

NFIB

SMALL BUSINESS  
ECONOMIC  
TRENDS

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SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	15%	1	*
Plans to Make Capital Outlays	21%	-1	*
Plans to Increase Inventories	1%	0	*
Expect Economy to Improve	34%	-2	*
Expect Real Sales Higher	12%	6	*
Current Inventory (too low)	0%	3	*
Current Job Openings	32%	-1	*
Expected Credit Conditions	-4%	0	*
Now a Good Time to Expand	14%	-2	*
Earnings Trends	-19%	3	*
Total Change		7	

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 Small Business Optimism Index rose 0.5 points in August to 100.8, nearly 3 points above the 52-year average of 98. Of the 10 Optimism Index components, four increased, four decreased, and two were unchanged. The increase in those expecting real sales to be higher contributed the most to the rise in the Optimism Index. While optimism increased in August, the level of uncertainty fell. The Uncertainty Index fell 4 points to 93, although it was the 11th highest reading in over 51 years. The decline was due to a decrease in uncertainty about financing expectations and planned capital expenditures.

## LABOR MARKETS

In August, 32% (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 1 point from July. The last time unfilled job openings fell below 32% was in July 2020 (Covid). Twenty-eight percent had openings for skilled workers (down 1 point), and 13% had openings for unskilled labor (up 1 point). The difficulty in filling open positions is particularly acute in the construction, manufacturing, and transportation industries. Nearly half (49%) of small businesses in the construction industry had a job opening they could not fill, down 6 points from July and 11 points below last year's level. This suggests a softening in the job market. Openings were the lowest in the wholesale and finance industries. A seasonally adjusted net 15% of owners plan to create new jobs in the next three months, up 1 point from July and the third consecutive monthly increase, a positive trend but historically low. Overall, 53% reported hiring or trying to hire in August, down 4 points from July. Forty-three percent (81% of those hiring or trying to hire) reported few or no qualified applicants for the positions they were trying to fill (down 5 points). Twenty-six percent of owners reported few qualified applicants for their open positions (down 3 points), and 17% reported none (down 2 points). In August, 21% of small business owners cited labor quality as their single most important problem, unchanged from July and remaining the top single most important problem. Labor costs reported as the single most important problem for business owners fell 1 point from July to 8%.

## CAPITAL SPENDING

Fifty-six percent of small business owners reported capital outlays in the last six months, up 1 point from July, but remaining historically low. Of those making expenditures, 37% reported spending on new equipment (down 1 point), 22% acquired vehicles (down 1 point), and 17% improved or expanded facilities (up 2 points). Thirteen percent spent money on new fixtures and furniture (up 1 point), and 5% acquired new buildings or land for expansion (unchanged). Twenty-one percent (seasonally adjusted) plan capital outlays in the next six months, down 1 point from July and a weak reading.

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This survey was conducted in August 2025. A sample of 5,000 small-business owners/members was drawn. Four hundred seventy-two (472) usable responses were received — a response rate of 9.4 percent.

## **SALES AND INVENTORIES**

A net -9% of all owners (seasonally adjusted) reported higher nominal sales in the past three months, unchanged from July. August's reading remains below the historical average of a net 0%. The net percent of owners expecting higher real sales volumes rose 6 points from July to a net 12% (seasonally adjusted). This component contributed the most to the Optimism Index's increase. The net percent of owners reporting inventory gains rose 2 points to a net -6% (seasonally adjusted). Not seasonally adjusted, 10% reported increases in stocks (down 2 points), and 14% reported reductions (down 3 points). A net 0% (seasonally adjusted) of owners viewed current inventory stocks as "too low" in August, up 3 points from July. A net 1% (seasonally adjusted) of owners plan inventory investment in the coming months, unchanged from July. In August, over half (54%) of small business owners reported that supply chain disruptions were affecting their business to some degree, down 10 points from July. Three percent reported a significant impact (down 1 point), 15% reported a moderate impact (down 2 points), 36% reported a mild impact (down 7 points), and 44% reported no impact (up 8 points).

## **COMPENSATION AND EARNINGS**

In August, both planned and actual labor compensation increased. Seasonally adjusted, a net 29% reported raising compensation, up 2 points from July. A seasonally adjusted net 20% plan to raise compensation in the next three months, up 3 points from July, suggesting inflation could get stickier as these costs are passed on. The frequency of reports of positive profit trends improved 3 points from July to a net -19% (seasonally adjusted). August's reading was the highest (least negative) since March 2023. Among owners reporting lower profits, 37% blamed weaker sales, 18% cited the rise in the cost of materials, 10% cited price change for their product(s) or service(s), and 9% cited labor costs. Among owners reporting higher profits, 65% cited sales volume, 18% cited usual seasonal change, and 5% cited higher selling prices.

## **CREDIT MARKETS**

A net 3% reported their last loan was harder to get than in previous attempts, down 1 point from July. Credit availability is not a serious problem for small firms. In August, a net 6% of owners reported paying a higher rate on their most recent loan, up 1 point from July. In August, the average rate paid on short maturity loans was 8.1%, down 0.6 points from July and the lowest reading since May 2023. Twenty-three percent of all owners reported borrowing on a regular basis, down 2 points from July. The last time the percent of business owners borrowing on a regular basis was below 23% was in November 2021.

## **INFLATION**

The net percent of owners raising average selling prices fell 3 points from July to a net 21% (seasonally adjusted), the lowest reading of this year. Despite the decline, price increases remain above the average of a net 13%, suggesting continued inflationary pressure. Eleven percent of owners reported that inflation was their single most important problem in operating their business (higher input costs), unchanged for the third consecutive month. Tariffs may be starting to impact pricing. Unadjusted, 33% reported higher average prices (down 4 points), and 13% reported lower average selling prices (up 1 point). Price hikes were most frequent in construction (42% higher, 12% lower), finance (41% higher, 15% lower), manufacturing (40% higher, 8% lower), and services (39% higher, 3% lower). Notably, the percent of firms raising prices in the wholesale industry fell 32 points from last month. Looking forward to the next three months, a net 26% (seasonally adjusted) plan to increase prices, down 2 points from July.

