

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	17%	-2	*
Plans to Make Capital Outlays	19%	-1	*
Plans to Increase Inventories	-1%	0	*
Expect Economy to Improve	24%	9	*
Expect Real Sales Higher	10%	-5	*
Current Inventory (too low)	-1%	0	*
Current Job Openings	33%	0	*
Expected Credit Conditions	-5%	0	*
Now a Good Time to Expand	13%	0	*
Earnings Trends	-20%	3	*
Total Change		4	

Based on a Survey of Small and Independent Business Owners

NFIB
SMALL BUSINESS
ECONOMIC TRENDS

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

OPTIMISM INDEX

The Small Business Optimism Index for December was 99.5, up 0.5 points from November and remaining above its 52-year average of 98. Of the 10 Optimism Index components, two increased, three decreased, and five were unchanged. An increase in those expecting better business conditions primarily drove the rise in the Optimism Index. As optimism increased in December, uncertainty decreased. The Uncertainty Index fell 7 points from November to 84, the lowest reading since June 2024. A decrease in owners reporting uncertainty about whether it is a good time to expand their business was the primary driver of the fall in the Uncertainty Index. After the highest year on record for the Uncertainty Index, seeing meaningful decline is extremely welcome—especially when accompanied by above average and improving Optimism.

LABOR MARKETS

In December, 33% (seasonally adjusted) of all owners reported job openings they could not fill in the current period, unchanged from November. Unfilled job openings remain above the historical average of 24%. Twenty-eight percent had openings for skilled workers (up 2 points), and 10% had openings for unskilled labor (down 2 points). A seasonally adjusted net 17% of owners plan to create new jobs in the next three months, down 2 points from November. Overall, 53% reported hiring or trying to hire in December, down 3 points from November. Forty-eight percent (91% 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-five percent of owners reported few qualified applicants for their open positions (down 5 points), and 23% reported none (up 3 points). Though the data is noisy, the last 12 months have seen an improvement in the hiring environment, with a growing percent reporting “few” relative to the percent reporting “none.” In December, 19% of small business owners cited labor quality as their single most important problem, down 2 points from November. Labor quality ranked second, 1 point behind taxes, which found itself in the top position of the leaderboard. Labor costs reported as the single most important problem for business owners rose 1 point to 9%.

CAPITAL SPENDING

Fifty-six percent of small business owners reported capital outlays in the last six months, up 4 points from November. Of those making expenditures, 37% reported spending on new equipment (unchanged), 27% acquired vehicles (up 8 points), and 19% improved or expanded facilities (up 5 points). Thirteen percent spent money on new fixtures and furniture (up 3 points), and 7% acquired new buildings or land for expansion (up 2 points). Nineteen percent (seasonally adjusted) plan capital outlays in the next six months, down 1 point from November. Historically, this is a weak reading.

SALES AND INVENTORIES

A net -8% of all owners (seasonally adjusted) reported higher nominal sales in the past three months, up 1 point from November. Actual sales remain below the historical average of a net 0%. The net percent of owners expecting higher real sales volumes over the next quarter fell 5 points from November to a net 10% (seasonally adjusted). The net percent of owners reporting inventory gains rose 6 points to a net -1% (seasonally adjusted), the highest reading of the year. Not seasonally adjusted, 13% reported increases in stocks (up 1 point), and 15% reported reductions (down 3 points). A net -1% (seasonally adjusted) of owners viewed current inventory stocks as “too low” in December, unchanged from November. A net -1% (seasonally adjusted) of owners plan inventory investment in the coming months, unchanged from November. In December, 64% of small business owners reported that supply chain disruptions were affecting their business to some degree, unchanged from November. Although the percentage reporting any disruptions was unchanged, there was a positive shift from those reporting a significant impact to those reporting a moderate or mild impact. Three percent reported a significant impact (down 4 points), 21% reported a moderate impact (up 2 points), 40% reported a mild impact (up 2 points), and 35% reported no impact (unchanged).

COMPENSATION AND EARNINGS

Seasonally adjusted, a net 31% reported raising compensation, up 5 points from November. A seasonally adjusted net 24% plan to raise compensation in the next three months, unchanged from November. The frequency of reports of positive profit trends rose 3 points from November to a net -20% (seasonally adjusted). Among owners reporting lower profits, 41% blamed weaker sales, 13% cited rising material costs, and 12% cited the usual seasonal change. Nine percent cited price change from their product(s) or service(s), and 7% cited labor costs. Among owners reporting higher profits, 64% cited sales volume, 14% cited usual seasonal change, and 3% cited higher selling prices.

CREDIT MARKETS

A net 5% reported their last loan was harder to get than in previous attempts, up 1 point from November. In December, a net -3% of owners reported paying a higher interest rate on their most recent loan, down 5 points from November and the lowest reading since January 2021. The average rate paid on short maturity loans was 8.4% in December, up 0.5 points from November's lowest level since May 2023. Twenty-five percent of all owners reported borrowing regularly, up 2 points from November but still at a historically low level.

