

DECEMBER  
2021

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	28%	3	*
Plans to Make Capital Outlays	29%	2	*
Plans to Increase Inventories	8%	-2	*
Expect Economy to Improve	-35%	3	*
Expect Real Sales Higher	3%	1	*
Current Inventory	9%	-6	*
Current Job Openings	49%	1	*
Expected Credit Conditions	-4%	-1	*
Now a Good Time to Expand	11%	1	*
Earnings Trends	-14%	3	*
Total Change		5	

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 increased slightly in December by 0.5 points to 98.9. Seven of the 10 Index components improved and three declined. Twenty-two percent of owners reported that inflation was their single most important problem encountered in operating their business. Owners expecting better business conditions over the next six months increased 3 points to a net negative 35 percent. Owners remain pessimistic about future economic conditions as this indicator has declined 23 points over the past six months. Forty-nine percent of owners reported job openings that could not be filled, an increase of 1 point from November.

## LABOR MARKETS

Forty-nine percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 1 point from November. The number of unfilled job openings remains far above the 48-year historical average of 23 percent. Thirty-nine percent have openings for skilled workers (down 2 points) and 22 percent have openings for unskilled labor (unchanged). Owners' plans to fill open positions remain at record high levels, with a seasonally adjusted net 28 percent planning to create new jobs in the next three months, up 3 points from November and just 4 points below the highest reading in the 48-year history of the survey set in August. Fifty-seven percent (95 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (up 1 point). Thirty-one percent of owners reported few qualified applicants for their open positions (up 1 point) and 26 percent reported none (unchanged).

## CAPITAL SPENDING

Fifty-seven percent reported capital outlays in the last six months, up 2 points from November. A recovery in investment will be needed to spark an improvement in productivity, but this is unlikely to occur while owners remain pessimistic about future business conditions. Among the very largest firms, spending on equipment has picked up. Of those making expenditures, 41 percent reported spending on new equipment (up 2 points), 25 percent acquired vehicles (up 3 points), and 19 percent improved or expanded facilities (up 5 points). Six percent acquired new buildings or land for expansion (unchanged) and 13 percent spent money for new fixtures and furniture (unchanged). Twenty-nine percent plan capital outlays in the next few months, up 2 points from November. This is 2 points higher than the 48-year average. A more positive view of the future economy and economic policy would help stimulate longer term investment spending.

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This survey was conducted in December 2021. A sample of 5,000 small-business owners/members was drawn. Six hundred thirty-nine (639) usable responses were received — a response rate of 12.8 percent.

## SALES AND INVENTORIES

One percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, up 3 points from November. The net percent of owners expecting higher real sales volumes increased by 1 point to a net 3 percent. The net percent of owners reporting inventory change increased 4 points to a net 7 percent. Thirty-six percent of owners report that supply chain disruptions have had a significant impact on their business (up 1 point). Another 30 percent report a moderate impact and 21 percent report a mild impact. Only 11 percent report no impact from recent supply chain disruptions. A net 9 percent of owners viewed current inventory stocks as “too low” in December, down 6 points from November. A net 8 percent of owners plan inventory investment in the coming months, down 2 points from November.

## COMPENSATION AND EARNINGS

Seasonally adjusted, a net 48 percent reported raising compensation, up 4 points from November and a 48-year record high reading. A net 32 percent plan to raise compensation in the next three months, unchanged from November’s record high reading. Thirteen percent cited labor costs as their top business problem, up 3 points and a 48-year record high reading and 25 percent said that labor quality was their top business problem (down 4 points). The frequency of reports of positive profit trends increased 3 points to a net negative 14 percent. Among owners reporting lower profits, 29 percent blamed the rise in the cost of materials, 22 percent blamed weaker sales, 17 percent cited labor costs, 10 percent cited the usual seasonal change, 8 percent cited lower prices, and 4 percent cited higher taxes or regulatory costs. For owners reporting higher profits, 63 percent credited sales volumes, 11 percent cited usual seasonal change, and 15 percent cited higher prices.

## CREDIT MARKETS

Two percent of owners reported that all their borrowing needs were not satisfied (unchanged). Twenty-six percent reported all credit needs met (up 3 points) and 62 percent said they were not interested in a loan (down 3 points). A net 4 percent reported their last loan was harder to get than in previous attempts (up 3 points). Zero percent reported that financing was their top business problem (unchanged). A net 4 percent of owners reported paying a higher rate on their most recent loan, up 2 points from November. The average rate paid on short maturity loans was 5.3 percent, up 0.2 points from November. Twenty-three percent of all owners reported borrowing on a regular basis (up 2 points).

## INFLATION

The net percent of owners raising average selling prices decreased 2 points to a net 57 percent seasonally adjusted. Unadjusted, 5 percent (up 2 points) reported lower average selling prices and 58 percent (up 1 point) reported higher average prices. Price hikes were most frequent in wholesale (85 percent higher, 0 percent lower), construction (74 percent higher, 5 percent lower), and retail (70 percent higher, 7 percent lower). Seasonally adjusted, a net 49 percent plan price hikes (down 5 points).

# COMMENTARY

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2022 looks like another year to be dominated by the virus. Over 20,000 flight cancellations over the holidays, many left in 2021 expecting to be home in the same year, but for some this was not the case. Supply side problems, mostly staffing issues were the culprit. December job creation disappointed, coming in under 200,000. According to NFIB members, this is due to record levels of few or no qualified applicants for open positions. This squares with the decline in the unemployment rate to 3.9%, the lowest level since February 2020 at 3.5% and that was the lowest in 50 years. It was not hard to get a job if you wanted one just prior to the pandemic, but also now. However, the recent surge in Covid infections will certainly discourage some from joining the labor force which would ease some of the current small business staffing shortage challenges.