## **OUTLOOK**

In August, there was a notable improvement in overall business health. When asked to rate the overall health of their business, 14% reported it as excellent (up 1 point), and 54% reported it as good (up 2 points). Twenty-seven percent reported the health of their business as fair (down 4 points), and 4% reported it as poor (unchanged). The net percent of owners expecting better business conditions fell 2 points from July to a net 34% (seasonally adjusted). Historically this is a very positive reading. In August, 14% (seasonally adjusted) reported that it is a good time to expand their business, down 2 points from July. Compared to readings during economic expansions, this is not a strong reading.

## **SINGLE MOST IMPORTANT PROBLEM**

In August, the percent of small business owners reporting labor quality as the single most important problem for their business remained at 21%, continuing to rank as the top problem. Labor costs reported as the single most important problem for business owners fell 1 point from July to 8%. Seventeen percent of small business owners reported taxes as their single most important problem, unchanged from July and ranking as the second top problem. The percent of small business owners reporting government regulations and red tape as their single most important problem rose 1 point to 9%. Eleven percent of owners reported that inflation was their single most important problem in operating their business, unchanged for the second consecutive month. The percent of small business owners reporting poor sales as their top business problem fell 1 point to 10%. In August, 9% reported the cost or availability of insurance as their single most important problem, up 1 point from July. Four percent reported that financing and interest rates was their top business problem in August, unchanged from July. Five percent reported competition from large businesses as their single most important problem, down 1 point from July.

# COMMENTARY

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## Overview

For well over a year, virtually all of our economic indicators flashed “recession.” However, it didn’t happen, at least not yet. Now it’s looking more like a “jobless recovery” from an “almost recession.” The stock market is hitting record highs, gold set a new record high, corporate earnings are very good, consumer spending is solid, and inflation is subdued.

In this context, the Small Business Optimism Index has managed to break out of its funk, running below 99 from October 2021 to October 2024, then rising to over 105 in December 2024. The current reading of 100.8, while lower than late last year, is above the 51-year average of 98.

As good as all that sounds, that’s not the whole story. Hiring remains weak, and labor quality is the top business problem. Unfilled job openings are disappearing, but not because they are filled. Actual and planned capital spending remain weak, hopefully the new depreciation rules and permanent 20% small business deduction will stimulate some investment spending. Owners are optimistic about improving business conditions by year end, hopefully stronger sales and more favorable tax rules. For now, the economy is on a good footing, but small business owners are hoping that their “uncertainties” will be favorably resolved.

## Quotes from NFIB Members

"The biggest drag for small businesses in today's market is government regulations and red tape both federal and state." – Property management, CO

"In the last five to six years, expenses have gotten to the point where our operation has to use savings to pay our bills. Our margin is way worse than it was in the 80s or 90s. Our commodity prices are the same as those in the early 90s. Property taxes and the inputs that we buy are way out of control. No farm operation will survive in the state of Ohio or even in the whole country. Corporate America is stealing us blind, and we have no way to make this up on our prices." – Agriculture, OH

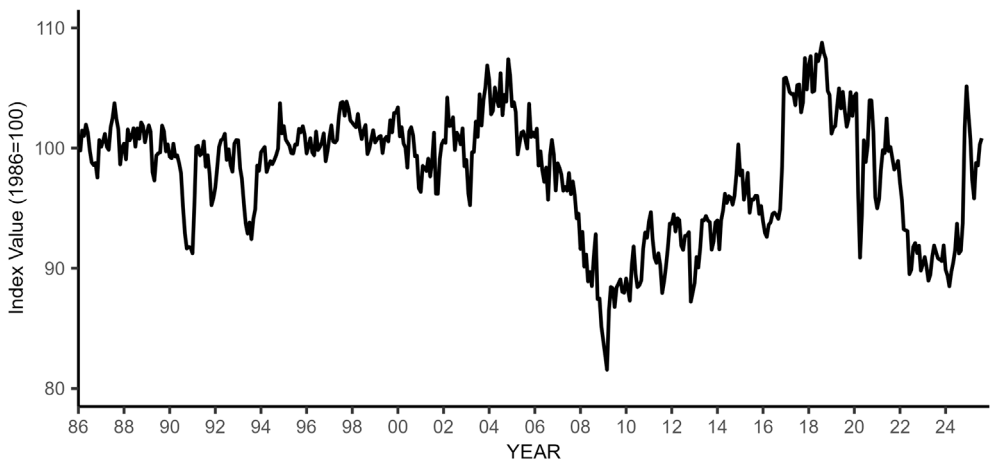
"We experienced a short hiccup in business when the new administration took over, but that quickly improved to normal levels. Wages and most costs have leveled off over the last six months and we are finally getting more applicants in the door, which has improved staffing levels as well as overall skills." – Retail, MN

"Forty-eight years in business, and we have seen a lot of fluctuation in the economy. You just have to ride it out and adjust the best you can with the ups and downs." – Financial services, TN

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



<sup>1</sup> Questions included in the Optimism Index (see pages 22-23)