INFLATION

In December, both actual and planned prices fell from the previous month. The net percent of owners raising average selling prices fell 4 points from November to a net 30% (seasonally adjusted). Price increases remain well above the historical average of a net 13%, suggesting continued inflationary pressure. In addition, November recorded a substantial increase in this net percent, so despite the December decline, the level is well above the typical level for the last two years. Unadjusted, 34% reported higher average prices (down 5 points), and 8% reported lower average selling prices (unchanged). Looking forward to the next three months, a net 28% (seasonally adjusted) plan to increase prices, down 2 points from November. Twelve percent of owners reported that inflation was their single most important problem in operating their business (higher input costs), down 3 points from November.

OUTLOOK

When asked to evaluate the overall health of their business, 9% rated it excellent (down 2 points), 54% rated it good (up 1 point), 34% rated it fair (up 4 points), and 3% rated it poor (down 2 points). In other words, the data show a convergence from the extremes (excellent and poor) towards the middle (good and fair, with most increase in fair).

The net percent of owners expecting better business conditions rose 9 points from November to a net 24% (seasonally adjusted), contributing the most to the rise in the Optimism Index. This was the first increase since July. In December, 13% (seasonally adjusted) reported that it is a good time to expand their business, unchanged for the second consecutive month. Compared to readings during economic expansions, this is not a strong reading.

SINGLE MOST IMPORTANT PROBLEM

In December, 20% of small business owners reported taxes as their single most important problem, up 6 points from November and ranking as the top problem. This is the highest reading since May 2021. Taxes are one of the most consistent issues, so a high percentage for it tends to reflect that the more fluctuating issues (labor quality, inflation, poor sales, etc.) are not currently in a bad state. The percent of small business owners reporting labor quality as the single most important problem for their business fell 2 points from November to 19%. Labor costs reported as the single most important problem for business rose 1 point to 9%. Twelve percent of owners reported that inflation was their single most important problem in operating their business, down 3 points from November. The percent of small business owners reporting government regulations and red tape as their single most important problem fell 3 points to 7%. The percent of small business owners reporting poor sales as their top business problem rose 1 point to 10%. In December, 9% reported the cost or availability of insurance as their single most important problem, down 1 point from November. Three percent reported that financing and interest rates were their top business problem in December, unchanged from November. Six percent reported competition from large businesses as their single most important problem, up 3 points from November.

COMMENTARY

OVERVIEW

2025 ended with a second consecutive monthly uptick in small business optimism. Small business owners anticipate economic conditions remaining generally favorable going into 2026 and all signs from questions outside the index appear to support their sentiment. Costs pressures moderated, employment challenges eased (for most), and capital investments picked up. Consumer sentiment might be at historic lows, but consumer spending continues to support economic growth.

The December data also delivered good news on a major 2025 pain point, with a welcome improvement in uncertainty. Specifically, the Uncertainty Index dropped 7 points to 84, the lowest level since June 2024. The mid-term election coverage will soon enter the main stage, taking oxygen from the stock market rallies and AI investments that currently dominate the airwaves. As the news cycle shifts, small business owners will be front and center voicing their concerns on issues related to running their business.

Quotes- NFIB Members

"The agriculture industry is currently challenging. Tariffs on the consumed products and equipment I sell have increased costs while slowing sales." – Agriculture, KS

"Health insurance prices are out of control!" – Construction, NJ

"I believe that business will get better slowly as the country seems now to be on the right track." – Retail, NY

"Sales are slow. The market prices continue to increase for small businesses. We cannot compete with large box stores. They are able to sell products for less than we can buy them for at wholesale pricing, therefore capitalizing the market. Retail foot traffic is low. Taxes on small businesses are almost unbearable. Small businesses in Illinois are closing continuously. This includes multi-generational businesses." – Retail, IL

"Costs to operate a farm have increased dramatically over the last five years. Prices we receive for commodities produced have not in any way kept up with costs (the only exception being beef)." – Agriculture, MN

"Technology (AI) has increased to the point that we hardly can keep up with the requirements. In the trucking industry, there are more regulations, more robots, more "hoops to jump" to stay relevant and competitive. The truck driving employee is non-existent as the younger generation wants shortened days and longer weekends, but still expect higher pay. We are being forced out by larger companies who receive government grants to hire from other countries." – Transportation, MN