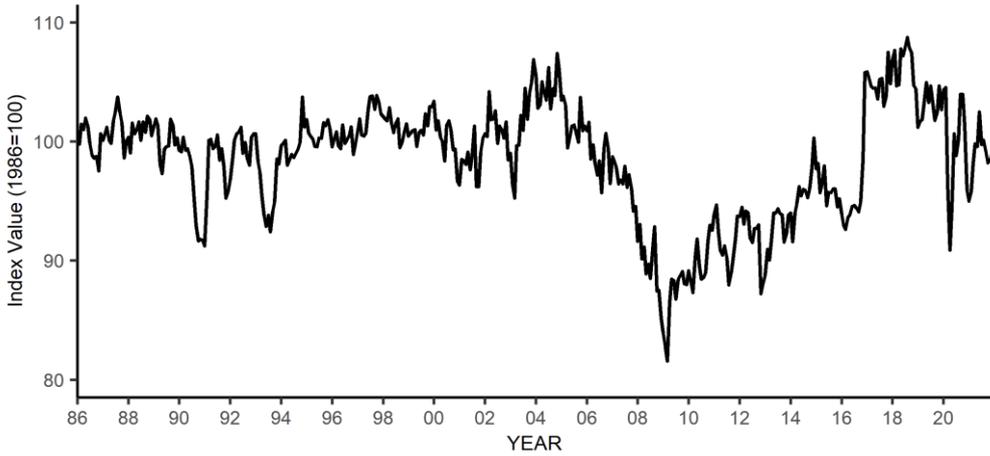
The outlook for the economy near-term must be pretty good as the demand for labor and for inventories is at historic high levels, obviously needed to take advantage of current sales opportunities. But the outlook for the economy in the first half of 2022 is quite negative, in part due to the policy confusion in Washington and in 50 states over Covid and potential tax increases.

The Federal Reserve has also added a lot of uncertainty to the outlook, indicating that it will abandon its bond buying program and start raising interest rates. Recall that the prime rate of interest hit 20% in the early 1980s in that fight against inflation. Today it is at 3.5% and small businesses have been paying historically low interest rates on loans for years. That is about to change, albeit to a lesser degree than 60 years ago, but financial markets will still have a fit, because record high asset prices (the Dow hit new highs recently) depend on record low interest rates (a 10-year Treasury bond yielding about 1% to savers). This reconfiguration could make for another turbulent year.

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

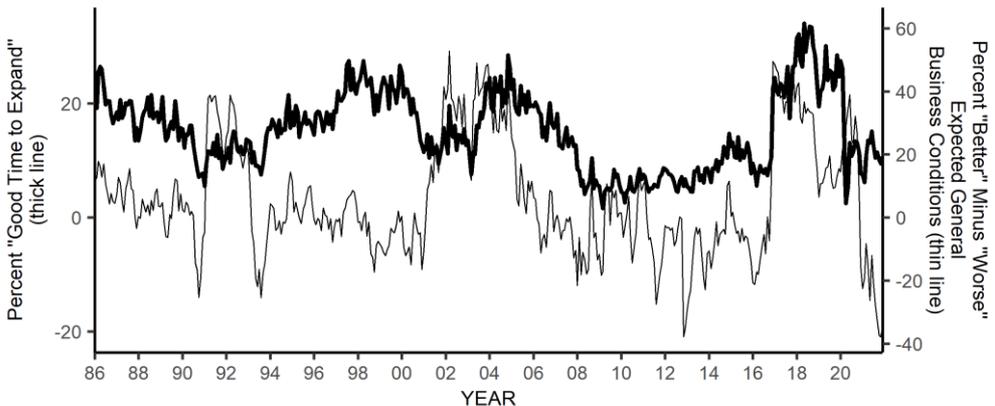
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	93.9	92.9	92.6	93.6	93.8	94.5	94.6	94.4	94.1	94.9	98.4	105.8
<b>2017</b>	105.9	105.3	104.7	104.5	104.5	103.6	105.2	105.3	103.0	103.8	107.5	104.9
<b>2018</b>	106.9	107.6	104.7	104.8	107.8	107.2	107.9	108.8	107.9	107.4	104.8	104.4
<b>2019</b>	101.2	101.7	101.8	103.5	105.0	103.3	104.7	103.1	101.8	102.4	104.7	102.7
<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

## SMALL BUSINESS OUTLOOK

### OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to December 2021  
(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>2016</b>	10	8	6	8	9	8	8	9	7	9	11	23
<b>2017</b>	25	22	22	24	23	21	23	27	17	23	27	27
<b>2018</b>	32	32	28	27	34	29	32	34	33	30	29	24
<b>2019</b>	20	22	23	25	30	24	26	26	22	23	29	25
<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

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
December 2021

Reason	Good Time	Not Good Time	Uncertain
<b>Economic Conditions</b>	3	30	18
<b>Sales Prospects</b>	3	1	1
<b>Fin. &amp; Interest Rates</b>	2	0	0
<b>Cost of Expansion</b>	0	4	3
<b>Political Climate</b>	0	14	12
<b>Other / Not Available</b>	0	3	1