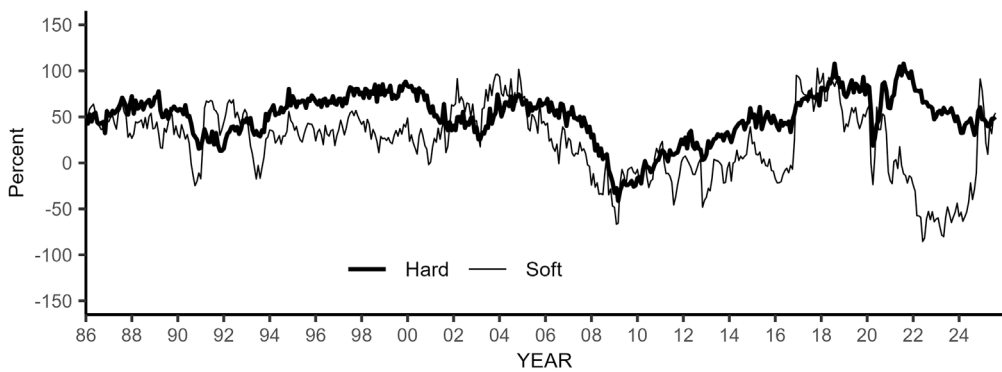
## OPTIMISM INDEX

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	104.3	104.5	96.4	90.9	94.4	100.6	98.8	100.2	104.0	104.0	101.4	95.9
2021	95.0	95.8	98.2	99.8	99.6	102.5	99.7	100.1	99.1	98.2	98.4	98.9
2022	97.1	95.7	93.2	93.2	93.1	89.5	89.9	91.8	92.1	91.3	91.9	89.8
2023	90.3	90.9	90.1	89.0	89.4	91.0	91.9	91.3	90.8	90.7	90.6	91.9
2024	89.9	89.4	88.5	89.7	90.5	91.5	93.7	91.2	91.5	93.7	101.7	105.1
2025	102.8	100.7	97.4	95.8	98.8	98.6	100.3	100.8				

## OPTIMISM INDEX COMPONENTS

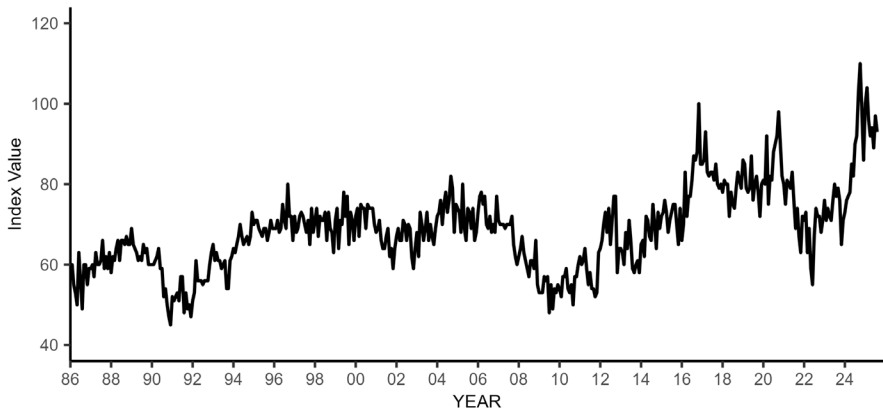
Hard: Job Creation Plans, Job Openings, Inventory Plans, Earnings, Capital Expenditure Plans  
Soft: Expected Business Conditions, Outlook for Expansion, Expected Real Sales, Expected Credit Conditions, Inventory Satisfaction



# SMALL BUSINESS UNCERTAINTY

## UNCERTAINTY INDEX

Sum of "Don't Know" & "Uncertain" Answers on 6 Questions



<sup>2</sup> Questions included in the Uncertainty Index (see pages 22-23)

## UNCERTAINTY INDEX

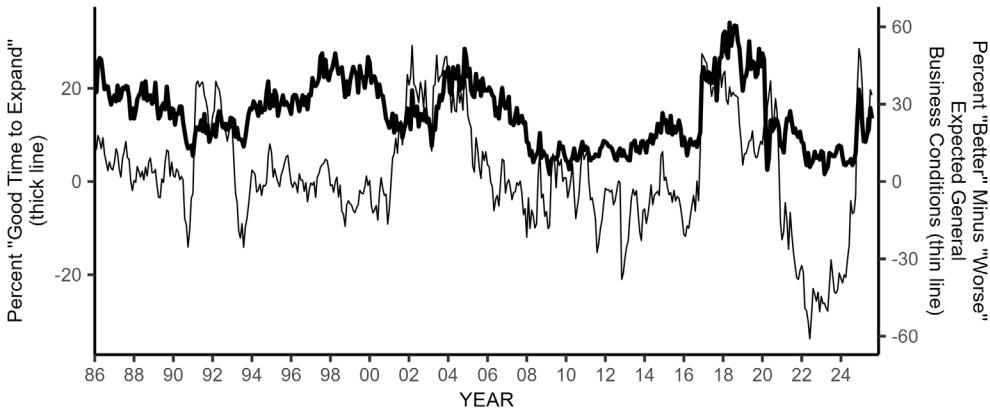
Sum of "Don't Know" & "Uncertain" Answers on 6 Questions

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	81	80	92	75	82	81	88	90	92	98	90	82
2021	80	75	81	80	79	83	76	69	74	67	63	72
2022	71	73	63	69	59	55	67	74	72	72	68	71
2023	76	71	74	72	71	76	80	77	79	76	65	71
2024	73	76	77	78	85	82	90	92	103	110	98	86
2025	100	104	96	92	94	89	97	93				

# SMALL BUSINESS OUTLOOK

## OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to August 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
2020	28	26	13	3	5	13	11	12	13	13	12	8
2021	8	6	11	14	13	15	13	11	11	10	10	11
2022	9	8	6	4	6	3	4	5	6	5	6	5
2023	7	6	2	3	3	6	6	6	5	6	8	8
2024	8	5	4	4	4	4	5	4	4	6	14	20
2025	17	12	9	9	10	11	16	14				

MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
August 2025

Reason	Good Time	Not Good Time	Uncertain
Economic Conditions	6	21	13
Sales Prospects	1	3	3
Fin. & Interest Rates	0	4	6
Cost of Expansion	0	7	9
Political Climate	5	5	5
Other / Not Available	0	2	3