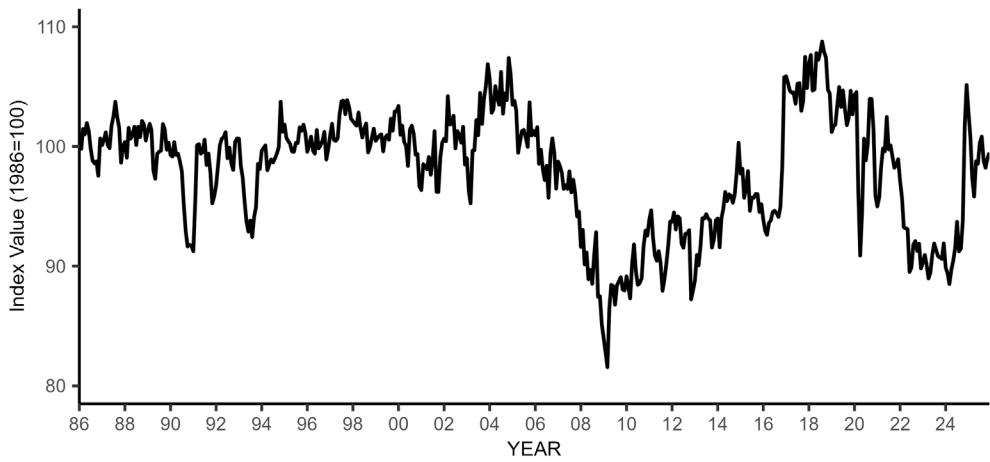
"With the prices of everything going up and up and up, customers have no money left for our services. If you have to choose between having a jacket embroidered or paying for gasoline or groceries, the choice is obvious!" – Services, MO

"Finance rates halted construction over the past years. The drop in rates has helped construction starts. Overall, the confidence (general) is up and business activity has increased over the past 8-10 months." – Professional services, GA

OVERVIEW - SMALL BUSINESS OPTIMISM

OPTIMISM INDEX

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



¹ Questions included in the Optimism Index (see pages 22-23)

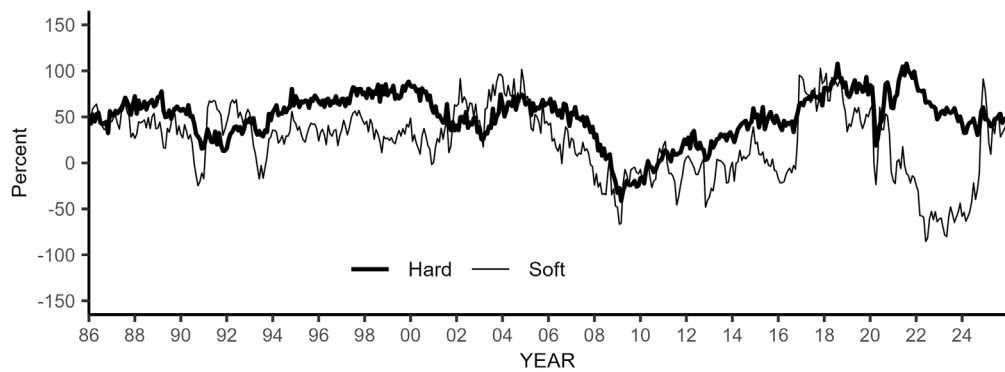
OPTIMISM INDEX

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	98.8	98.2	99.0	99.5

OPTIMISM INDEX COMPONENTS

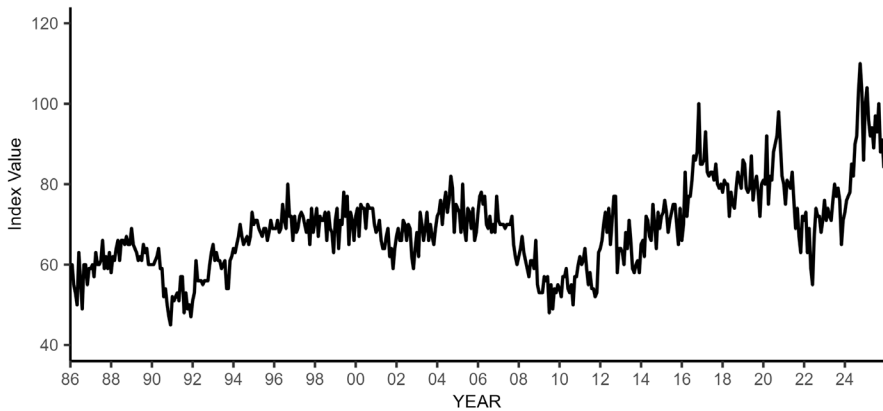
Hard: Job Creation Plans, Job Openings, Inventory Plans, Earnings, Capital Expenditure Plans
Soft: Expected Business Conditions, Outlook for Expansion, Expected Real Sales, Expected Credit Conditions, Inventory Satisfaction



SMALL BUSINESS UNCERTAINTY

UNCERTAINTY INDEX

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



² Questions included in the Uncertainty Index (see pages 22-23)