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

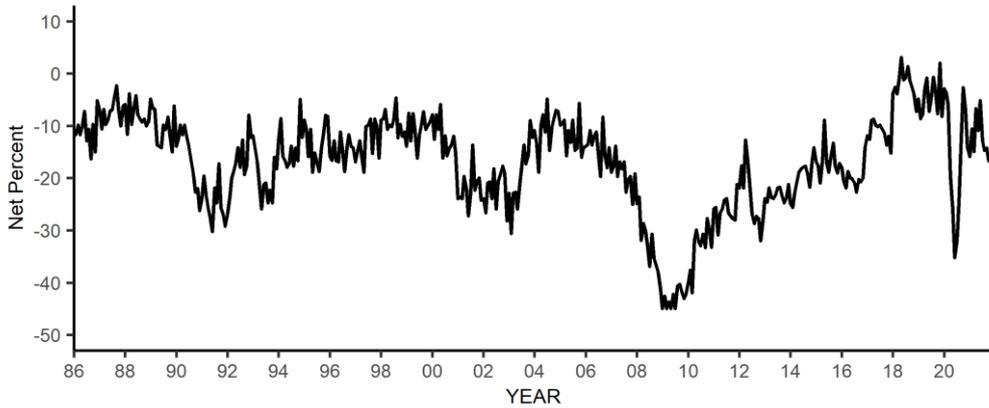
Net Percent ("Better" Minus "Worse") Six Months From Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-21	-21	-17	-18	-13	-9	-5	-12	0	-7	12	50
<b>2017</b>	48	47	46	38	39	33	37	37	31	32	48	37
<b>2018</b>	41	43	32	30	37	33	35	34	33	33	22	16
<b>2019</b>	6	11	11	13	16	16	20	12	9	10	13	16
<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

# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to December 2021  
(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>2016</b>	-18	-21	-22	-19	-20	-20	-21	-23	-20	-21	-20	-14
<b>2017</b>	-12	-13	-9	-9	-10	-10	-10	-11	-11	-14	-12	-15
<b>2018</b>	-4	-3	-4	-1	3	-1	-1	1	-1	-3	-4	-7
<b>2019</b>	-5	-9	-8	-3	-1	-7	-5	-1	-3	-8	2	-8
<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

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
December 2021

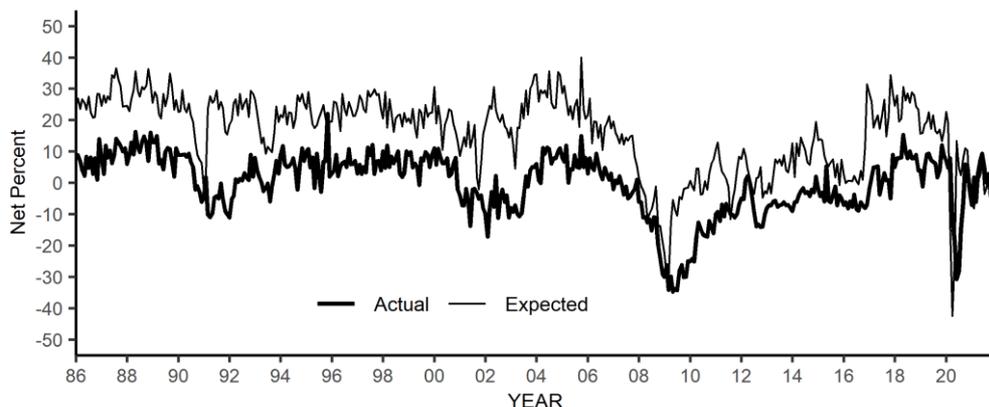
Reason	Current Month	One Year Ago	Two Years Ago
<b>Sales Volume</b>	7	23	7
<b>Increased Costs*</b>	15	4	7
<b>Cut Selling Prices</b>	3	3	2
<b>Usual Seasonal Change</b>	3	2	3
<b>Other</b>	1	6	2

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

# SMALL BUSINESS SALES

## SALES

Actual (Prior Three Months) and Expected (Next Three Months)  
January 1986 to December 2021  
(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>2016</b>	-7	-6	-8	-6	-8	-4	-8	-9	-6	-7	-8	-7
<b>2017</b>	-2	2	5	5	5	-4	0	3	1	1	-5	9
<b>2018</b>	5	8	8	8	15	10	8	10	8	8	9	4
<b>2019</b>	4	-1	5	9	9	7	7	6	2	4	12	9
<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

## SALES EXPECTATIONS

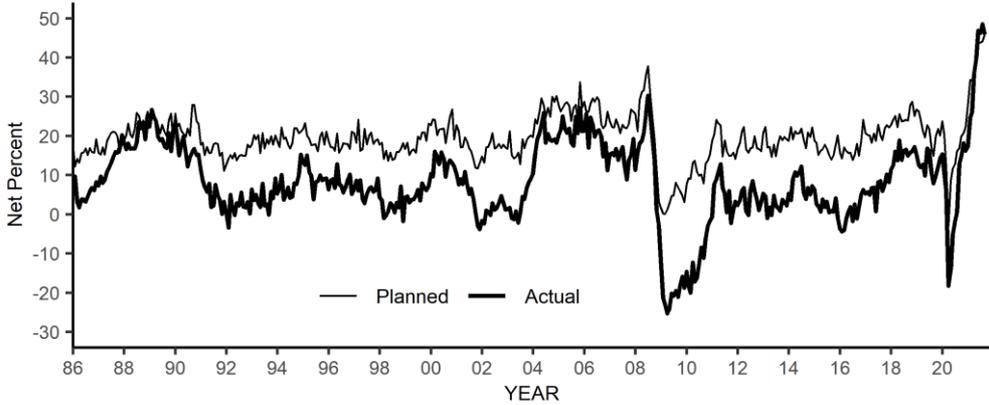
Net Percent ("Higher" Minus "Lower") During Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	3	0	1	1	1	2	1	-1	4	1	11	31
<b>2017</b>	29	26	18	20	22	17	22	27	15	21	34	28
<b>2018</b>	25	28	20	21	31	26	29	26	29	28	24	23
<b>2019</b>	16	16	19	20	23	17	22	17	16	17	13	16
<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

