



NFIB SMALL BUSINESS ECONOMIC TRENDS

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February 2021

SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	18%	1	11%
Plans to Make Capital Outlays	23%	1	11%
Plans to Increase Inventories	2%	-2	-22%
Expect Economy to Improve	-19%	4	44%
Expect Real Sales Higher	-8%	-2	-22%
Current Inventory	5%	0	0%
Current Job Openings	40%	7	78%
Expected Credit Conditions	-6%	-3	-33%
Now a Good Time to Expand	6%	-2	-22%
Earnings Trends	-11%	5	56%
Total Change		+9	100%

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 Director of Research and Policy Analysis Holly Wade are responsible for the report.

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SUMMARY

OPTIMISM INDEX

The Optimism Index rose to 95.8 in February, up 0.8 points from January but below the average reading of 98. February was a tough weather month that undoubtedly held back economic activity. Five of the 10 Index components improved, four declined, and one was unchanged. The NFIB Uncertainty Index decreased 5 points to 75. Owners are more certain about their positive or negative views. Forty percent of owners reported job openings that could not be filled, an increase of 7 points. Owners expecting better business conditions over the next six months increased four points to a net negative 19 percent, still a poor reading. Earnings trends over the past three months improved 5 points to a net negative 11 percent reporting higher earnings compared to the prior period.

LABOR MARKETS

Job growth continued in February. Firms increased employment by 0.34 workers per firm on average over the past few months, following equally good readings in December and January. Forty percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 7 points from January. Thirty-three percent have openings for skilled workers (up 5 points) and 16 percent have openings for unskilled labor (up 4 points). Owners are clearly looking ahead to an improved economy. Current and promised stimulus money will add a lot of juice to consumer spending, so firms need to “hire up” and “stock up.” Fifty-one percent of the job openings in construction are for skilled workers, up 7 points. Overall, 56 percent reported hiring or trying to hire in February, up 5 points from January. Owners have plans to fill open positions, with a seasonally adjusted net 18 percent planning to create new jobs in the next three months, up 1 point from January. The Covid-19 pandemic continues to disrupt the labor market with significant populations of otherwise working adults having to stay home to care for family members, protect themselves from contracting the virus, or not able to transition previous work experience quickly to available jobs. Finding qualified employees remains a problem. Fifty-one percent (91 percent of those hiring or trying to hire) of owners reported few or no “qualified” applicants for the positions they were trying to fill in February, up 5 points. Where there are open positions, labor quality remains a problem. Twenty-six percent of owners reported few qualified applicants for their open positions (unchanged) and 25 percent reported none (up 5 points).

CAPITAL SPENDING

Fifty-seven percent reported capital outlays in the last six months, up 2 points from January. Of those making expenditures, 40 percent reported spending on new equipment (down 1 point), 28 percent acquired vehicles (up 1 point), and 12 percent improved or expanded facilities (down 3 points). Four percent acquired new buildings or land for expansion (down 1 point), and 10 percent spent money for new fixtures and furniture (down 2 points). Twenty-three percent plan capital outlays in the next few months, up 1 point from January.

This survey was conducted in February 2021. A sample of 5,000 small-business owners/members was drawn. Six hundred seventy-eight (678) usable responses were received — a response rate of 13.6 percent.

SALES AND INVENTORIES

A net 2 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, up 9 points from January. The net percent of owners expecting higher real sales volumes decreased 2 points to a net negative 8 percent. The net percent of owners reporting inventory increases rose 1 point to a net negative 3 percent. More owners are reporting inventory declines than gains because sales have been so strong that their supply chains can't keep them stocked as desired. Because of the strong sales gains, a net five percent of owners view current inventory stocks as "too low" in February, unchanged from January and at record high levels. A surprisingly low net 2 percent of owners plan inventory investment in the coming months, down 2 points from January.

COMPENSATION AND EARNINGS

Seasonally adjusted, a net 25 percent reported raising compensation (unchanged) and a net 19 percent plan to do so in the coming months, up 2 points. There will be continued pressure on worker compensation as the economy opens up. Nine percent cited labor costs as their top business problem (up 2 points) and 24 percent said that labor quality was their top business problem, up 3 points from January and the top overall concern, leaving taxes and regulatory costs in second and third positions. The frequency of reports of positive profit trends improved 5 points to a net negative 11 percent reporting quarter on quarter profit improvement. Among owners reporting lower profits, 46 percent blamed weaker sales, 21 percent cited the usual seasonal change, 8 percent cited labor costs, 5 percent cited a higher cost of materials, and 2 percent cited lower prices. For owners reporting higher profits, 65 percent credited sales volumes, 17 percent cited usual seasonal change, and 7 percent cited higher prices.

