NFIB RESEARCH CENTER

Small Business Economic Trends

APRIL 2026

Quarterly Industry Report

Highlights

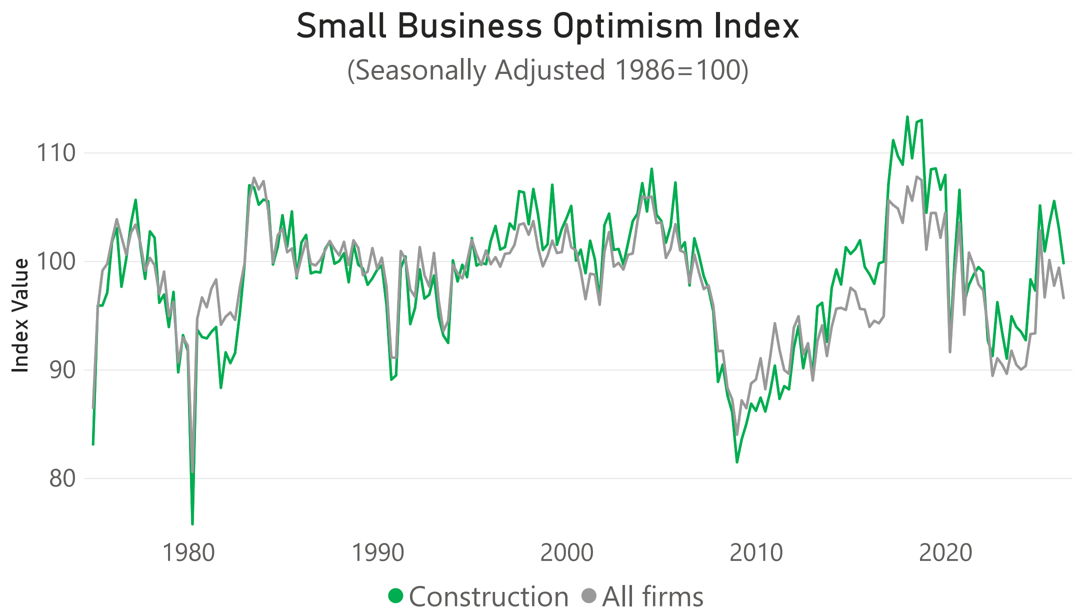
The Industry data are aggregated and seasonally adjusted through the nfib-sbet.org website. The “overall” (all firms) data are published here and may differ slightly from website results due to rounding and seasonal adjustment differences. “All industries” refers to the four industries reported in this report (construction, manufacturing, retail, and services).

Highlights (cont.)

In April, the Optimism Index for all four reported industries fell from the prior quarter. The components that contributed most to the indices' declines were expectations for better business conditions, real sales expectations, and reports that it is a good time to expand. The impact of rising oil prices and general inflation pressures are dampening Main Street optimism across all primary industry sectors.

- Optimism was the highest in the construction industry and lowest in retail. Retail was the only industry below the overall Optimism Index.
- While optimism in the construction industry declined in April, earnings trends improved. Earnings trends for the construction industry rose 4 points to a net -11% (seasonally adjusted), the best reading among all industries and the largest improvement from January.
- The Optimism Index for firms in the manufacturing industry fell 5.8 points from January to 98.0, falling below its historical average of 101.1 and marking the largest decline across all industries. Despite the decline, small business owners in the manufacturing industry were the second-most optimistic across all industries and were 2.1 points above the all-firms Index. While shifts in tariff policies have benefited many small manufacturers, the industry is energy intensive and particularly sensitive to higher oil prices.
- The percent of business owners reporting that it is a good time to expand their business was the lowest in the retail industry. A seasonally adjusted 4% of retailers reported that it is a good time to expand their business, down 3 points from January. Consumer spending continues to support retail sales, but tariffs and rising inflation have eroded profits and made it more challenging on the pricing side of operations.
- Expectations for better business conditions in the services industry fell 22 points from January to a net 2% (seasonally adjusted), contributing the most to the decline in the Index. This was the largest quarterly decline in expected business conditions across all industries.
- In April, 64% of small business owners reported supply chain disruptions to some extent (up 2 points from January). Disruptions were most prevalent in the wholesale industry and least prevalent in the professional services and finance industries.
- Overall, 67% of small business owners rated the overall health of their business today as excellent or good (down 1 point from January). All industries had over half of small business owners reporting their overall business health as excellent or good. Reports were the highest in the professional services and lowest in transportation.

Construction Optimism Index



Index Components (Seasonally Adjusted)	Construction	Change from Last Quarter	All Firms
Plans to Increase Employment (net)	19%	-2	13%
Plans to Make Capital Outlays	18%	2	17%
Plans to Increase Inventories (net)	-4%	-1	-2%
Expect Economy to Improve (net)	12%	-12	4%
Expect Real Higher Sales (net)	6%	-17	3%
Current Inventory - too low (net)	-2%	0	-2%
Current Job Openings	46%	3	34%
Expected Credit Conditions (net)	-1%	-2	-4%
Good Time to Expand	11%	-9	7%
Earnings Trends (net)	-11%	4	-19%
Optimism Index	**99.8**	**-3.2**	**95.9**

Construction Optimism Index (cont.)

In April, the Optimism Index for the construction industry fell 3.2 points from January to 99.8. Deteriorations in real sales expectations, expectations for better business conditions, and those reporting that it is a good time to expand drove this decline. Despite the decline, owners in the construction industry were the most optimistic of all industries. The Index remains above the industry's historical average of 98.7 and is 3.9 points above the overall Index.