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
*January 1986 to December 2021*  
*(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>2016</b>	-4	-4	-4	-1	1	2	-2	3	-1	2	5	6
<b>2017</b>	5	6	5	7	7	1	8	9	6	8	10	8
<b>2018</b>	11	13	16	14	19	14	16	17	15	16	16	17
<b>2019</b>	15	13	12	13	10	17	16	11	8	10	12	14
<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

## 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>2016</b>	16	14	17	16	16	16	14	15	18	15	19	24
<b>2017</b>	21	20	20	18	21	19	23	20	19	22	23	22
<b>2018</b>	23	24	25	22	26	24	24	24	24	28	29	25
<b>2019</b>	27	26	24	21	20	23	22	17	15	20	22	20
<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

# 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
2016	1	-3	0	-1	-1	-2	-2	-3	3	0	-2	4
2017	3	4	2	4	5	-1	2	2	-1	3	2	3
2018	4	4	4	7	7	3	6	5	1	5	5	5
2019	7	9	12	7	9	5	3	5	4	4	10	6
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

## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	45	42	41	46	48	48	46	48	48	48	52	44
2017	47	44	45	48	51	46	52	52	49	52	44	54
2018	49	47	47	50	48	55	52	55	53	53	53	54
2019	49	49	54	49	54	50	56	57	50	53	53	50
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

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to December 2021  
(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
<b>2016</b>	29	28	25	29	27	29	26	30	24	28	31	29
<b>2017</b>	31	32	30	33	34	30	35	31	30	35	30	31
<b>2018</b>	34	34	35	35	33	36	37	38	38	38	34	39
<b>2019</b>	35	37	39	38	38	36	39	35	35	34	38	33
<b>2020</b>	37	38	35	24	23	32	30	33	36	33	34	32
<b>2021</b>	33	40	42	44	48	46	49	50	51	49	48	49

### HIRING PLANS

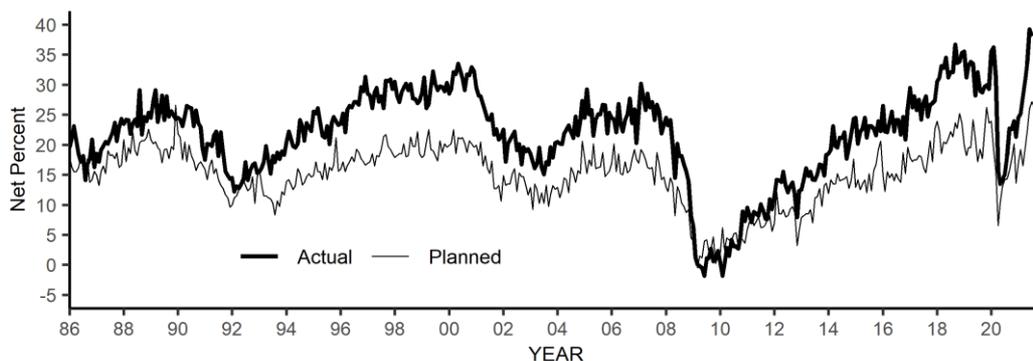
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	11	10	9	11	12	11	12	9	10	10	15	16
<b>2017</b>	18	15	16	16	18	15	19	18	19	18	24	20
<b>2018</b>	20	18	20	16	18	20	23	26	23	22	22	23
<b>2019</b>	18	16	18	20	21	19	21	20	17	18	21	19
<b>2020</b>	19	21	9	1	8	16	18	21	23	18	21	17
<b>2021</b>	17	18	22	21	27	28	27	32	26	26	25	28

## SMALL BUSINESS COMPENSATION

### COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to December 2021  
(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>2016</b>	27	22	22	24	26	22	24	24	22	25	21	26
<b>2017</b>	30	26	28	26	28	24	27	28	25	27	27	27
<b>2018</b>	31	31	33	33	35	31	32	32	37	34	34	35
<b>2019</b>	36	31	33	34	34	28	32	29	29	30	30	29
<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