CREDIT MARKETS

Two percent of owners reported that all their borrowing needs were not satisfied (unchanged). Twenty-eight percent reported all credit needs met (up 4 points) and 58 percent said they were not interested in a loan (down 3 points). A net 1 percent reported their last loan was harder to get than in previous attempts (unchanged). One percent reported that financing was their top business problem (unchanged). The net percent of owners reporting paying a higher rate on their most recent loan was negative 2 percent, up 2 points from January and the 13th consecutive month with more owners reporting lower rates than higher rates on their last loan. The average rate paid on short maturity loans was 4.9 percent, unchanged from January. Twenty-six percent of all owners reported borrowing on a regular basis (up 3 points).

INFLATION

The net percent of owners raising average selling prices increased 8 points to a net 25 percent, seasonally adjusted. Unadjusted, 10 percent (down 1 point) reported lower average selling prices and 35 percent (up 8 points) reported higher average prices. Price hikes were most frequent in retail (39 percent higher, 11 percent lower) and wholesale (31 percent higher, 4 percent lower). Seasonally adjusted, a net 34 percent plan price hikes (up 6 points), an increase of 12 points over the past two months. Low inventories and solid sales are expected to present more opportunities to raise prices.

COMMENTARY

2021 got off to a good start. Thanks to government stimulus, disposable income rose over 11%. Over 90% of the gain is due to stimulus checks mailed in January, and to improved unemployment benefits. Consumer spending rose a solid 2.5%, and the savings rate rose to over 20% in January, the second highest rate in history. Consumers paid off debt and fattened their bank accounts. The consumer experience is not uniform, however, with employment in the top third of the income distribution passing its pre-Covid level, but lagging badly in the lower third - service sector workers are a big part of this. The Main Street economy is bifurcated; construction, manufacturing, transportation, and professional services are doing well. Other services, restaurants, retail (non-internet) doing poorly. Employment is still 8-10 million below levels reached in January-February of 2020, just before the Covid-19 pandemic was more broadly recognized.

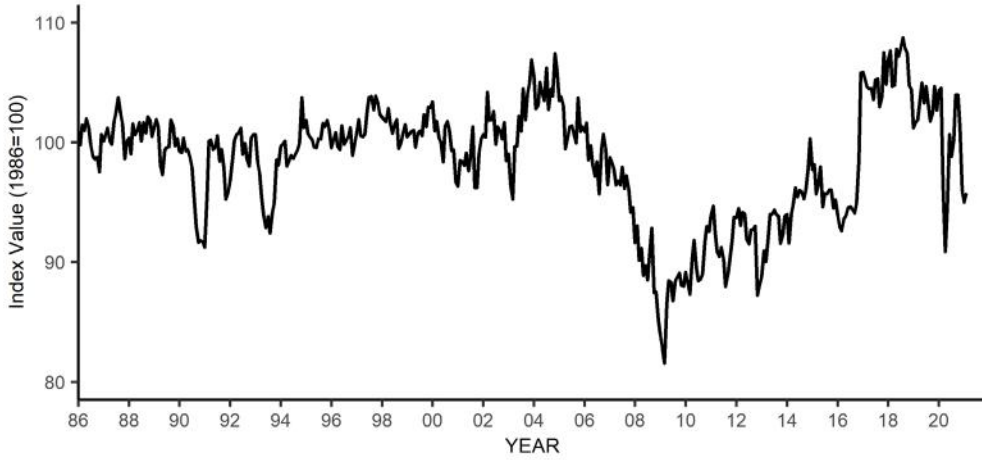
Capital spending has been strong for the last three quarters, but not on Main Street. In recent months most of the new homes sold have not been built yet, exposing builders to rapid increases in materials prices. Most of the expected \$1,400 checks will be saved, not spent but the extra unemployment and childcare credits will be. Inventory building is still strong. Added to strong consumer spending, it appears that GDP growth (real) will be very strong in Q1, 4% or better, a great performance in any year. However, this is growth supported by government stimulus, not a strong private sector.

On Main Street, the picture is less exuberant. The Optimism Index is at 95.8, 2 points below the 47-year average of 98, and far from the 108-reading reached in 2017. Compared to a year ago, the net percent of firms planning to increase employment is 5 points lower, although the percent with unfilled job openings is 2 percentage points higher (strong construction, manufacturing, transportation, and professional services sectors). But the overall outlook for the economy is down, 41 percentage points for expected business conditions in 6 months, 18 percentage points lower for expected real sales, and 20 points for "good time to expand." Hiring, capital spending, and inventory investment spending all depend on expectations about future sales and business conditions, and those are not strong at all. A lot of Main Street is still not fully operational, amusements, restaurants, gyms, specialty retail shops, and more, all dependent on "foot traffic." There is still significant policy uncertainty, for Covid-19, tax policy, and the focus of regulations from the regulatory agencies. Much will be learned over the next few months as the course of the virus becomes clearer and Biden nominees are confirmed and get to work.

