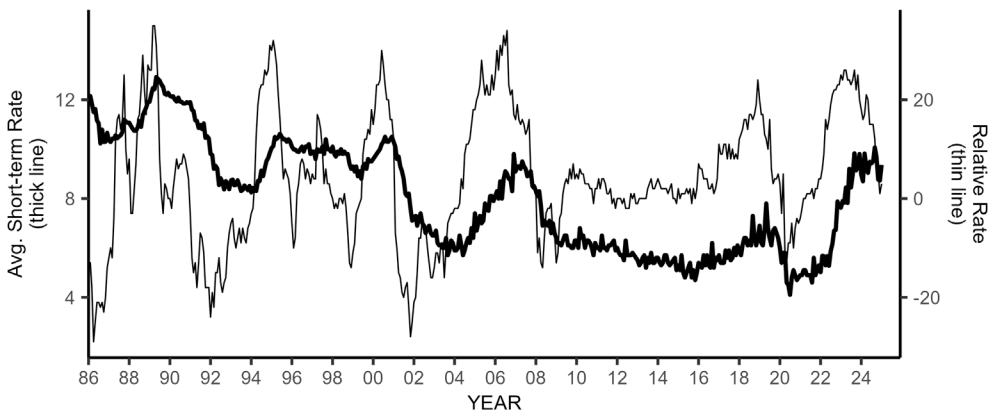
## EXPECT EASIER CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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
<b>2024</b>	-8	-6	-8	-9	-7	-7	-7	-8	-8	-6	-5	-2
<b>2025</b>	-4											

## INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
January 1986 to January 2025





# 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>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
<b>2024</b>	18	16	17	21	20	15	15	15	12	5	5	1
<b>2025</b>	3											

*Borrowing at Least Once Every Three Months.*

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

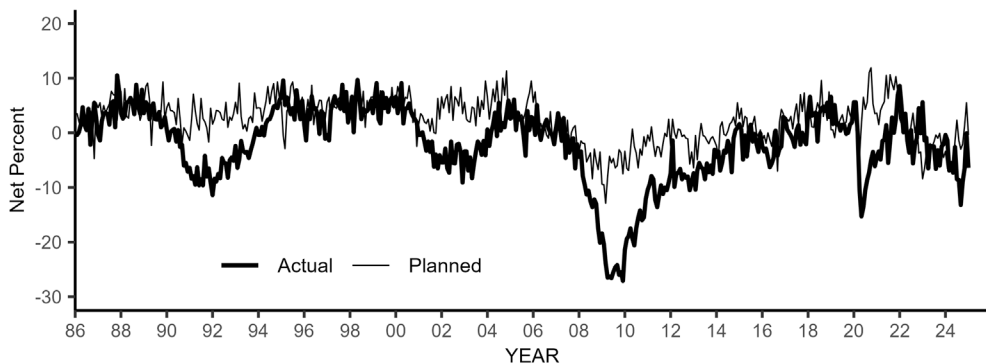
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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
<b>2024</b>	9.0	8.7	9.8	9.3	9.0	9.5	9.4	9.5	10.1	9.7	8.8	8.7
<b>2025</b>	9.4											

# SMALL BUSINESS INVENTORIES

## INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to January 2025  
(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
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
2024	0	-1	-7	-6	-7	-3	-9	-9	-13	-9	-7	0
2025	-6											

### 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
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
2024	-4	-4	-5	-4	-8	-2	-4	-5	-4	-2	-2	-1
2025	-1											

### INVENTORY PLANS

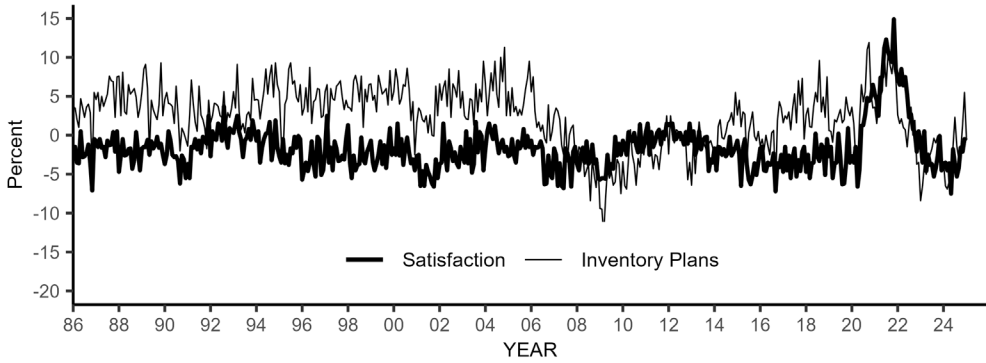
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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
2024	-3	-7	-7	-6	-6	-2	2	-1	-3	-2	1	6
2025	0											