UNCERTAINTY INDEX

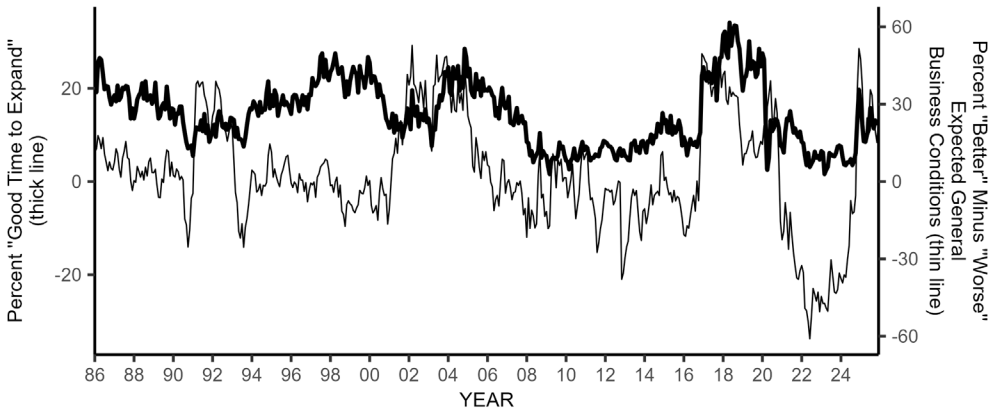
Sum of "Don't Know" & "Uncertain" Answers on 6 Questions

	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	103	86
2025	100	104	96	92	94	89	97	93	100	88	91	84

SMALL BUSINESS OUTLOOK

OUTLOOK

Good Time to Expand and Expected General Business Conditions
January 1986 to December 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	11	13	13	13

MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook
December 2025

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

OUTLOOK FOR GENERAL BUSINESS CONDITIONS

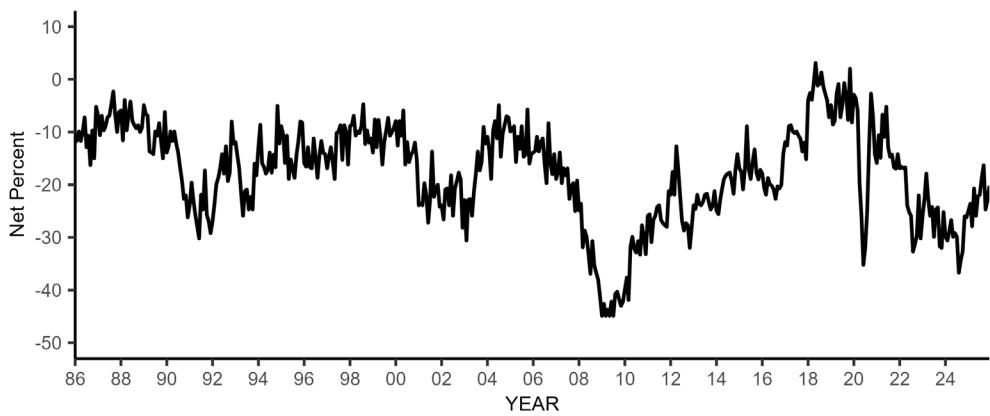
Net Percent ("Better" Minus "Worse") Six Months From Now
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	23	20	15	24

SMALL BUSINESS EARNINGS

EARNINGS

Actual Last Three Months
January 1986 to December 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	-16	-25	-23	-20

MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason
December 2025

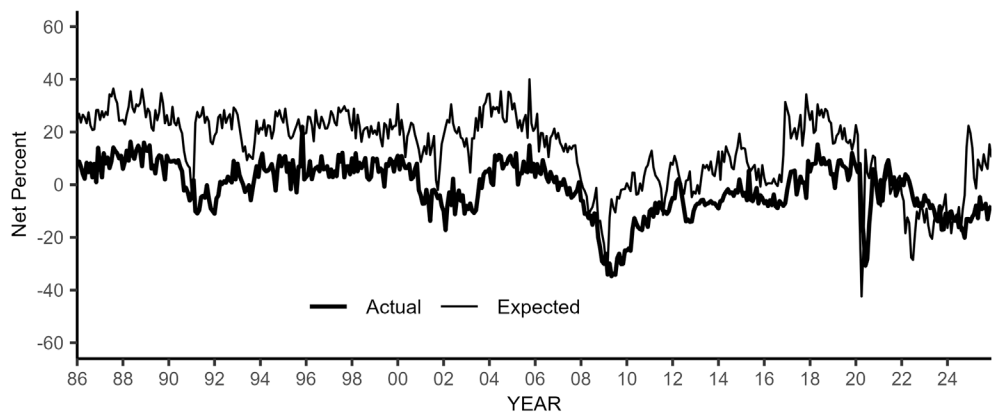
Reason	Current Month	One Year Ago	Two Years Ago
Sales Volume	14	13	12
Increased Costs*	8	9	12
Cut Selling Prices	3	2	6
Usual Seasonal Change	4	5	4
Other	1	2	1