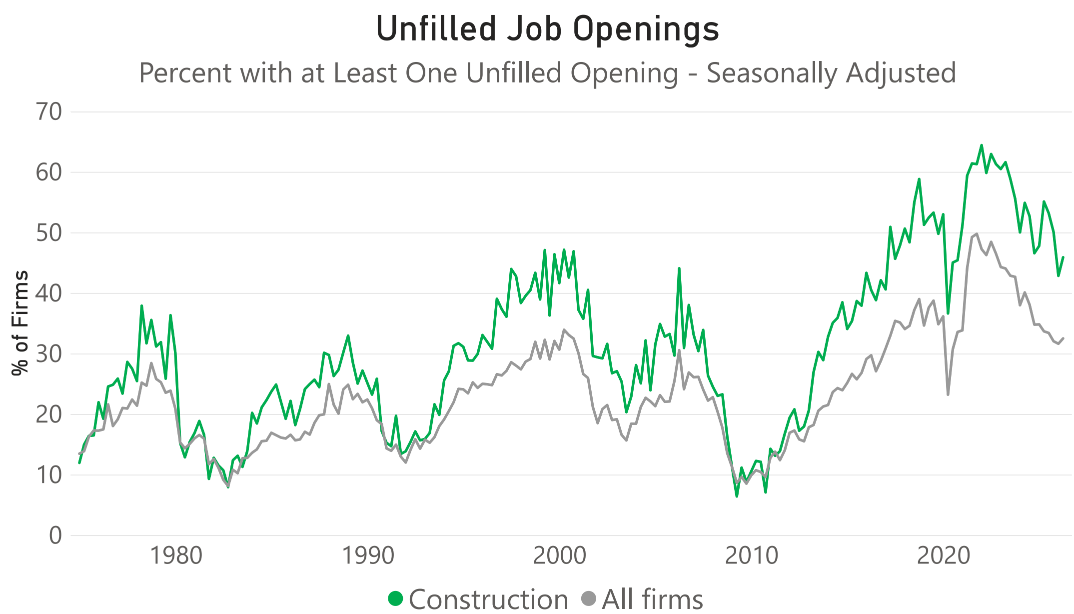
Forty-six percent (seasonally adjusted) of owners in the construction industry reported unfilled job openings, up 3 points from January and remaining well above the industry's historical average of 31% (seasonally adjusted). Unfilled job openings in this industry were 12 points higher than the level for all firms. The labor market for those with construction-related trade skills remains a major headwind for small business owners. The buildout of data centers and AI-related facilities is also contributing to the labor challenge.

Unadjusted, 42% of these openings are for skilled workers (up 5 points from January), and 17% are for unskilled workers (up 4 points). Reports of few or no qualified applicants in the construction industry rose slightly in April. Fifty-six percent of construction firms reported few or no qualified applicants, up 2 points from April and 10 points above the level for all firms. Twenty-nine percent of small businesses in the construction industry reported labor quality as their single most important problem (down 1 point from January). Labor quality was the highest in the construction industry, and 11 points higher than for all firms.

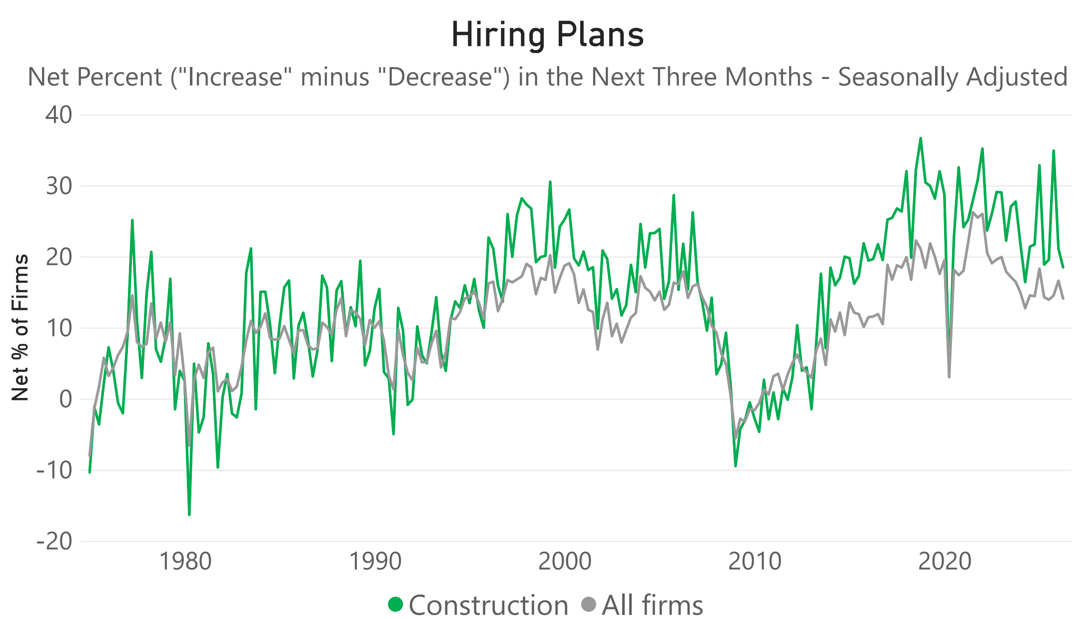
In April, the Optimism Index for construction fell about 3 points from January to