OUTLOOK FOR GENERAL BUSINESS CONDITIONS

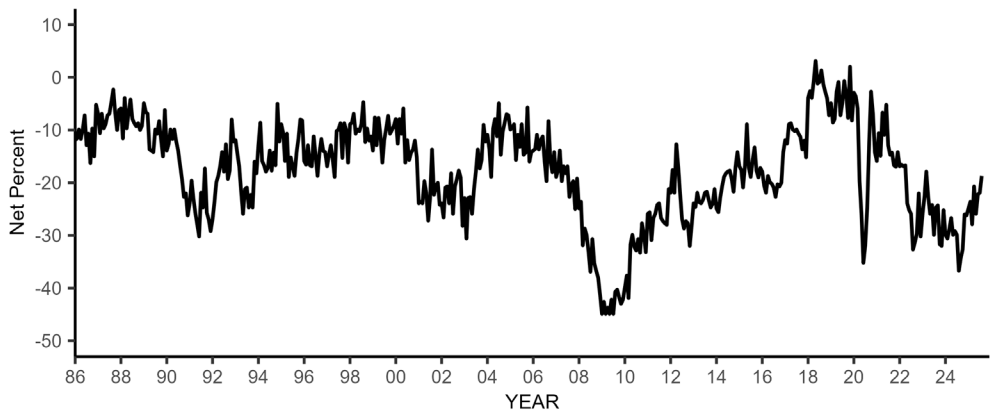
Net Percent ("Better" Minus "Worse") Six Months From Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	14	22	5	29	34	39	25	24	32	27	8	-16
2021	-23	-19	-8	-15	-26	-12	-20	-28	-33	-37	-38	-35
2022	-33	-35	-49	-50	-54	-61	-52	-42	-44	-46	-43	-51
2023	-45	-47	-47	-49	-50	-40	-30	-37	-43	-43	-42	-36
2024	-38	-39	-36	-37	-30	-25	-7	-13	-12	-5	36	52
2025	47	37	21	15	25	22	36	34				

SMALL BUSINESS EARNINGS

EARNINGS

Actual Last Three Months  
January 1986 to August 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
2020	-3	-4	-6	-20	-26	-35	-32	-25	-12	-3	-7	-14
2021	-16	-11	-15	-7	-11	-5	-13	-15	-14	-17	-17	-14
2022	-17	-17	-17	-17	-24	-25	-26	-33	-31	-30	-22	-30
2023	-26	-23	-18	-23	-26	-24	-30	-25	-24	-32	-32	-25
2024	-30	-31	-29	-27	-30	-29	-30	-37	-34	-33	-26	-26
2025	-25	-24	-28	-21	-26	-22	-22	-19				

MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
August 2025

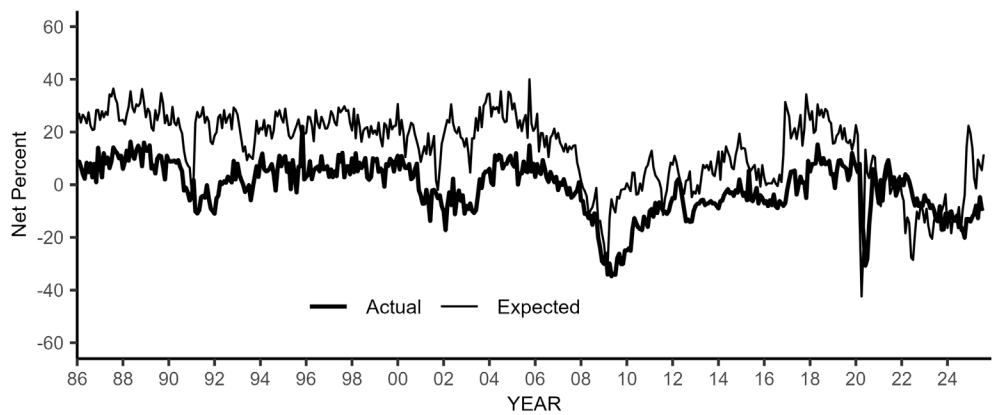
Reason	Current Month	One Year Ago	Two Years Ago
Sales Volume	12	13	10
Increased Costs*	11	16	15
Cut Selling Prices	3	5	3
Usual Seasonal Change	2	3	2
Other	1	2	1

\* 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 August 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
2020	7	5	8	-11	-19	-31	-28	-15	-6	6	5	-2
2021	-7	2	-6	3	7	9	5	0	3	-4	-2	1
2022	2	0	4	3	1	-2	-5	-8	-5	-8	-7	-8
2023	-4	-6	-6	-9	-8	-10	-13	-14	-8	-17	-17	-11
2024	-11	-13	-10	-13	-14	-12	-16	-16	-17	-20	-13	-13
2025	-14	-12	-11	-8	-13	-5	-9	-9				

## SALES EXPECTATIONS

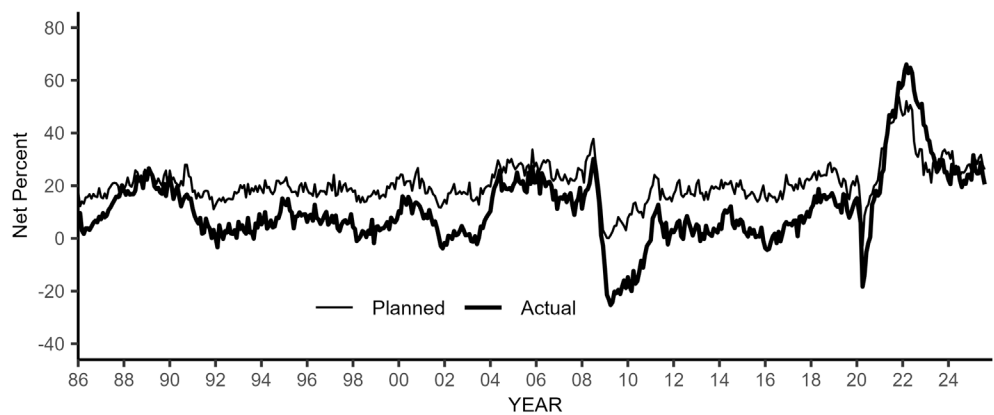
Net Percent ("Higher" Minus "Lower") During Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	23	19	-12	-42	-24	13	5	3	8	11	10	-4
2021	-6	-8	0	1	3	7	-4	-2	2	0	2	3
2022	-3	-6	-18	-12	-15	-28	-29	-19	-10	-13	-8	-10
2023	-14	-9	-15	-19	-21	-14	-12	-14	-13	-10	-8	-4
2024	-16	-10	-18	-12	-13	-13	-9	-18	-9	-4	14	22
2025	20	14	3	-1	10	7	6	12				