* 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 December 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	-7	-13	-9	-8

SALES EXPECTATIONS

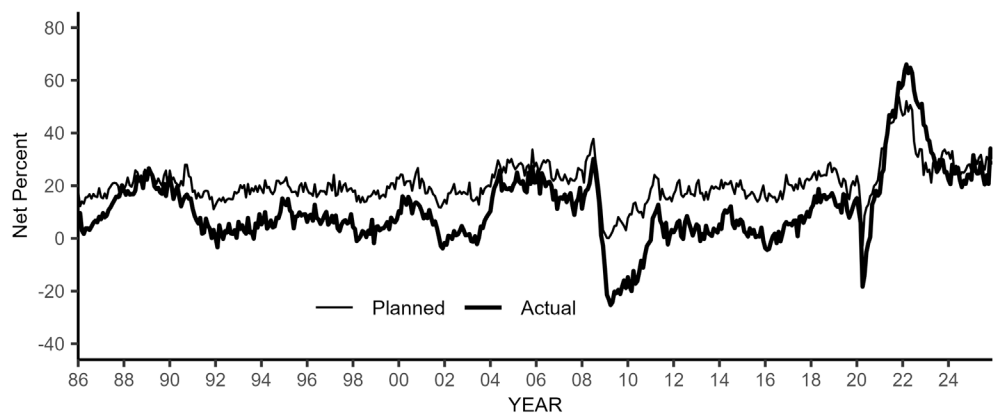
Net Percent ("Higher" Minus "Lower") During Next Three Months
(Seasonally Adjusted)

	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	8	6	15	10

SMALL BUSINESS PRICES

PRICES

Actual Last Three Months and Planned Next Three Months
January 1986 to December 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	24	21	34	30

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	31	30	30	28

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	-3	-4	-3	-1

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	50	49	50	48

EMPLOYMENT

Planned Next Three Months and Current Job Openings
January 1986 to December 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	32	32	33	33

HIRING PLANS

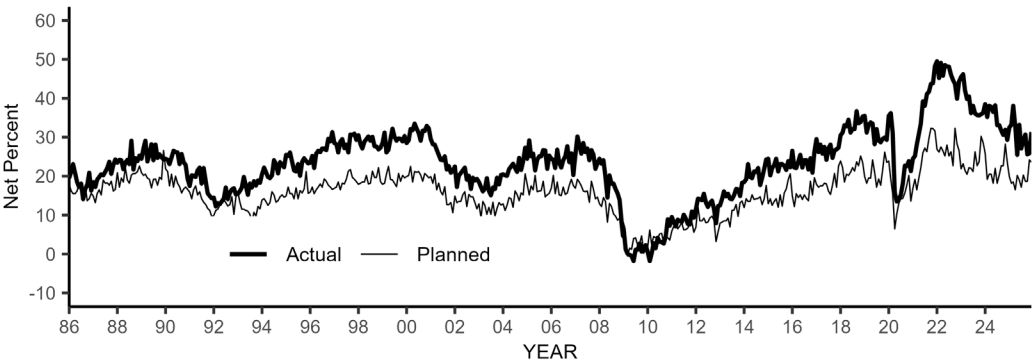
Net Percent ("Increase" Minus "Decrease") in the Next Three Months
(Seasonally Adjusted)

	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	16	15	19	17

SMALL BUSINESS COMPENSATION

COMPENSATION

Actual Last Three Months and Planned Next Three Months
January 1986 to December 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	31	26	26	31

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	19	19	24	24

PRICES AND LABOR COMPENSATION

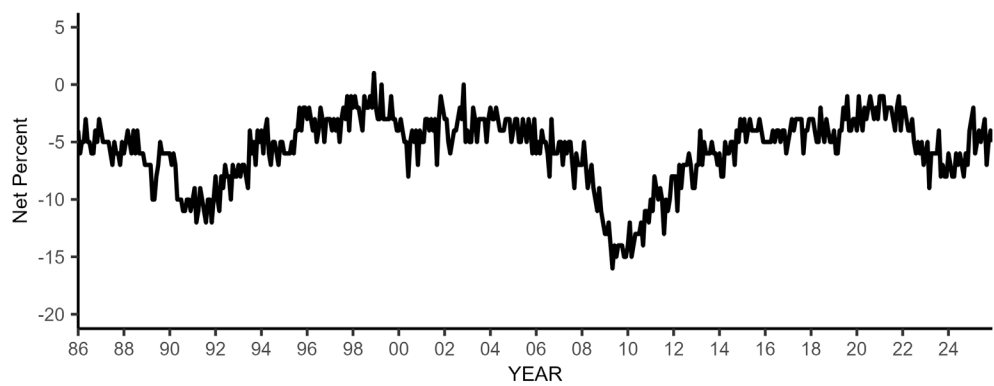
Net Percent Price Increase and Net Percent Compensation
(Seasonally Adjusted)