99.8

Construction Unfilled Job Openings & Hiring Plans

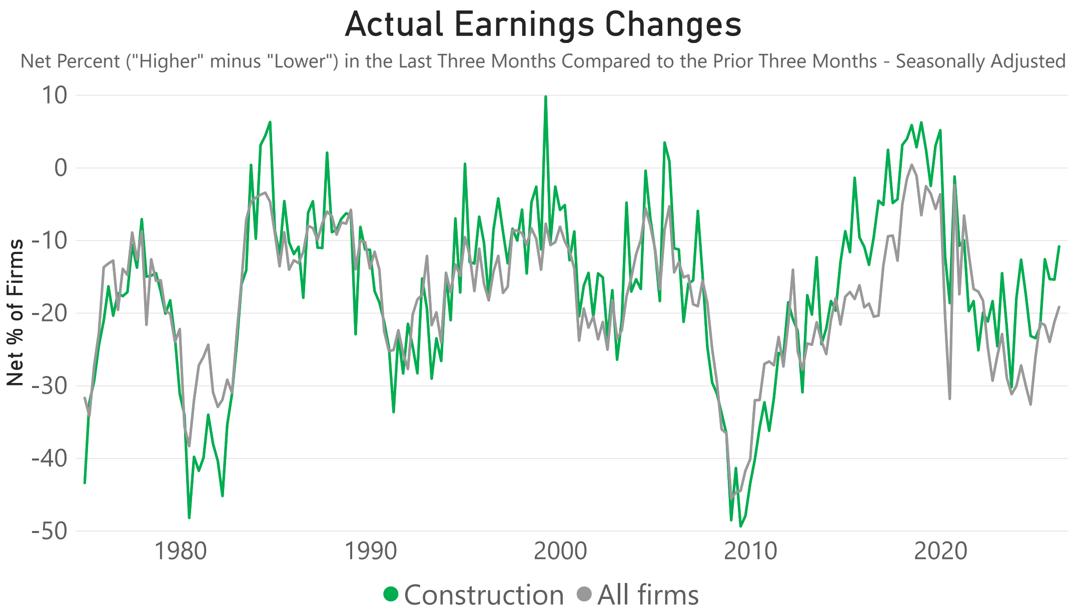


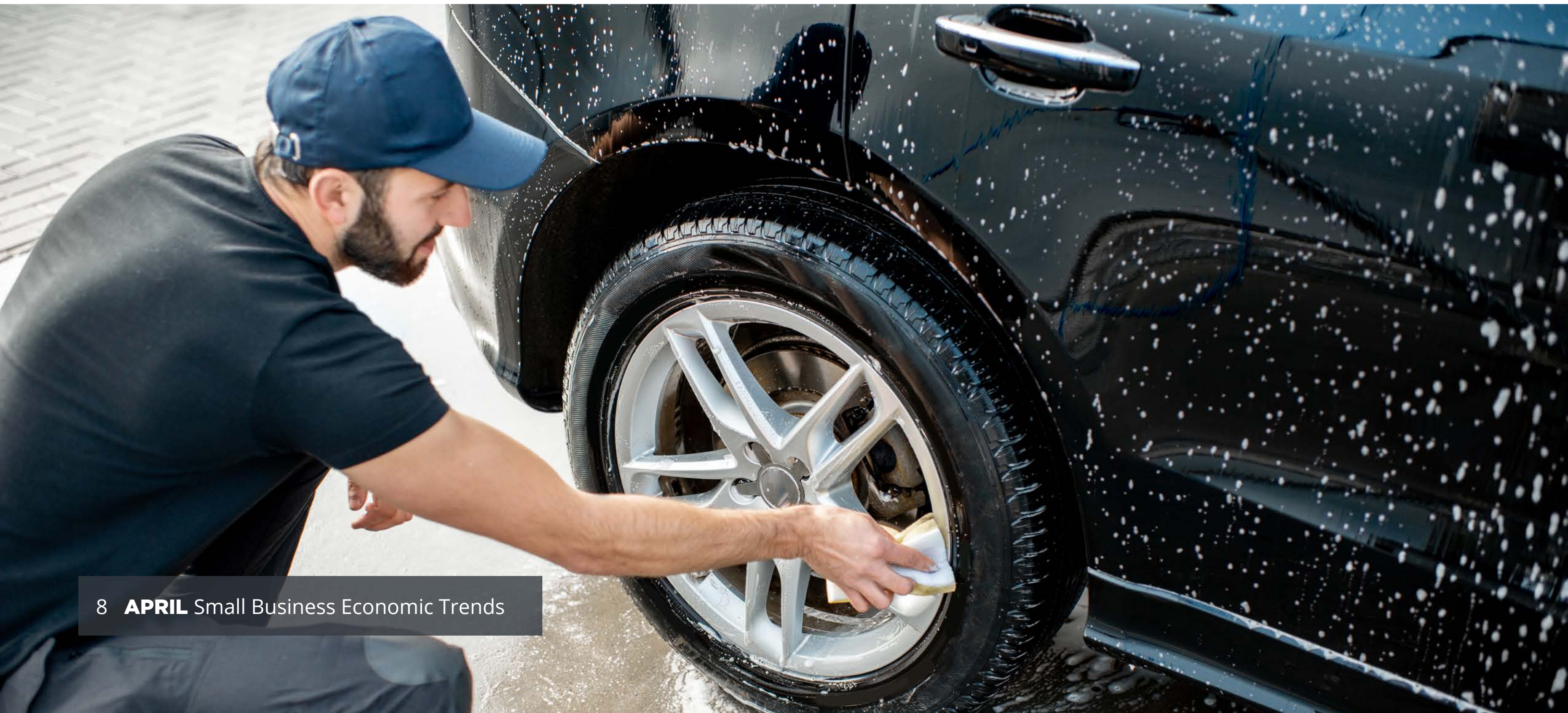
With the high level of job openings, owners in the construction industry plan to increase employment. A seasonally adjusted net 19% of small businesses in the construction industry plan to hire in the next three months, down 2 points from January. Despite this decline, construction firms' plans to increase employment remain strong. Hiring plans in the construction industry were 6 points higher than for all firms and 5 points higher than the industry's historical average of a net 14% (seasonally adjusted). Additionally, the construction industry (along with manufacturing) had the highest level of hiring plans of all industries.



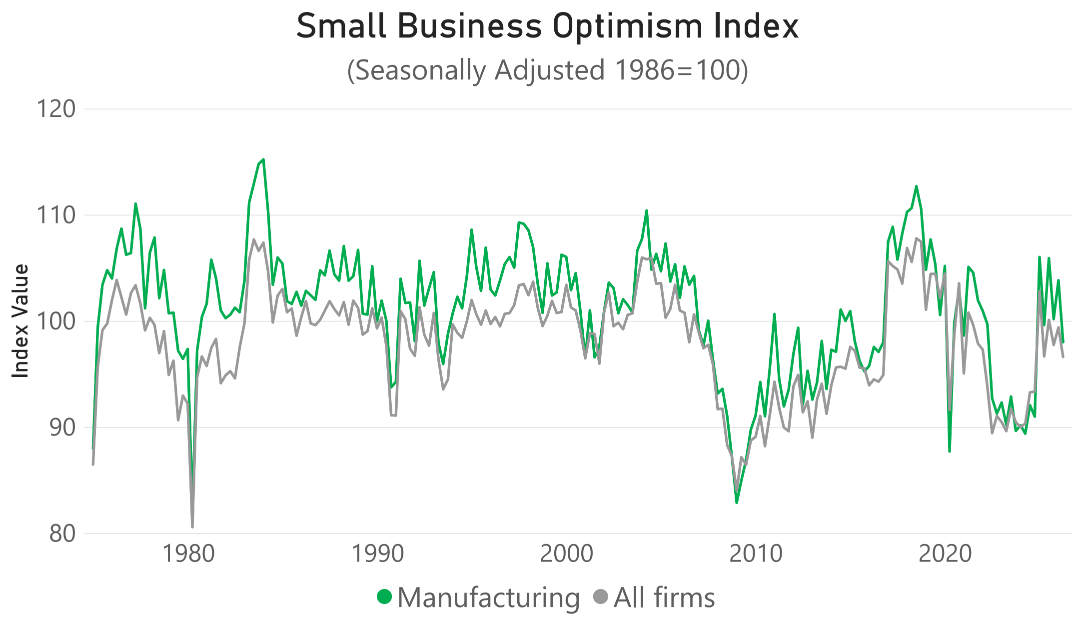
Actual Earnings Changes

Although optimism in the construction industry declined in April, earnings trends improved. Earnings trends for the construction industry rose 4 points to a net -11% (seasonally adjusted), the best reading among all industries and the largest improvement from January. Additionally, earnings trends in the construction industry were higher than the level for all firms (net -19%).





Manufacturing Optimism Index



Index Components (Seasonally Adjusted)	Manufacturing	Change from Last Quarter	All Firms
Plans to Increase Employment (net)	19%	-5	13%
Plans to Make Capital Outlays	21%	-2	17%
Plans to Increase Inventories (net)	2%	-6	-2%
Expect Economy to Improve (net)	3%	-18	4%
Expect Real Higher Sales (net)	10%	-14	3%
Current Inventory - too low (net)	-8%	-5	-2%
Current Job Openings	39%	-5	34%
Expected Credit Conditions (net)	-2%	0	-4%
Good Time to Expand	8%	-11	7%
Earnings Trends (net)	-19%	2	-19%
Optimism Index	**98.0**	**-5.8**	**95.9**

Manufacturing Optimism Index (cont.)