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
January 1986 to August 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
2020	15	11	6	-18	-14	-5	-2	1	13	15	18	16
2021	17	25	26	36	40	47	46	49	46	53	59	57
2022	58	64	66	63	65	63	56	53	51	50	51	43
2023	42	38	37	33	32	29	25	27	29	30	25	25
2024	22	21	28	25	25	27	22	20	22	21	24	24
2025	22	32	26	25	25	29	24	21				

## 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
2020	24	20	12	-3	9	12	13	16	17	20	21	22
2021	28	34	34	36	43	44	44	44	46	51	54	49
2022	47	47	52	48	51	49	37	32	31	34	34	24
2023	29	25	26	21	29	31	27	30	30	33	34	32
2024	33	30	33	26	28	26	24	25	25	26	28	28
2025	26	29	30	28	31	32	28	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
2020	9	13	8	-12	-16	-16	-11	-12	-6	-2	-2	-5
2021	0	-3	-2	1	-5	-2	-6	-8	-1	-2	-1	1
2022	-1	1	-2	-2	-4	-2	-4	-8	-4	-2	-3	1
2023	2	4	2	-2	-4	-2	-2	-4	-2	-3	-2	-2
2024	0	-1	-2	0	-2	-5	-3	-6	-4	-3	-1	-3
2025	1	-3	-1	1	-2	-8	-2	-5				

## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	49	52	47	41	37	43	44	46	50	48	47	48
2021	46	51	51	54	57	56	57	60	62	58	56	57
2022	55	57	55	55	61	60	57	57	57	55	54	51
2023	52	54	53	55	55	54	56	54	57	55	50	49
2024	49	51	48	51	51	51	49	56	52	46	48	49
2025	47	48	47	47	48	50	48	43				

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to August 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	38	40	34	34	36	33	32				

### HIRING PLANS

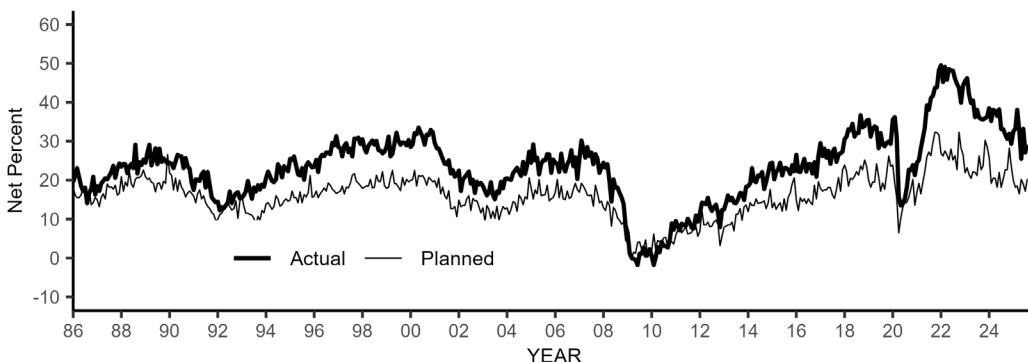
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	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	15	12	13	12	13	14	15				

## SMALL BUSINESS COMPENSATION

### COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to August 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
2020	36	36	31	16	14	14	15	18	23	23	24	21
2021	25	25	28	31	34	39	38	41	42	44	44	48
2022	50	45	49	46	49	48	48	46	45	44	40	44
2023	46	46	42	40	41	36	38	36	36	36	36	36
2024	39	35	38	38	37	38	33	33	32	31	32	29
2025	33	33	38	33	26	33	27	29				

## 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
2020	24	19	16	7	10	13	14	14	16	18	20	14
2021	17	19	17	20	22	26	27	26	30	32	32	32
2022	27	26	28	27	25	28	25	26	23	32	28	27
2023	22	23	22	21	22	22	21	26	23	24	30	29
2024	26	19	21	21	18	22	18	20	23	23	28	24
2025	20	18	19	17	20	19	17	20				

## PRICES AND LABOR COMPENSATION

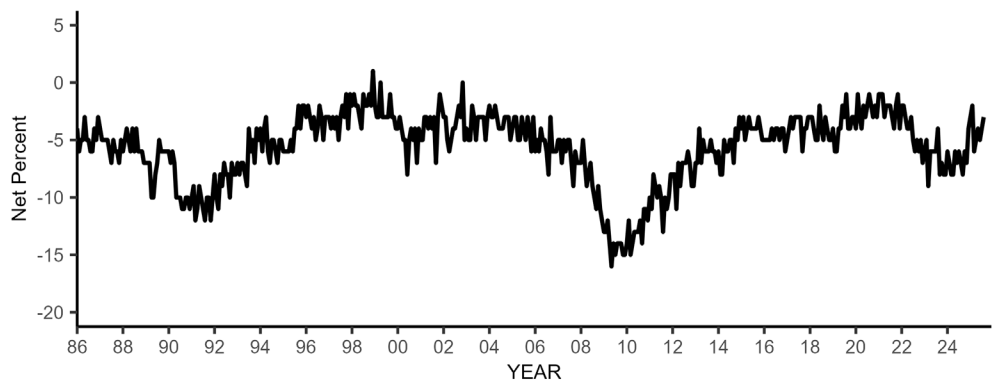
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
*January 1986 to August 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	24	28	26	25	26	25	23				