SMALL BUSINESS CREDIT CONDITIONS

CREDIT CONDITIONS

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



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	26	23	23	25

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	-7	-5	-4	-5

SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

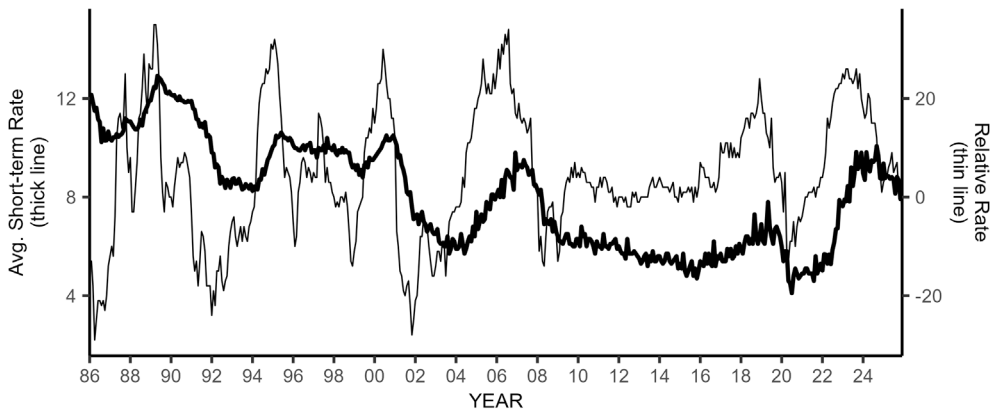
EXPECT EASIER CREDIT CONDITIONS

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	-7	-3	-5	-5

INTEREST RATES

Relative Rates and Actual Rates Last Three Months
January 1986 to December 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	7	1	2	-3

Borrowing at Least Once Every Three Months.

SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

ACTUAL INTEREST RATE PAID ON SHORT-TERM LOANS BY BORROWERS

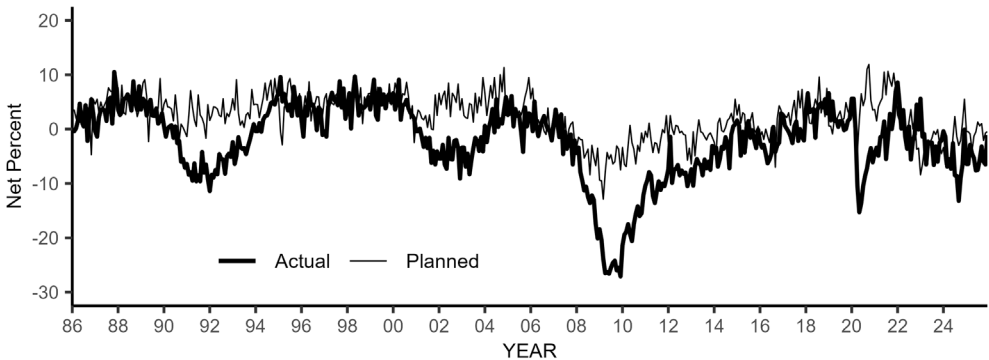
Average Interest Rate Paid

	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	8.8	8.7	7.9	8.4

SMALL BUSINESS INVENTORIES

INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)
January 1986 to December 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	-3	-6	-7	-1

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	-7	-4	-1	-1

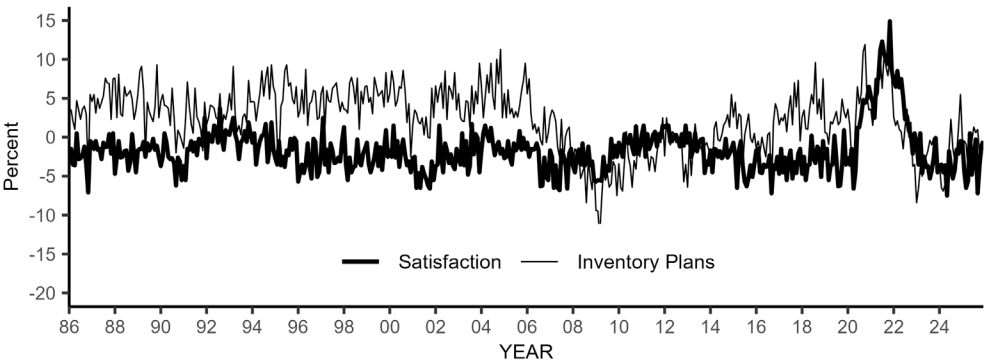
INVENTORY PLANS

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	-1	-1	-4	-1	-1	1	1	1	-2	-1	-1