In April, the Optimism Index for firms in the manufacturing industry fell 5.8 points from January to 98.0, below its historical average of 101.1. This was the largest decline across all industries. The components contributing the most to the Index's decline were real sales expectations, expectations for better business conditions, and those reporting that it is a good time to expand their business. Despite the reduction, small business owners in the manufacturing industry were the second-most optimistic across all industries and were 2.1 points above the all-firms Index.

A net -8% (seasonally adjusted) of manufacturers reported current inventory levels as “too low” in April, down 5 points from January and falling below its historical average of net -4%. The manufacturing industry had the lowest reading of all industries and was the only industry in which inventory satisfaction fell from the prior quarter. Additionally, the manufacturing industry's reading was 6 points below that for all firms.

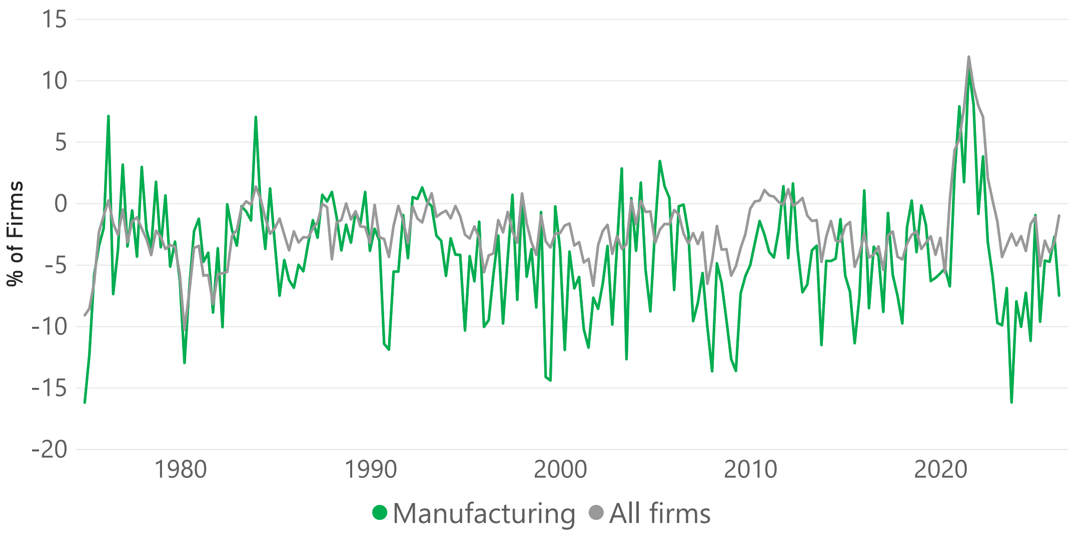
In April, the Optimism Index for manufacturing fell about 6 points from January to

98.0

Manufacturing Inventory Satisfaction & Inventory Plans

Inventory Satisfaction

Net Percent ("Too Low" minus "Too Large") at the Present Time - Seasonally Adjusted

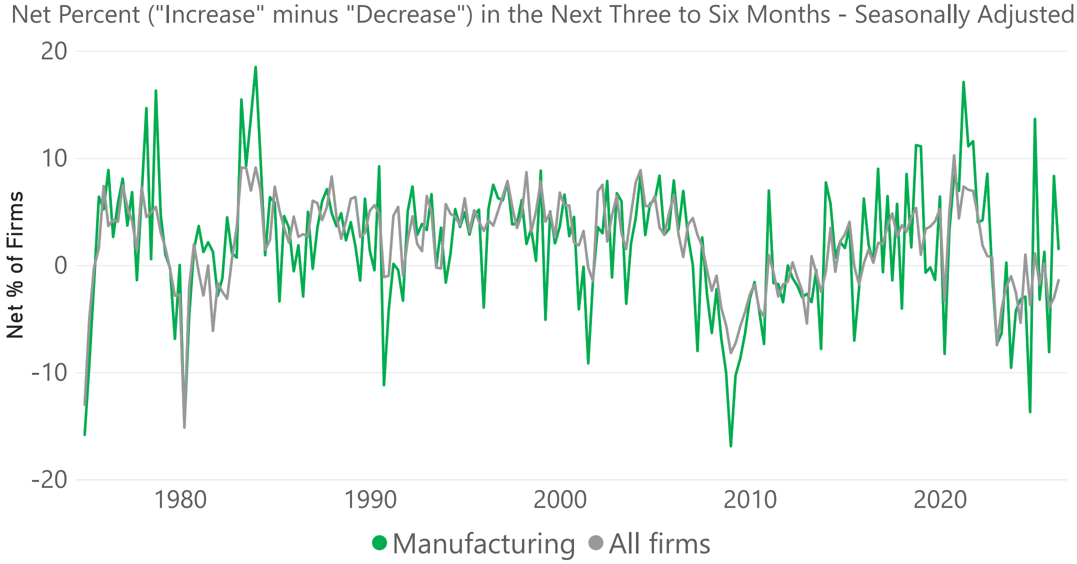


A net 2% (seasonally adjusted) of owners in the manufacturing industry plan to invest in inventory over the next three to six months, down 6 points from January and marking a reversal from the October-January period. Tariff policy shifts and higher oil prices are likely contributing to the decline.

Compared to the other reported industries, plans to increase inventories were the highest in manufacturing. Additionally, manufacturing firms' inventory investment plans were 4 points higher than the level for all firms.