## 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	-2	-6	-5	-4	-5	-4	-3				



SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

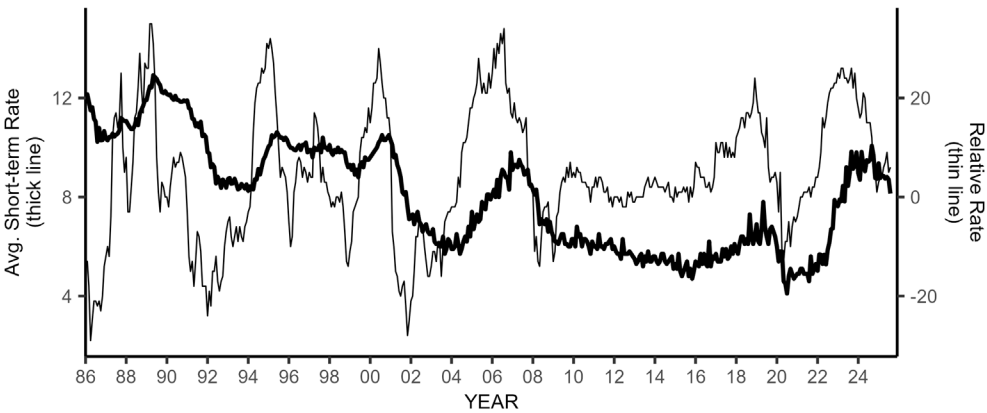
EXPECT EASIER CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	-4	-1	-4	-6	-4	-6	-5	-4	-5	-4	-3	-5
2021	-3	-6	-3	-3	-3	-4	-4	-4	-4	-4	-3	-4
2022	-4	-4	-4	-5	-4	-5	-7	-8	-6	-8	-6	-9
2023	-8	-6	-9	-8	-10	-8	-8	-6	-10	-9	-11	-8
2024	-8	-6	-8	-9	-7	-7	-7	-8	-8	-6	-5	-2
2025	-4	-3	-4	-7	-4	-4	-4	-4				

INTEREST RATES

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



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
2020	3	-3	5	-11	-13	-9	-9	-5	-10	-6	-4	-5
2021	-4	-2	0	0	1	1	1	2	0	2	2	4
2022	4	6	9	16	14	16	19	21	22	22	23	23
2023	25	24	26	26	24	24	23	24	26	22	25	20
2024	18	16	17	21	20	15	15	15	12	5	5	1
2025	3	4	4	6	7	9	5	6				

Borrowing at Least Once Every Three Months.

# SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

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

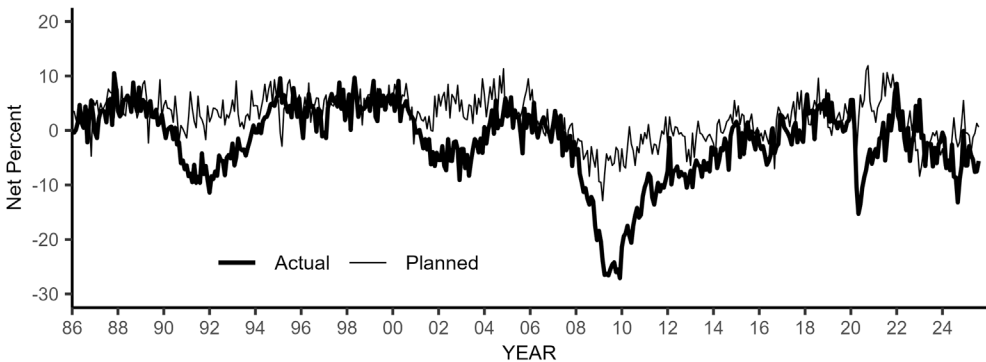
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	6.0	5.4	5.8	5.8	4.6	4.5	4.1	4.8	5.1	4.9	4.7	4.8
2021	4.9	4.9	5.1	5.1	4.9	4.9	4.9	4.6	5.6	4.9	5.1	5.3
2022	5.0	5.7	5.7	5.3	5.7	5.3	5.9	6.2	6.7	6.7	7.9	7.7
2023	7.6	7.9	7.8	8.5	7.8	9.2	8.5	9.0	9.8	9.1	9.3	9.8
2024	9.0	8.7	9.8	9.3	9.0	9.5	9.4	9.5	10.1	9.7	8.8	8.7
2025	9.4	8.8	8.9	8.9	8.7	8.8	8.7	8.1				

# SMALL BUSINESS INVENTORIES

## INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to August 2025  
(Seasonally Adjusted)



## 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	-6	-3	-5	-5	-8	-8	-6				

# SMALL BUSINESS INVENTORIES (CONTINUED)

## 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	-5	-7	-6	1	-5	-3	0				

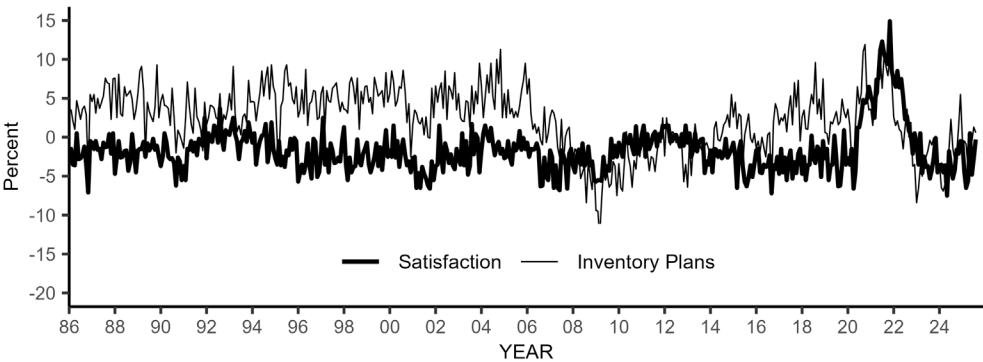
## INVENTORY PLANS

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
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	-1	-1	-4	-1	-1	1	1				