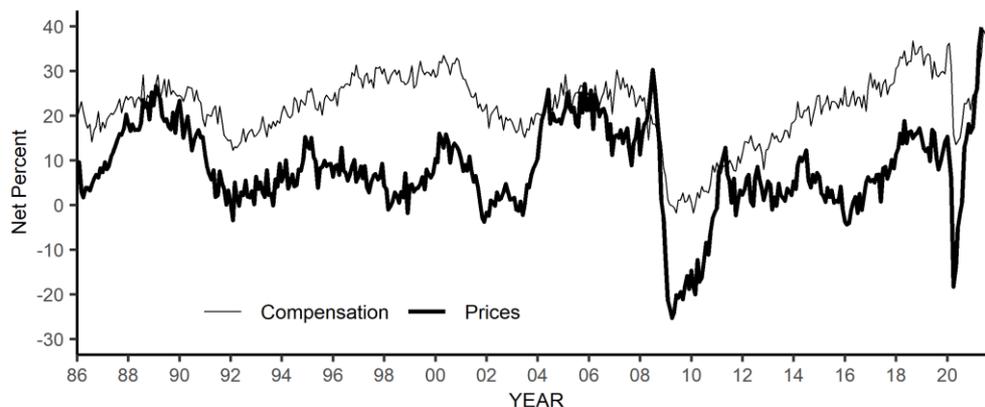
### COMPENSATION PLANS

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>2016</b>	15	12	16	15	15	14	15	14	14	19	15	20
<b>2017</b>	18	17	18	18	18	18	16	15	18	21	17	23
<b>2018</b>	24	22	19	21	20	21	22	21	24	23	25	24
<b>2019</b>	20	18	20	20	24	21	17	19	18	22	26	24
<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

### PRICES AND LABOR COMPENSATION

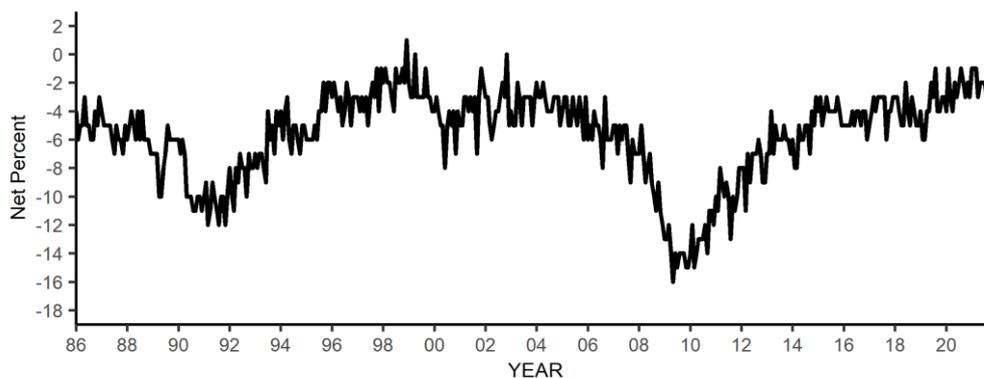
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to December 2021



\* 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
<b>2016</b>	33	31	32	29	29	29	28	29	32	28	31	30
<b>2017</b>	30	31	30	31	28	27	30	31	29	30	30	34
<b>2018</b>	31	31	32	31	34	28	32	32	29	32	32	35
<b>2019</b>	33	33	34	31	31	28	28	33	30	29	28	29
<b>2020</b>	31	28	26	29	26	27	26	24	26	25	22	26
<b>2021</b>	23	26	23	24	23	21	21	20	20	23	21	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
<b>2016</b>	-5	-5	-5	-5	-4	-5	-4	-4	-5	-4	-4	-6
<b>2017</b>	-5	-4	-3	-4	-3	-3	-3	-3	-6	-4	-4	-3
<b>2018</b>	-3	-3	-4	-5	-5	-2	-4	-5	-3	-4	-5	-5
<b>2019</b>	-4	-6	-6	-4	-4	-2	-3	-1	-4	-4	-3	-3
<b>2020</b>	-4	-1	-3	-4	-2	-3	-2	-1	-2	-3	-2	-3
<b>2021</b>	-1	-1	-1	-3	-2	-2	-2	-3	-4	-2	-1	-4

# SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

## BORROWING NEEDS SATISFIED

Percent of All Businesses Last Three Months Satisfied/  
Percent of All Businesses Last Three Months Not Satisfied  
(All Borrowers)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	35/3	31/4	31/5	31/4	31/4	32/5	30/3	29/4	32/6	29/4	30/4	29/4
<b>2017</b>	31/4	30/3	32/4	32/3	31/3	27/4	31/3	34/3	33/2	29/4	32/4	32/3
<b>2018</b>	31/3	32/2	31/4	32/4	37/4	30/3	32/3	33/3	27/3	30/3	32/3	32/4
<b>2019</b>	33/3	34/3	33/3	32/4	34/3	29/3	28/3	31/4	30/2	29/3	28/3	29/3
<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

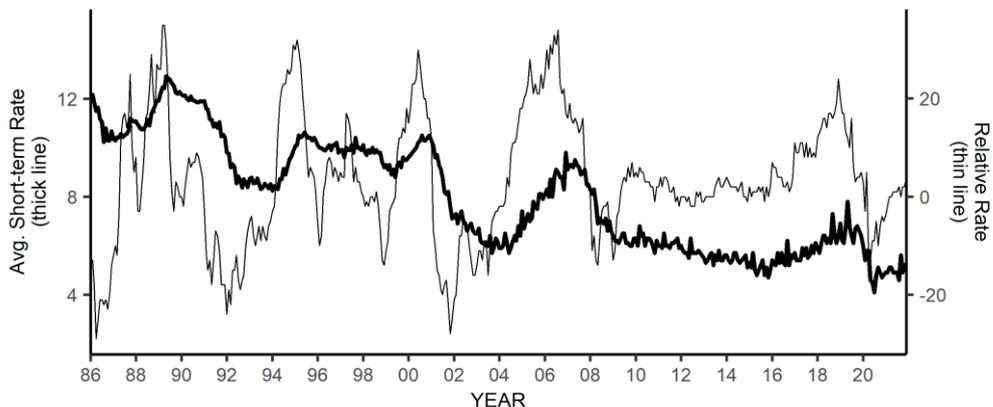
## EXPECTED CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	-7	-7	-6	-6	-6	-6	-5	-5	-7	-6	-5	-6
<b>2017</b>	-3	-3	-3	-4	-4	-3	-4	-3	-4	-5	-4	-4
<b>2018</b>	-4	-3	-6	-6	-5	-4	-4	-6	-5	-5	-5	-6
<b>2019</b>	-5	-5	-7	-4	-5	-3	-4	-2	-4	-3	-3	-3
<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

## INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
January 1986 to December 2021



## 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>2016</b>	7	6	6	4	4	4	2	2	3	1	2	4
<b>2017</b>	11	9	9	11	11	8	11	8	10	8	9	8
<b>2018</b>	12	13	14	16	16	14	17	17	16	17	19	24
<b>2019</b>	20	17	17	13	12	10	16	6	3	4	4	5
<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

*Borrowing at Least Once Every Three Months.*

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

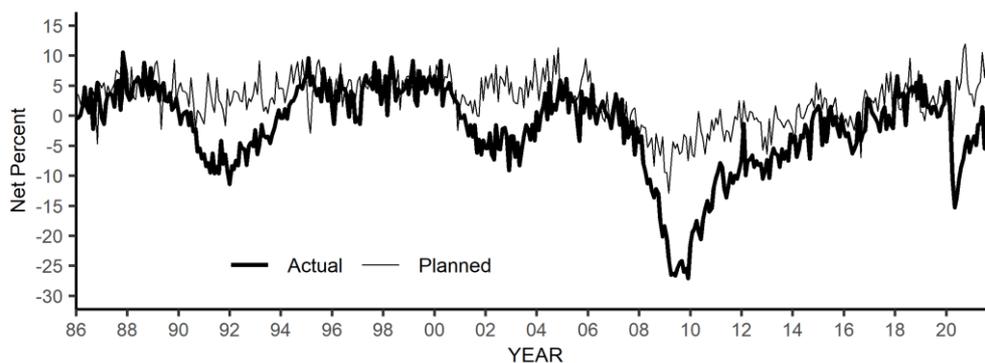
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	5.4	5.3	5.2	5.7	5.3	5.7	5.3	5.2	6.2	5.2	5.6	5.5
<b>2017</b>	5.7	5.4	5.4	5.4	5.9	5.6	5.9	5.5	5.6	6.0	5.7	6.1
<b>2018</b>	5.9	5.7	6.1	6.4	6.4	6.1	6.3	6.1	7.3	6.4	6.1	6.4
<b>2019</b>	6.9	6.2	6.1	6.7	7.8	6.8	6.4	6.1	6.7	6.8	6.6	6.4
<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

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to December 2021  
(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
2016	-2	-3	-3	-5	-6	-6	-5	0	-4	-3	-3	3
2017	3	1	0	-1	-1	-3	1	1	-2	0	-2	-2
2018	4	7	3	4	4	-2	4	4	5	4	6	3
2019	7	2	5	2	2	0	2	1	0	0	2	2
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

### INVENTORY SATISFACTION

Net Percent ("Too Low" Minus "Too Large") at Present Time  
(Seasonally Adjusted)

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

### INVENTORY PLANS

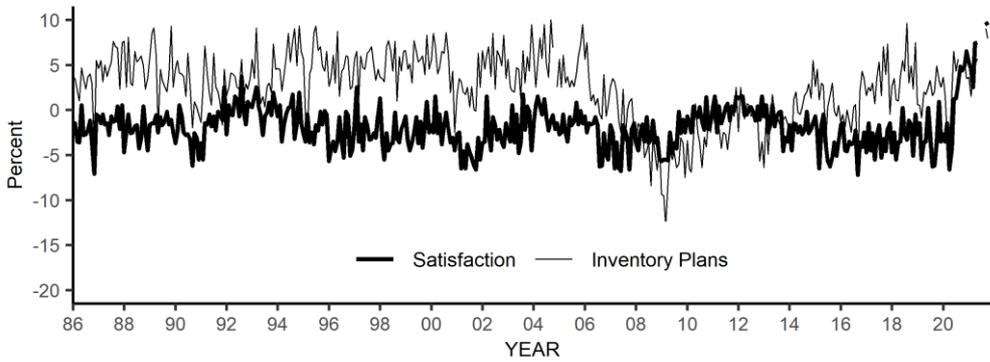
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

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

# SMALL BUSINESS CAPITAL OUTLAYS

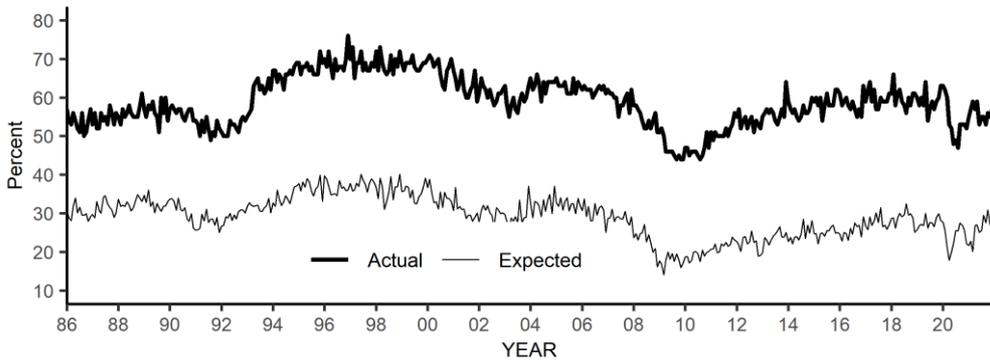
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 December 2021  
*(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>2016</b>	61	58	59	60	58	57	59	57	55	57	55	63
<b>2017</b>	59	62	64	59	62	57	57	60	59	59	59	61
<b>2018</b>	61	66	58	61	62	59	58	56	60	58	61	61
<b>2019</b>	60	58	60	58	64	54	57	59	57	59	60	63
<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