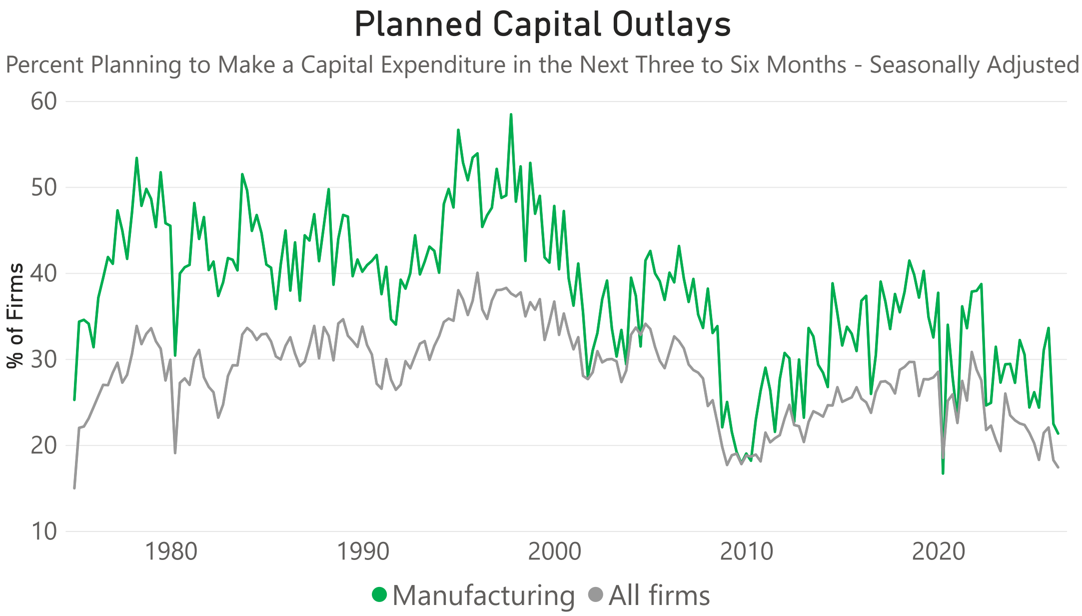
Inventory Plans

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

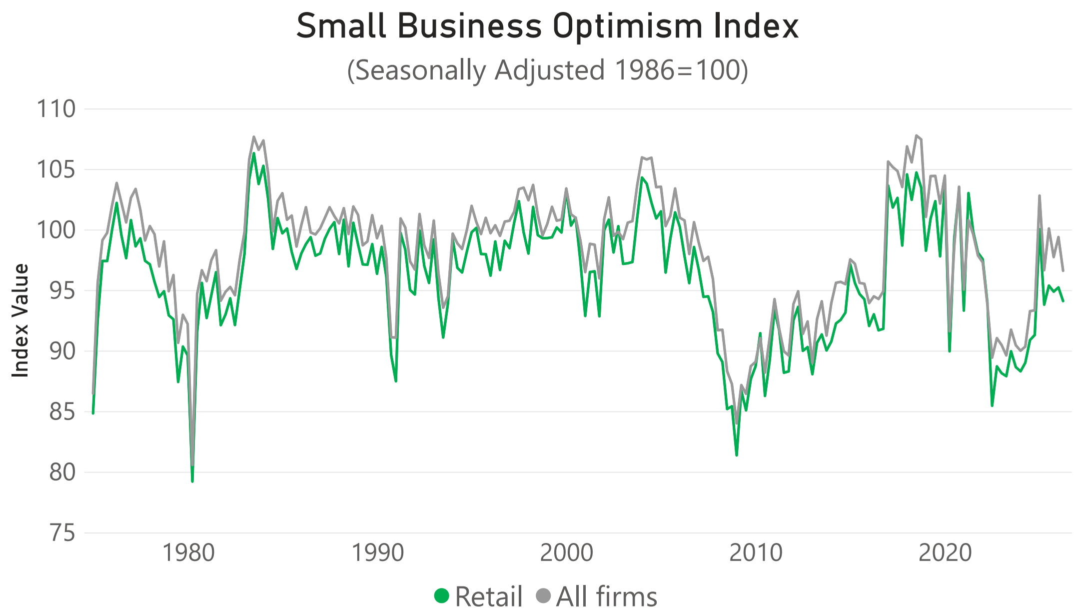


Planned Capital Outlays

In April, 21% (seasonally adjusted) of manufacturers plan to make a capital expenditure in the next three to six months, down 2 points from January. This is a low reading, with the historical average at 38%. Despite this poor reading, the manufacturing industry had the highest level of all industries. Capital expenditure plans in the manufacturing industry were 4 points higher than the reading for all firms. Elevated financing costs and economic uncertainty have dampened owners' enthusiasm for planned investments.



Retail Optimism Index



Index Components (Seasonally Adjusted)	Retail	Change from Last Quarter	All Firms
Plans to Increase Employment (net)	9%	1	13%
Plans to Make Capital Outlays	16%	1	17%
Plans to Increase Inventories (net)	0%	4	-2%
Expect Economy to Improve (net)	4%	-17	4%
Expect Real Higher Sales (net)	9%	-7	3%
Current Inventory - too low (net)	-4%	7	-2%
Current Job Openings	26%	0	34%
Expected Credit Conditions (net)	-5%	-2	-4%
Good Time to Expand	4%	-3	7%
Earnings Trends (net)	-28%	2	-19%
Optimism Index	**94.1**	**-1.1**	**95.9**

Retail Optimism Index (cont.)

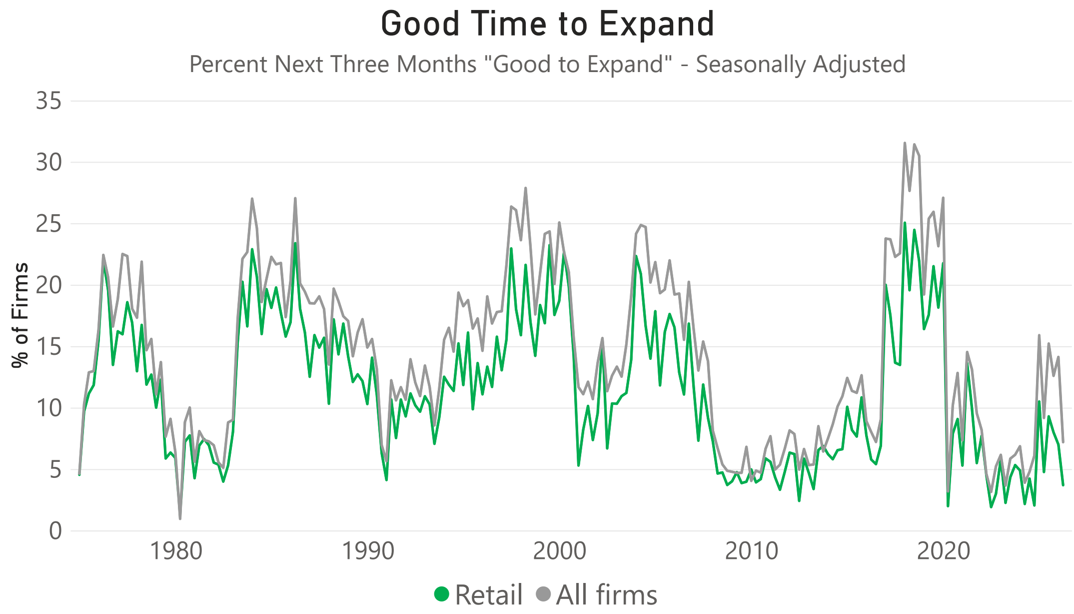
The retail industry's Optimism Index fell 1.1 points from January to 94.1, the lowest among all industries. Retail was the only industry with an Optimism Index below the level for all firms. The quarterly change in the retail industry's Index was the smallest across all industries.