INVENTORY SATISFACTION AND INVENTORY PLANS

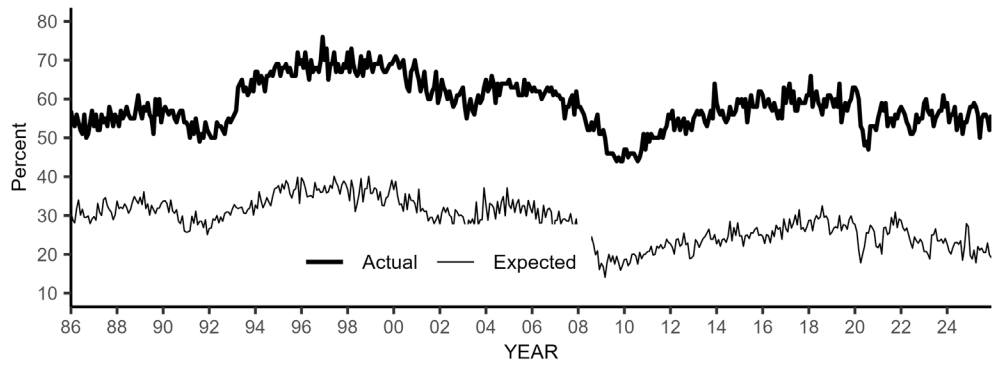
Net Percent ("Too Low" Minus "Too Large") at Present Time
Net Percent Planning to Add Inventories in the Next Three to Six Months
(Seasonally Adjusted)



SMALL BUSINESS CAPITAL OUTLAYS

CAPITAL EXPENDITURES

Actual Last Six Months and Planned Next Three Months
January 1986 to December 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	56	55	52	56

TYPE OF CAPITAL EXPENDITURES MADE

Percent Purchasing or Leasing During Last Six Months

Type	Current Month	One Year Ago	Two Years Ago
Vehicles	27	24	22
Equipment	37	37	40
Furniture or Fixtures	13	11	11
Add. Bldgs. or Land	7	7	5
Improved Bldgs. or Land	19	16	19

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	5	7	8
\$5,000 to \$9,999	5	5	3
\$10,000 to \$49,999	15	17	16
\$50,000 to \$99,999	10	11	13
\$100,000 +	18	15	15
No Answer	2	2	1

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	21	23	20	19

SMALL BUSINESS HEALTH

OVERALL HEALTH OF BUSINESS

December 2025

Rating	Current Month	One Month Ago	Two Months Ago
Excellent	9	11	12
Good	54	53	51
Fair	34	30	33
Poor	3	5	4

SINGLE MOST IMPORTANT PROBLEM

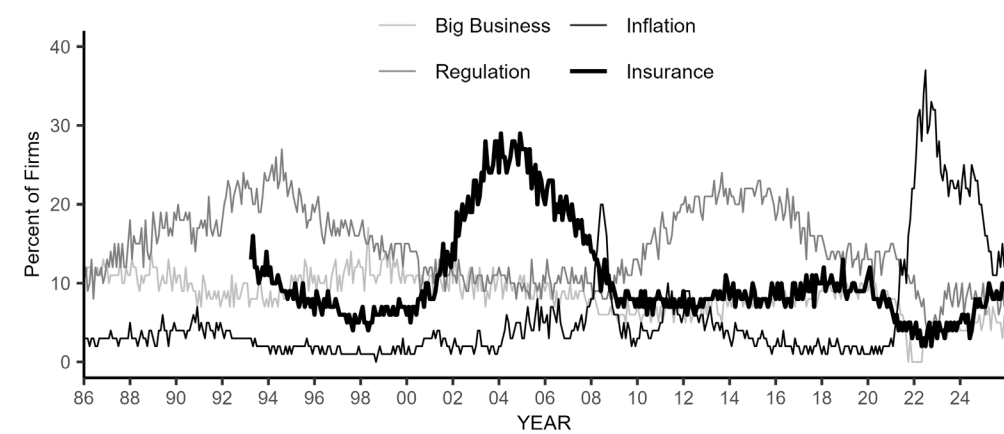
SINGLE MOST IMPORTANT PROBLEM

December 2025

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	20	15	32	8
Inflation	12	20	41	0
Poor Sales	10	7	34	2
Fin. & Interest Rates	3	4	37	0
Cost of Labor	9	11	13	2
Government Regulation	7	8	27	4
Comp. from Large Bus.	6	4	14	0
Quality of Labor	19	19	29	3
Cost/Avail. of Insurance	9	7	29	0
Other	3	2	31	0