## 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	25	21	24
Equipment	41	34	42
Furniture or Fixtures	13	9	15
Add. Bldgs. or Land	6	6	4
Improved Bldgs. or Land	19	12	18

### 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	3
\$1,000 to \$4,999	5	5	8
\$5,000 to \$9,999	4	5	7
\$10,000 to \$49,999	15	16	18
\$50,000 to \$99,999	13	7	10
\$100,000 +	16	10	13
No Answer	2	2	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
2016	25	23	25	25	23	26	25	28	27	27	24	29
2017	27	26	29	27	28	30	28	32	27	27	26	27
2018	29	29	26	29	30	29	30	33	30	30	29	25
2019	26	27	27	27	30	26	28	28	27	29	30	28
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

# SINGLE MOST IMPORTANT PROBLEM

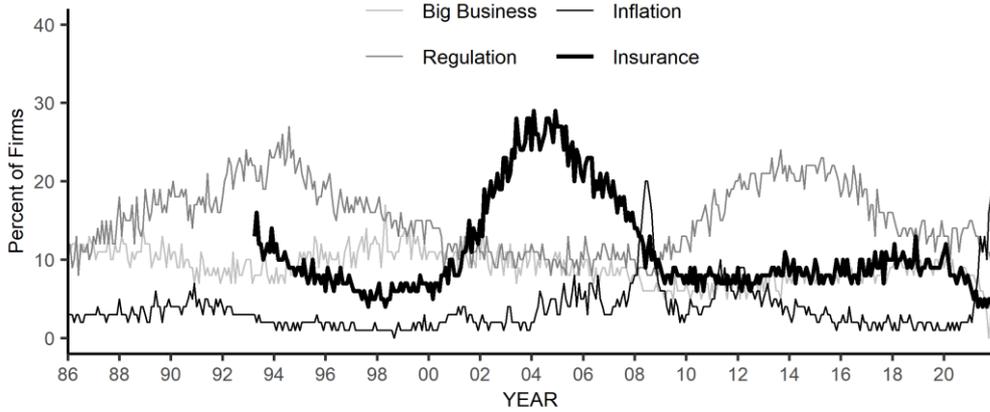
## SINGLE MOST IMPORTANT PROBLEM

December 2021

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	14	17	32	8
Inflation	22	1	41	0
Poor Sales	5	15	34	2
Fin. & Interest Rates	0	2	37	0
Cost of Labor	13	8	13	2
Government Regulation	10	11	27	4
Comp. from Large Bus.	0	9	14	0
Quality of Labor	25	21	28	3
Cost/Avail. of Insurance	3	9	29	4
Other	8	7	31	1

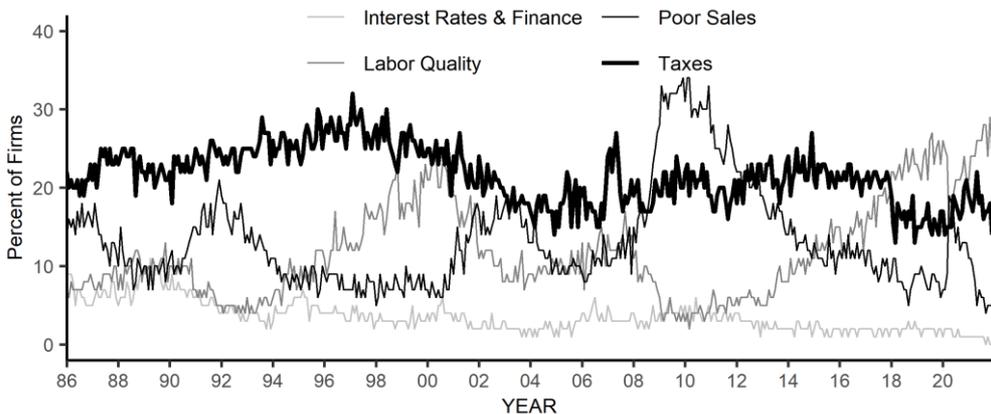
## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation  
January 1986 to December 2021



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality  
January 1986 to December 2021