## INVENTORY SATISFACTION AND INVENTORY PLANS

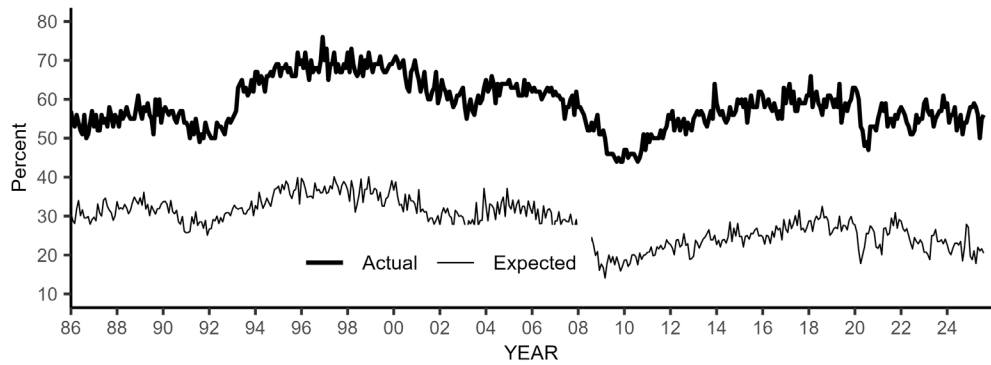
Net Percent ("Too Low" Minus "Too Large") at Present Time  
Net Percent Planning to Add Inventories in the Next Three to Six Months  
(Seasonally Adjusted)



# SMALL BUSINESS CAPITAL OUTLAYS

## CAPITAL EXPENDITURES

Actual Last Six Months and Planned Next Three Months  
*January 1986 to August 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
2020	63	62	60	53	52	48	49	47	53	53	53	52
2021	55	57	59	57	59	53	55	55	53	56	55	57
2022	58	57	56	54	53	51	51	52	56	54	55	55
2023	59	60	57	56	57	53	55	56	57	57	61	58
2024	59	54	56	56	58	52	54	56	51	54	54	56
2025	58	58	59	58	56	50	55	56				

## TYPE OF CAPITAL EXPENDITURES MADE

Percent Purchasing or Leasing During Last Six Months

Type	Current Month	One Year Ago	Two Years Ago
Vehicles	22	21	24
Equipment	37	40	37
Furniture or Fixtures	13	11	11
Add. Bldgs. or Land	5	5	4
Improved Bldgs. or Land	17	18	17

## SMALL BUSINESS CAPITAL OUTLAYS (CONTINUED)

### 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	1	2	2
\$1,000 to \$4,999	6	8	4
\$5,000 to \$9,999	6	6	6
\$10,000 to \$49,999	19	17	15
\$50,000 to \$99,999	10	11	14
\$100,000 +	14	12	15
No Answer	0	1	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
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	19	21	18	22	21	22	21				

## SMALL BUSINESS HEALTH

### OVERALL HEALTH OF BUSINESS

August 2025

Rating	Current Month	One Month Ago	Two Months Ago
Excellent	14	13	8
Good	54	52	49
Fair	27	31	35
Poor	4	4	7

# SINGLE MOST IMPORTANT PROBLEM

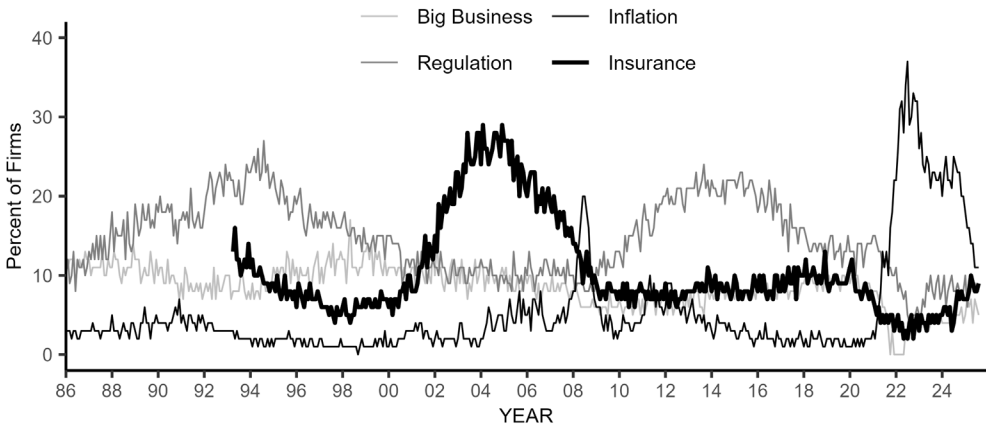
## SINGLE MOST IMPORTANT PROBLEM

August 2025

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	17	13	32	8
Inflation	11	24	41	0
Poor Sales	10	8	34	2
Fin. & Interest Rates	4	4	37	0
Cost of Labor	8	9	13	2
Government Regulation	9	8	27	4
Comp. from Large Bus.	5	5	14	0
Quality of Labor	21	21	29	3
Cost/Avail. of Insurance	9	6	29	0
Other	3	5	31	0

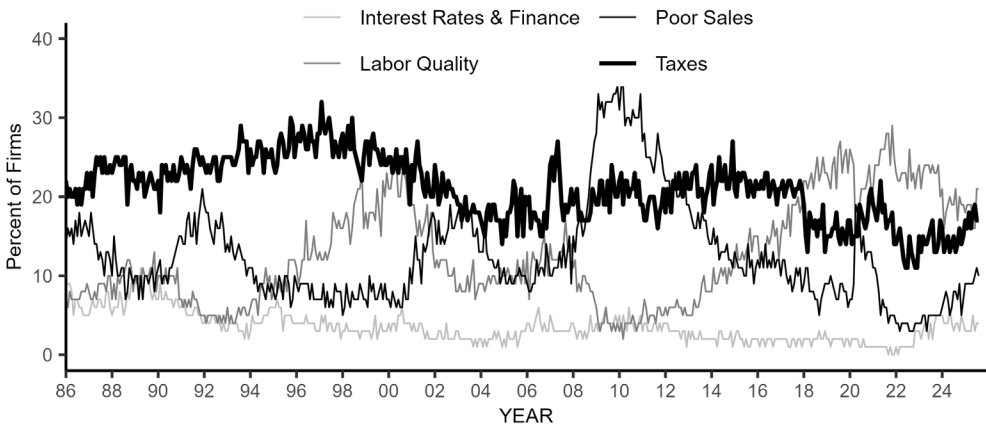
## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance, and Regulation  
*January 1986 to August 2025*