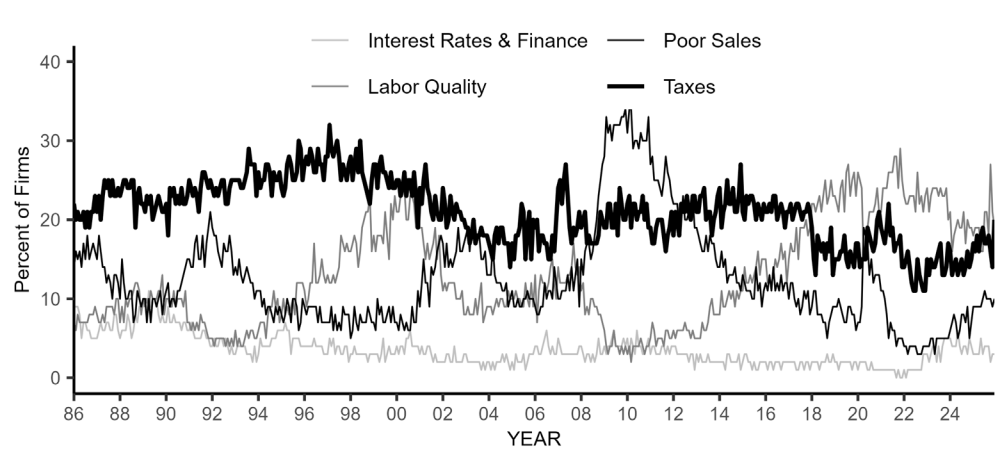
SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance, and Regulation
January 1986 to December 2025



SELECTED SINGLE MOST IMPORTANT PROBLEM

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



SURVEY PROFILE

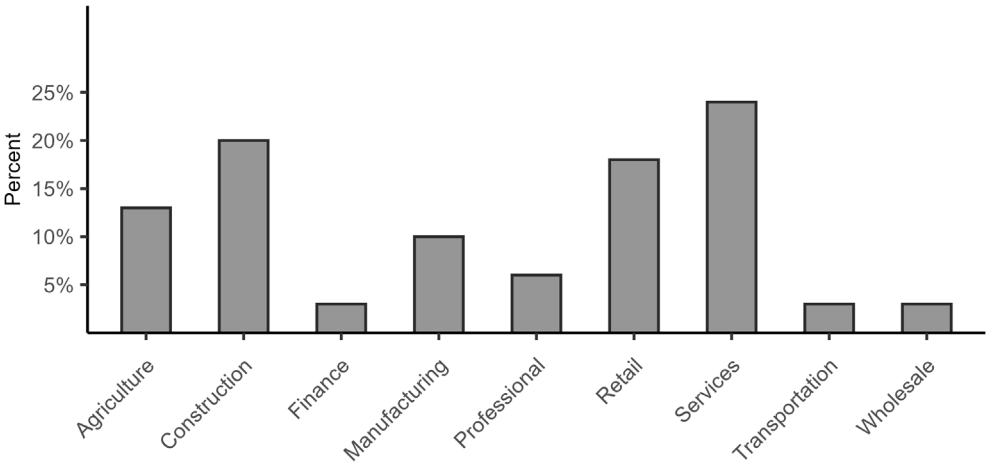
OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

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	403	984	505	429

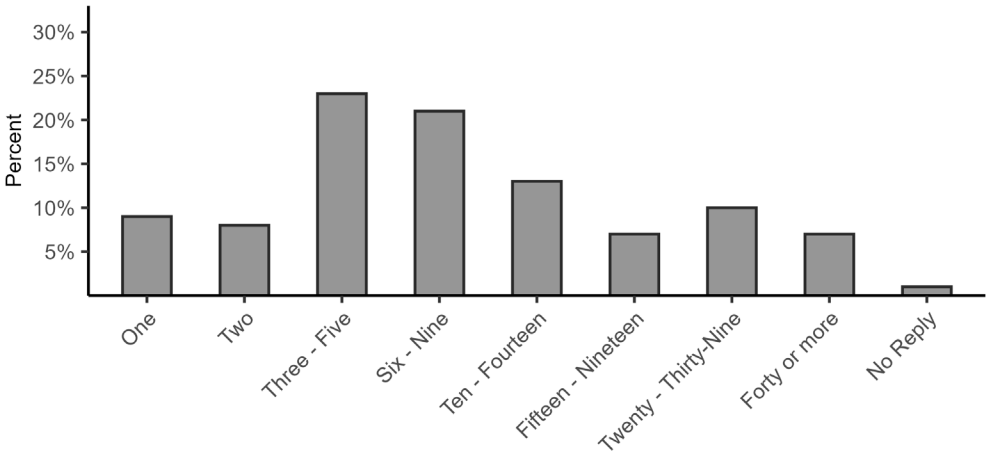
NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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

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? ^{1, 2}	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? ^{1, 2}	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? ¹	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? ^{1, 2}	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? ¹	12
In the next three months, do you expect to increase or decrease the total number of people working for you? ^{1, 2}	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

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? ^{1, 2}	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? ¹	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? ¹	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? ^{1, 2}	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