The percent of business owners reporting that it is a good time to expand their business was lowest in the retail industry. A seasonally adjusted 4% of retailers reported that it is a good time to expand their business, down 3 points from January. The retail industry's reading was 3 points below the all-firms reading.

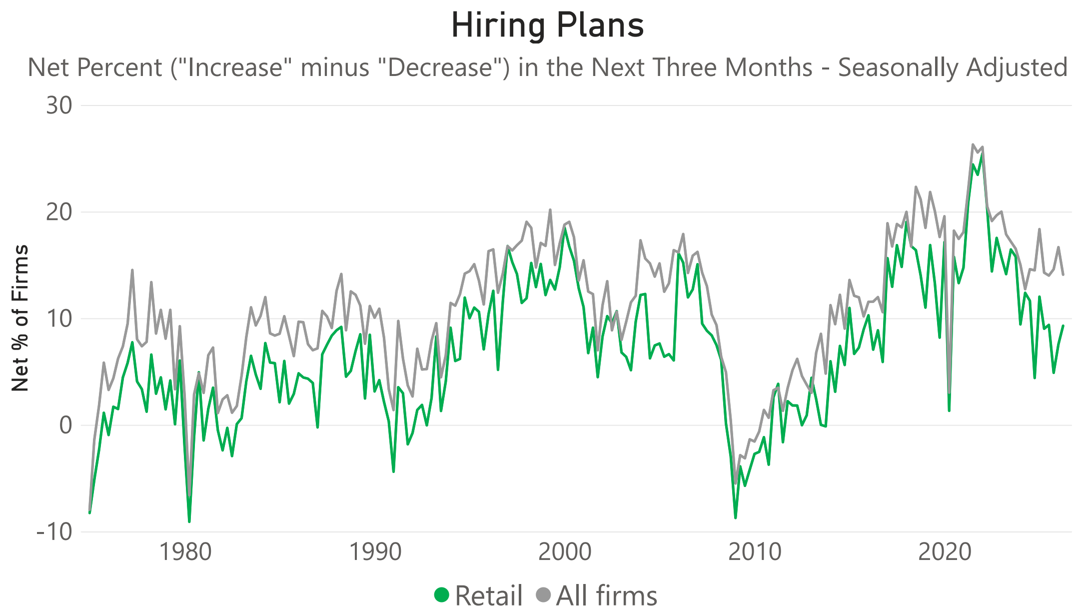
In April, the Optimism Index for retail fell about 1 point from January to

94.1

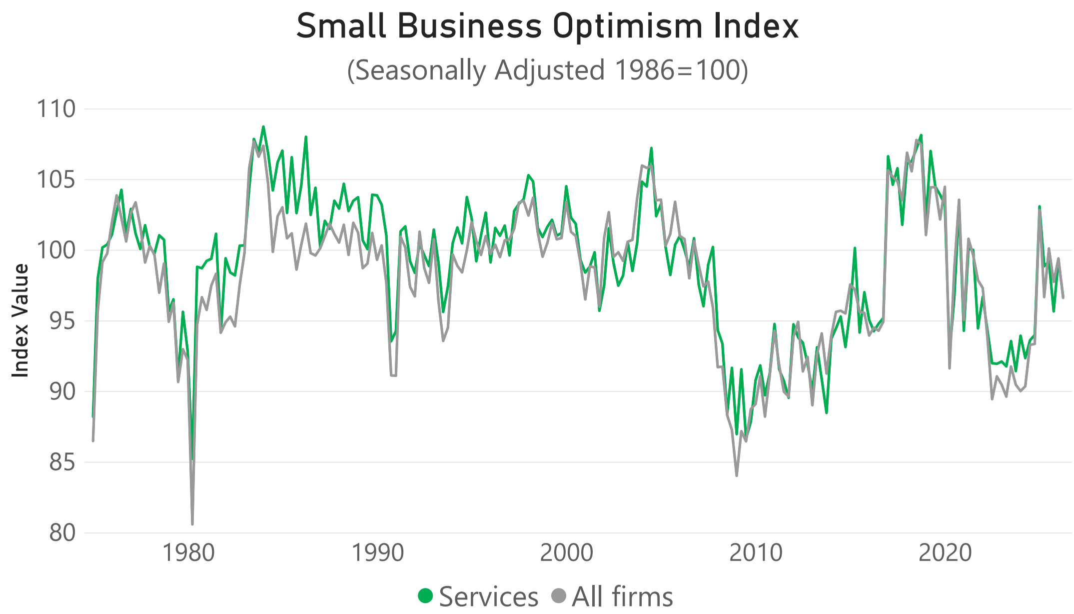
Retail Good Time to Expand & Hiring Plans



A seasonally adjusted net 9% of retailers plan to hire in the next three months, up 1 point from January and close to the historical average of net 7%. Although April's reading was above its average, it was low compared to the other industries. The retail industry had the lowest reading of all industries and was 4 points lower than for all firms.



Services Optimism Index



Index Components (Seasonally Adjusted)	Services	Change from Last Quarter	All Firms
Plans to Increase Employment (net)	18%	2	13%
Plans to Make Capital Outlays	15%	-2	17%
Plans to Increase Inventories (net)	-4%	3	-2%
Expect Economy to Improve (net)	2%	-22	4%
Expect Real Higher Sales (net)	12%	-6	3%
Current Inventory - too low (net)	1%	4	-2%
Current Job Openings	34%	1	34%
Expected Credit Conditions (net)	-5%	-2	-4%
Good Time to Expand	5%	-8	7%
Earnings Trends (net)	-20%	0	-19%
Optimism Index	**96.7**	**-2.6**	**95.9**

Services Optimism Index (cont.)