# SMALL BUSINESS CAPITAL OUTLAYS

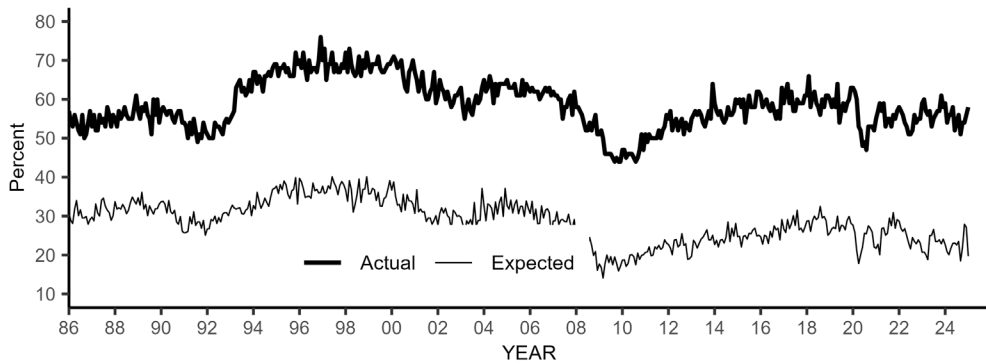
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 1986 to January 2025  
*(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>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
<b>2024</b>	59	54	56	56	58	52	54	56	51	54	54	56
<b>2025</b>	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
Vehicles	24	25	24
Equipment	41	40	42
Furniture or Fixtures	12	12	11
Add. Bldgs. or Land	5	7	8
Improved Bldgs. or Land	16	17	14

### 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
\$1 to \$999	2	2	1
\$1,000 to \$4,999	8	6	5
\$5,000 to \$9,999	4	4	6
\$10,000 to \$49,999	17	17	15
\$50,000 to \$99,999	11	12	11
\$100,000 +	15	17	17
No Answer	1	1	4

### 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
2020	28	26	21	18	20	22	26	26	28	27	26	22
2021	22	23	20	27	27	25	26	30	28	31	27	29
2022	29	27	26	27	25	23	22	25	24	23	24	23
2023	21	21	20	19	25	25	27	24	24	24	23	24
2024	23	21	20	22	23	23	23	24	19	22	28	27
2025	20											

# SINGLE MOST IMPORTANT PROBLEM

## SINGLE MOST IMPORTANT PROBLEM

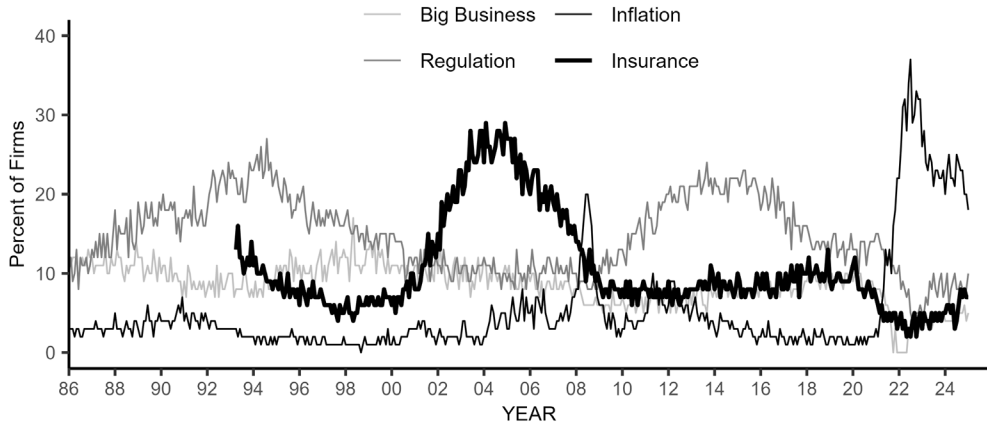
January 2025

Problem	Current	One Year Ago	Survey High	Survey Low
<b>Taxes</b>	17	16	32	8
<b>Inflation</b>	18	20	41	0
<b>Poor Sales</b>	9	6	34	2
<b>Fin. &amp; Interest Rates</b>	3	5	37	0
<b>Cost of Labor</b>	9	10	13	2
<b>Government Regulation</b>	10	8	27	4
<b>Comp. from Large Bus.</b>	5	4	14	0
<b>Quality of Labor</b>	18	21	29	3
<b>Cost/Avail. of Insurance</b>	7	5	29	0
<b>Other</b>	2	5	31	1

## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation

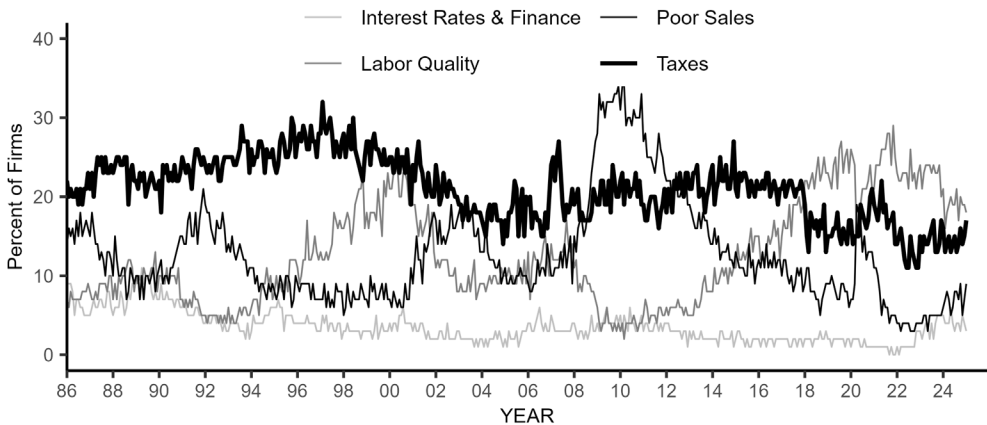
January 1986 to January 2025



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality

January 1986 to January 2025



## SURVEY PROFILE

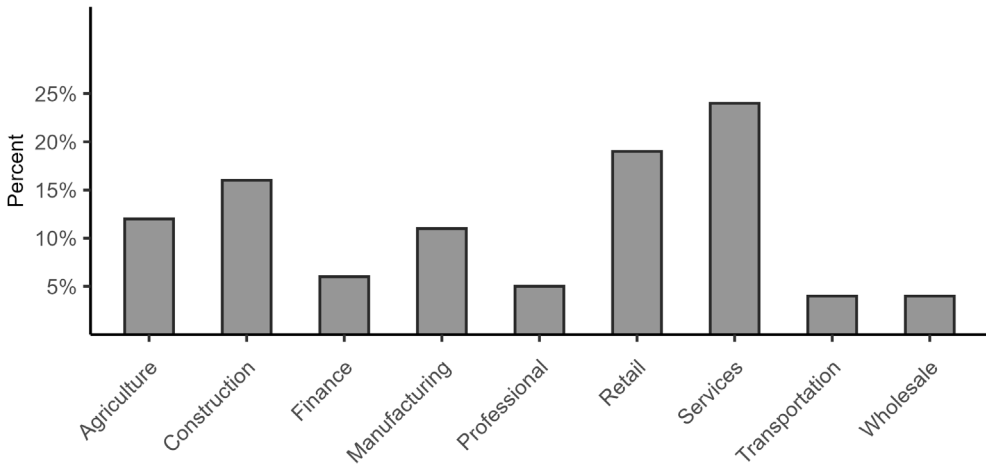
### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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
<b>2024</b>	1287	604	506	1215	578	514	1309	590	559	1197	532	513
<b>2025</b>	1205											

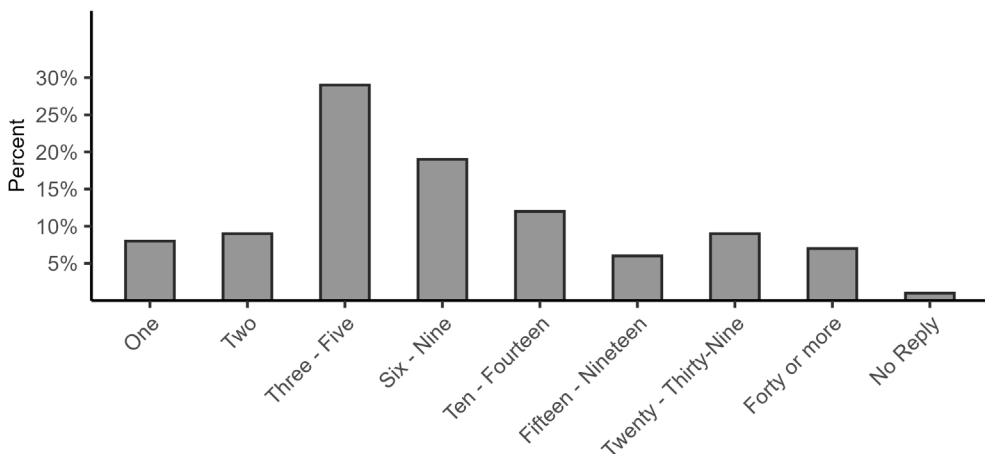
### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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