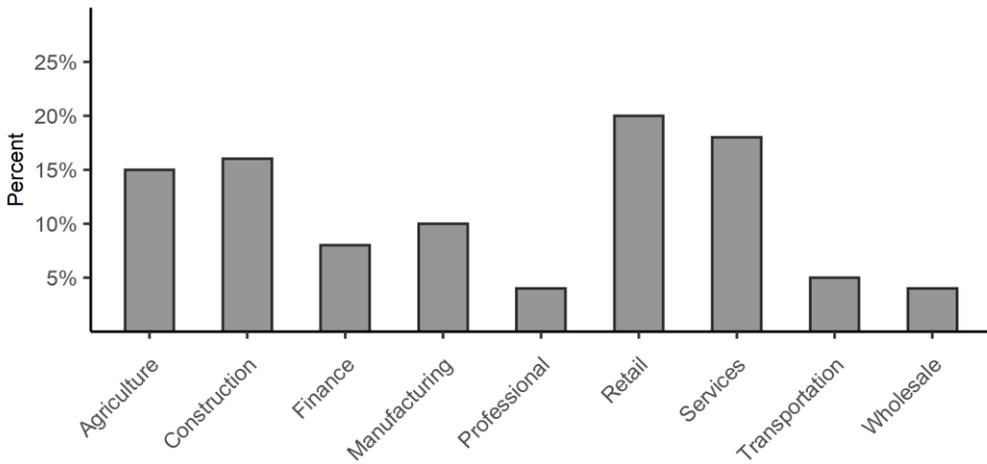
## SURVEY PROFILE

### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

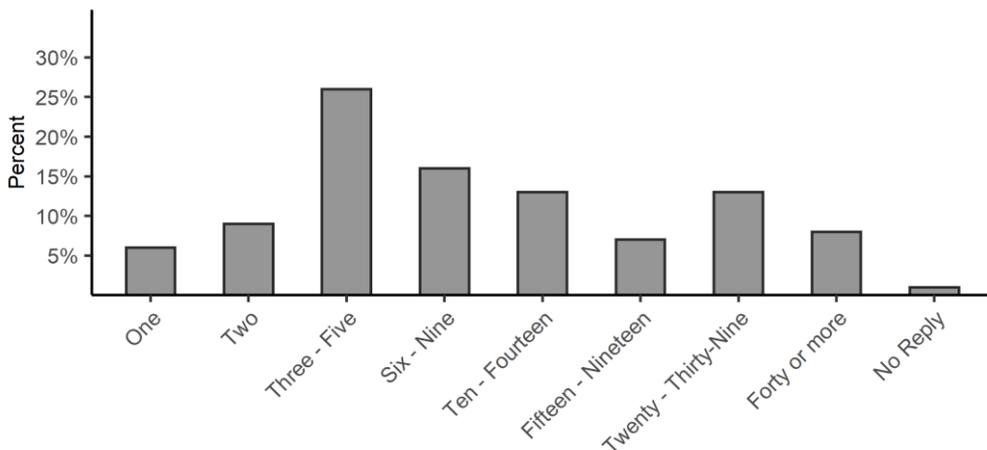
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	1438	756	727	1644	700	735	1703	730	723	1702	724	619
<b>2017</b>	1873	764	704	1618	699	624	1533	713	629	1513	544	495
<b>2018</b>	1658	642	570	1554	562	665	1718	680	642	1743	700	621
<b>2019</b>	1740	526	643	1735	650	606	1502	680	603	1618	500	488
<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

### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY



### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

Number of Full and Part-Time Employees



# NFIB RESEARCH CENTER SMALL BUSINESS ECONOMIC SURVEY

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SMALL BUSINESS SURVEY QUESTIONS	PAGE IN REPORT
Do you think the next three months will be a good time for small business to expand substantially? Why? .....	4
About the economy in general, do you think that six months from now general business conditions will be better than they are now, about the same, or worse? .....	5
Were your net earnings or "income" (after taxes) from your business during the last calendar quarter higher, lower, or about the same as they were for the quarter before? .....	6
If higher or lower, what is the most important reason? .....	6
During the last calendar quarter, was your dollar sales volume higher, lower, or about the same as it was for the quarter before? .....	7
Overall, what do you expect to happen to real volume (number of units) of goods and/or services that you will sell during the next three months? .....	7
How are your average selling prices compared to three months ago? .....	8
In the next three months, do you plan to change the average selling prices of your goods and/or services? .....	8
During the last three months, did the total number of employees in your firm increase, decrease, or stay about the same? .....	9
If you have filled or attempted to fill any job openings in the past three months, how many qualified applicants were there for the position(s)? .....	9
Do you have any job openings that you are not able to fill right now? .....	10
In the next three months, do you expect to increase or decrease the total number of people working for you? .....	10
Over the past three months, did you change the average employee compensation? .....	11
Do you plan to change average employee compensation during the next three months? .....	11

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SMALL BUSINESS SURVEY QUESTIONS	PAGE IN REPORT
Are...loans easier or harder to get than they were three months ago? .....	12
During the last three months, was your firm able to satisfy its borrowing needs? .....	13
Do you expect to find it easier or harder to obtain your required financing during the next three months? .....	13
If you borrow money regularly (at least once every three months) as part of your business activity, how does the rate of interest payable on your most recent loan compare with that paid three months ago? .....	14
If you borrowed within the last three months for business purposes, and the loan maturity (pay back period) was 1 year or less, what interest rate did you pay? .....	14
During the last three months, did you increase or decrease your inventories? .....	15
At the present time, do you feel your inventories are too large, about right, or inadequate? .....	15
Looking ahead to the next three months to six months, do you expect, on balance, to add to your inventories, keep them about the same, or decrease them? .....	15
During the last six months, has your firm made any capital expenditures to improve or purchase equipment, buildings, or land? .....	16
If [your firm made any capital expenditures], what was the total cost of all these projects? .....	17
Looking ahead to the next three to six months, do you expect to make any capital expenditures for plant and/or physical equipment? .....	17
What is the single most important problem facing your business today? .....	18
Please classify your major business activity, using one of the categories of example below .....	19
How many employees do you have full and part-time, including yourself? .....	19