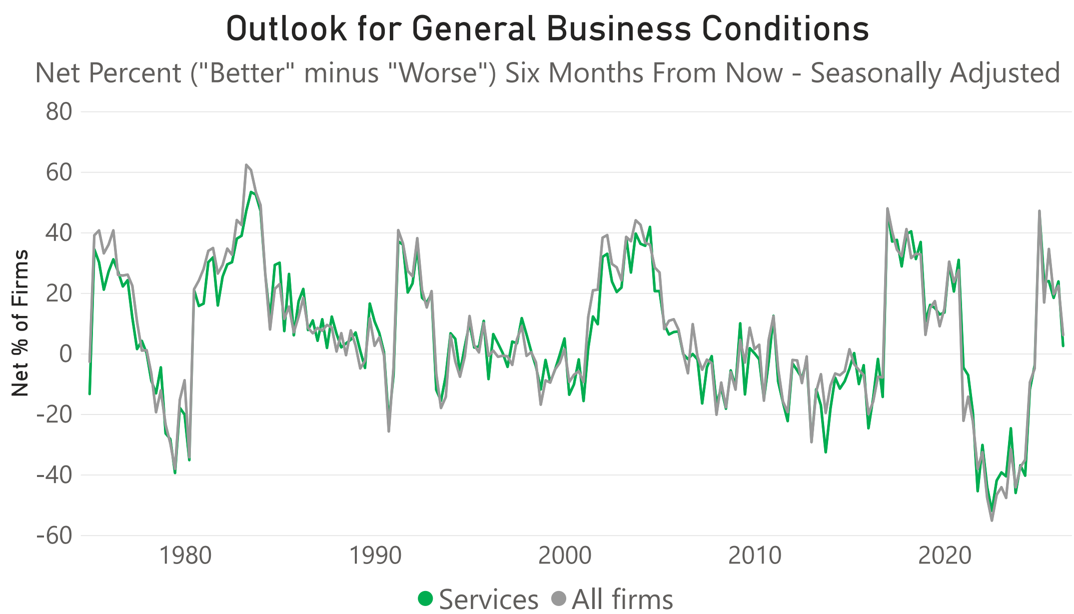
In April, the Optimism Index for the services industry fell 2.6 points from January to 96.7, falling below its historical average of 99.0. The decline in optimism was primarily due to a deterioration in business conditions expectations, reports that it is a good time to expand, and real sales expectations. The Index for the services industry was the closest of all industries to the Index for all firms.

Expectations for better business conditions in the services industry fell 22 points from January to a net 2% (seasonally adjusted), contributing the most to the decline in the Index. This was the largest quarterly decline in expected business conditions across all industries. Compared to other industries, expected business conditions were the lowest in services.

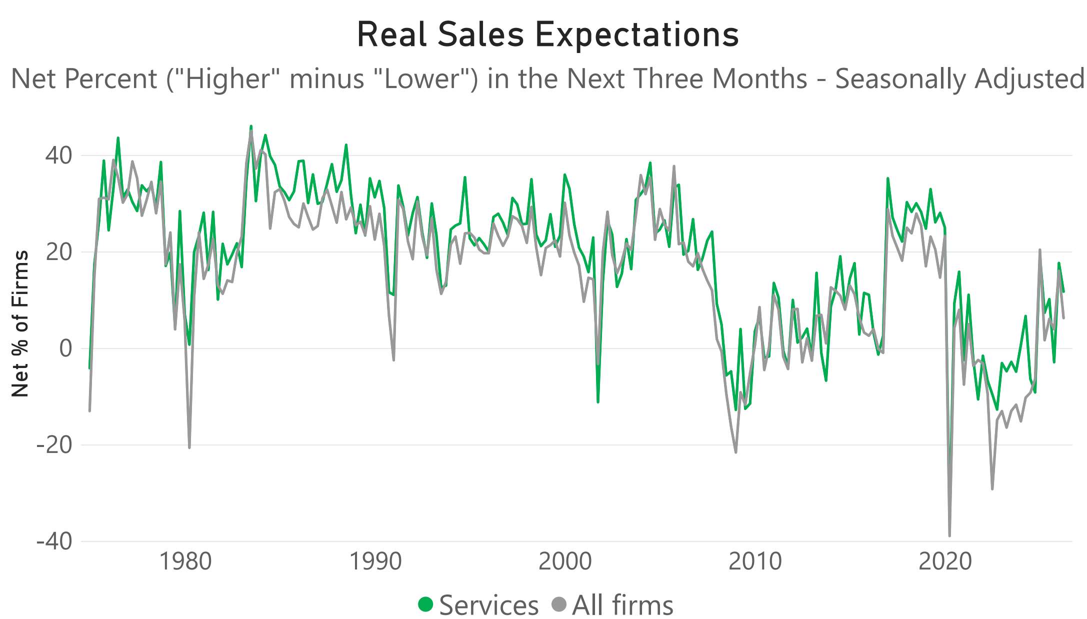
In April, the Optimism Index for services fell about 3 points from January to

96.7

Services Outlook for General Business Conditions & Real Sales Expectations



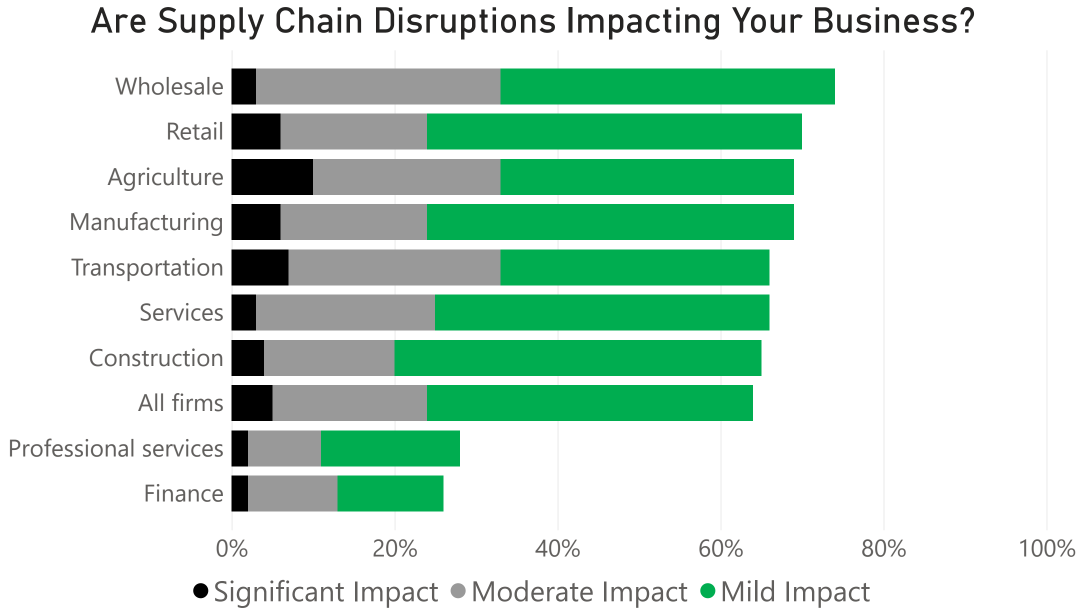
In April, the net percent of small businesses in the services industry expecting real sales to increase fell 6 points from January to a net 12% (seasonally adjusted). Real sales expectations in the services industry were 9 points higher than the level for all firms. The services industry had the highest reading across all industries.



Are Supply Chain Disruptions Impacting Your Business?

In April, 64% of all small business owners reported that supply chain disruptions were impacting their business to some degree (up 2 points from January). Five percent reported a significant impact (up 1 point), 19% a moderate impact (up 2 points), 40% a mild impact (down 1 point), and 35% reported no impact (down 2 points).