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales, and Labor Quality  
*January 1986 to August 2025*



# SURVEY PROFILE

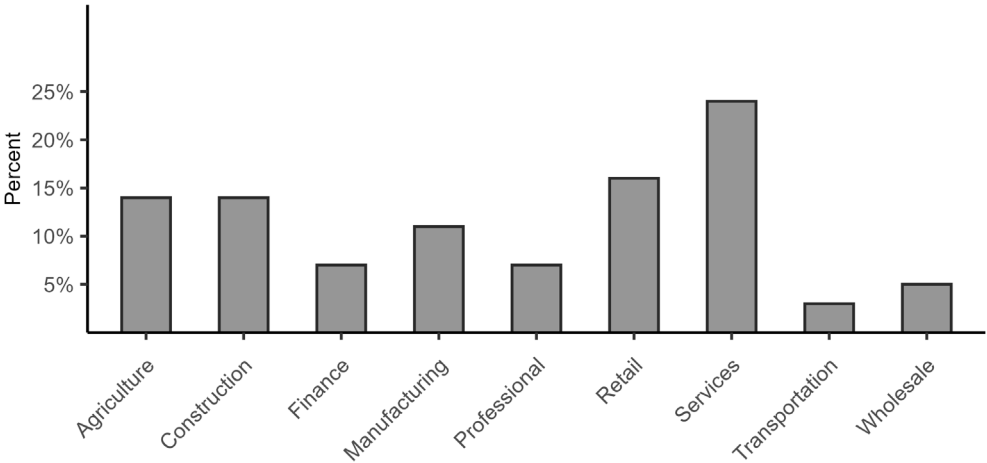
## OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	1692	641	627	1832	814	670	1652	751	604	1719	561	542
2021	1109	678	514	1516	659	592	1440	595	537	1431	613	639
2022	1504	665	560	1457	581	505	1351	622	557	1342	572	514
2023	1466	626	573	1365	632	496	1313	611	582	1382	573	518
2024	1287	604	506	1215	578	514	1309	590	559	1197	532	513
2025	1205	509	508	1078	485	382	953	472				

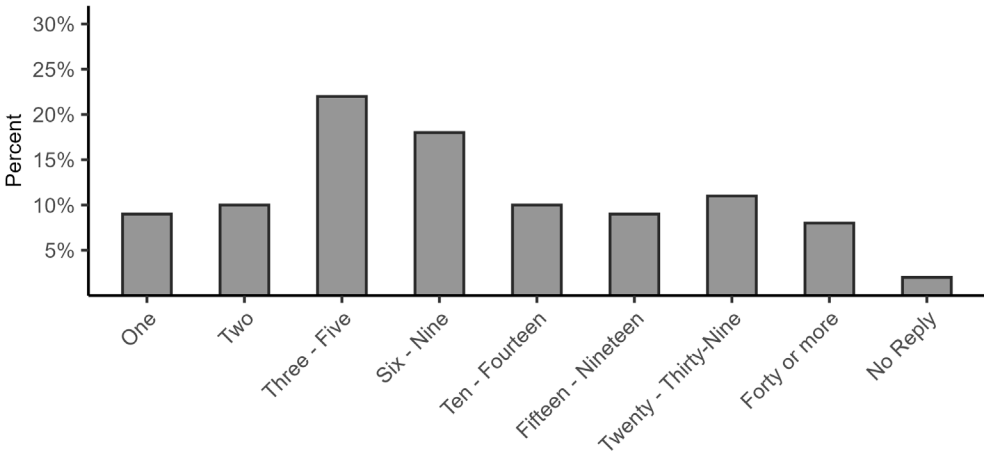
## NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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 businesses to expand substantially? Why? <sup>1, 2</sup>	7
What 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? <sup>1, 2</sup>	7
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? <sup>1</sup>	8
If higher or lower, what is the most important reason?	8
During the last calendar quarter, was your dollar sales volume higher, lower, or about the same as it was for the quarter before?	9
Overall, what do you expect to happen to the volume of goods and/or services (number of customers, units, hours billed, etc.) that you will sell during the next three months? <sup>1, 2</sup>	9
How are your average selling prices now compared to three months ago?	10
In the next three months, do you plan to change the price of your goods and/or services?	10
During the last three months, did the total number of employees in your firm increase, decrease, or stay about the same?	11
If you have filled or attempted to fill any job opening in the past three months, how many qualified applicants were there for the position(s)?	11
Do you have any job openings that you are not able to fill right now? <sup>1</sup>	12
In the next three months, do you expect to increase or decrease the total number of people working for you? <sup>1, 2</sup>	12
Over the past three months, did you change average employee compensation (wages and benefits but not Social Security, U.C. taxes, etc.)?	13
Do you plan to change average employee compensation (wages and benefits but not Social Security, U.C. taxes, etc.) during the next three months?	13



# NFIB RESEARCH CENTER SMALL BUSINESS ECONOMIC SURVEY

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SMALL BUSINESS SURVEY QUESTIONS	PAGE IN REPORT
Are...loans easier or harder to get than they were three months ago?	14
Do you expect to find it easier or harder to obtain your required financing during the next three months? <sup>1, 2</sup>	15
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?	16
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 too low? <sup>1</sup>	17
Looking ahead to the next three months to six months, do you expect, on balance, to increase your inventories, keep them about the same, or decrease them? <sup>1</sup>	17
During the last six months, has your firm made any of the following capital expenditures?	18
If [your firm made any capital expenditures], what was the total cost of these expenditures?	19
Looking ahead, do you expect to make any capital expenditures in the next three to six months? <sup>1, 2</sup>	19
How would you rate the overall health of your business today?	19
What is the single most important problem facing your business today?	20
Please classify your major business activity, using one of the categories of examples below.	21
How many employees do you have full and part-time, including yourself?	21