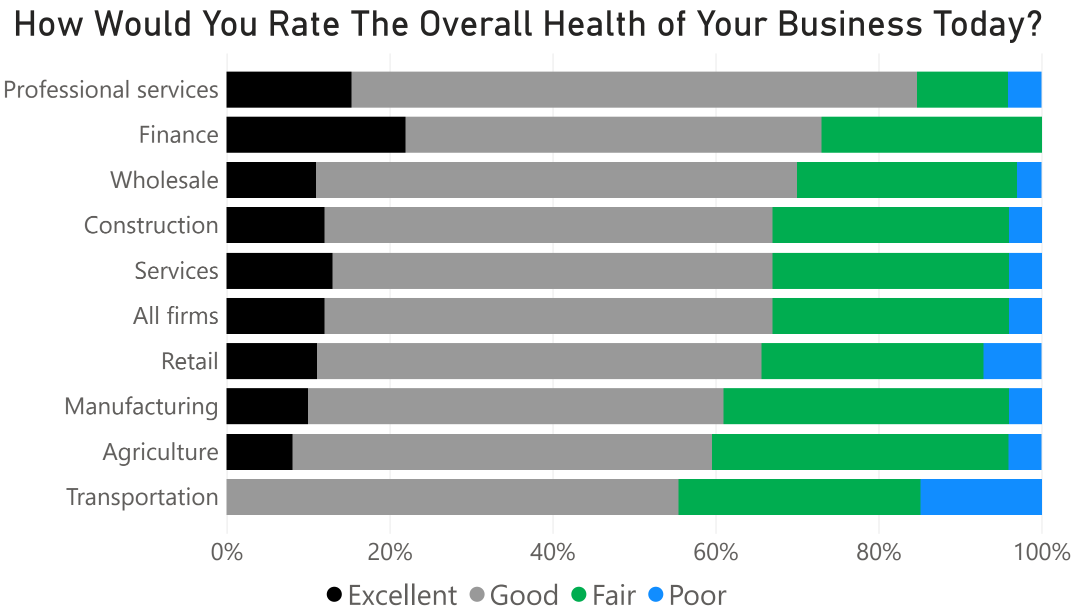
Supply chain disruptions were most prevalent in the wholesale industry, with 74% of small business owners reporting some level of impact. By comparison, firms in the professional services and finance industries were significantly less impacted.

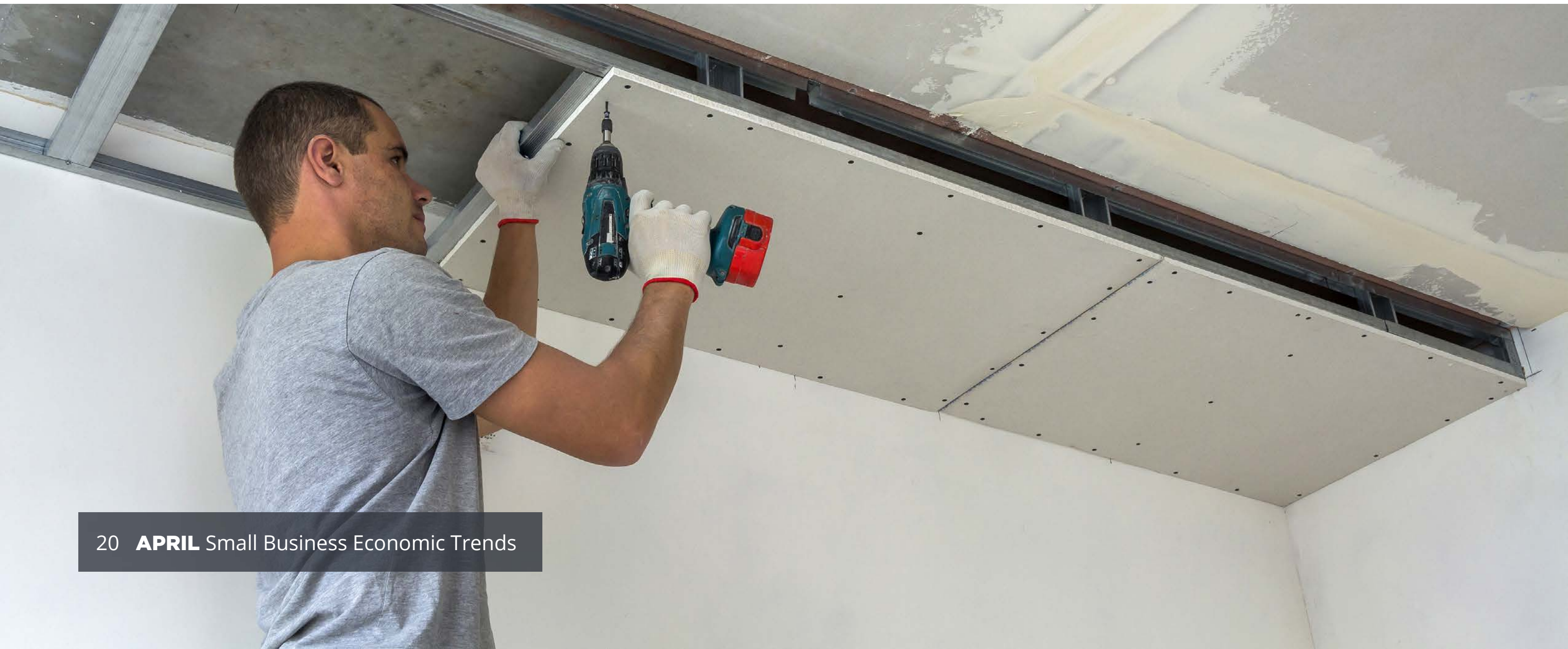


How Would You Rate the Overall Health of Your Business Today?

Overall, 67% of small business owners rated the overall health of their business today as excellent or good (down 1 point from January). Twelve percent rated the overall health of their business as excellent (down 2 points), and 55% rated it good (up 1 point). Twenty-nine percent rated it fair (up 2 points), and 4% rated it poor (unchanged).

All industries had over half of small business owners reporting their overall business health as excellent or good. Eighty-three percent of small business owners in the professional services industry evaluated their business as excellent or good, the highest across all industries. The agriculture (59%) and transportation (56%) industries exhibited the lowest percent of owners reporting excellent or good condition.





NFIB RESEARCH CENTER

NFIB Research Center

Holly Wade
Executive Director
Holly.Wade@NFIB.org

Peter Hansen
Director, Research Policy Analysis
Peter.Hansen@NFIB.org

Madeleine Oldstone
Senior Policy Analyst
Maddi.Oldstone@NFIB.org

William Dunkelberg
Chief Economist

Follow us on X @NFIBResearch