OVERVIEW - SMALL BUSINESS OPTIMISM

OPTIMISM INDEX

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



OPTIMISM INDEX

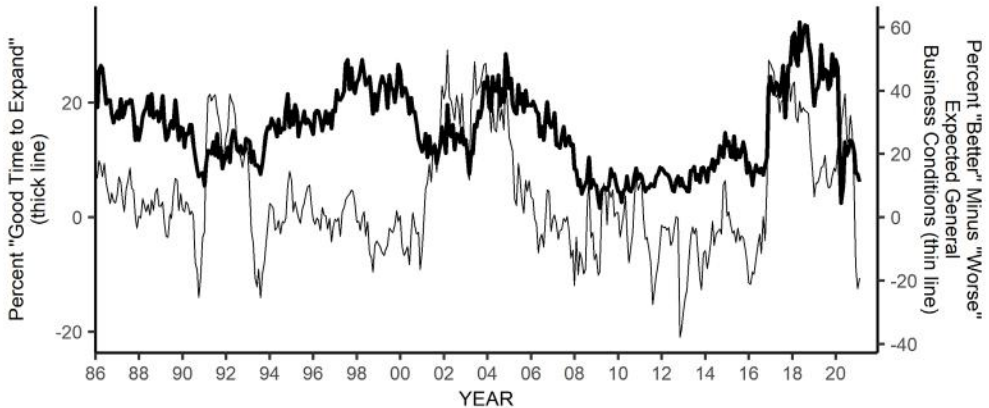
Based on Ten Survey Indicators
(Seasonally Adjusted 1986=100)

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

SMALL BUSINESS OUTLOOK

OUTLOOK

Good Time to Expand and Expected General Business Conditions
January 1986 to February 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
2016	10	8	6	8	9	8	8	9	7	9	11	23
2017	25	22	22	24	23	21	23	27	17	23	27	27
2018	32	32	28	27	34	29	32	34	33	30	29	24
2019	20	22	23	25	30	24	26	26	22	23	29	25
2020	28	26	13	3	5	13	11	12	13	13	12	8
2021	8	6										

MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook
February 2021

Reason	Good Time	Not Good Time	Uncertain
Economic Conditions	3	22	12
Sales Prospects	2	3	2
Fin. & Interest Rates	1	1	0
Cost of Expansion	0	4	2
Political Climate	1	25	17
Other / Not Available	0	2	3

OUTLOOK FOR GENERAL BUSINESS CONDITIONS

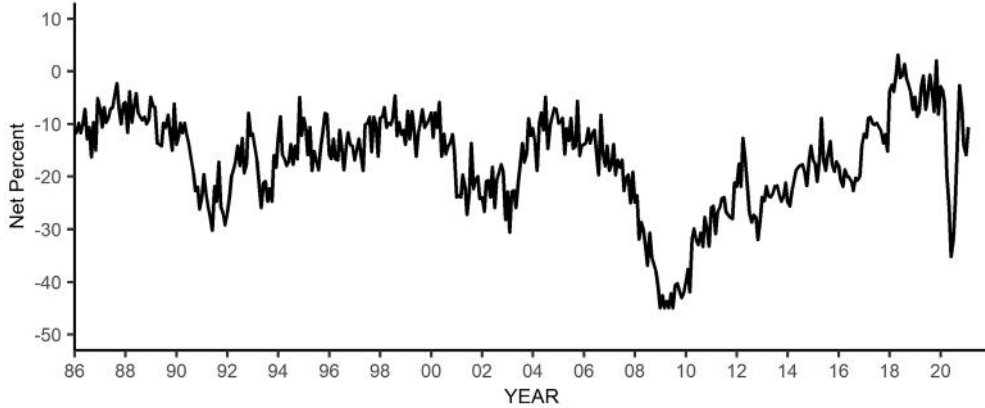
Net Percent ("Better" Minus "Worse") Six Months From Now
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	-21	-21	-17	-18	-13	-9	-5	-12	0	-7	12	50
2017	48	47	46	38	39	33	37	37	31	32	48	37
2018	41	43	32	30	37	33	35	34	33	33	22	16
2019	6	11	11	13	16	16	20	12	9	10	13	16
2020	14	22	5	29	34	39	25	24	32	27	8	-16
2021	-23	-19										

SMALL BUSINESS EARNINGS

EARNINGS

Actual Last Three Months
January 1986 to February 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
2016	-18	-21	-22	-19	-20	-20	-21	-23	-20	-21	-20	-14
2017	-12	-13	-9	-9	-10	-10	-10	-11	-11	-14	-12	-15
2018	-4	-3	-4	-1	3	-1	-1	1	-1	-3	-4	-7
2019	-5	-9	-8	-3	-1	-7	-5	-1	-3	-8	2	-8
2020	-3	-4	-6	-20	-26	-35	-32	-25	-12	-3	-7	-14
2021	-16	-11										

MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason
February 2021

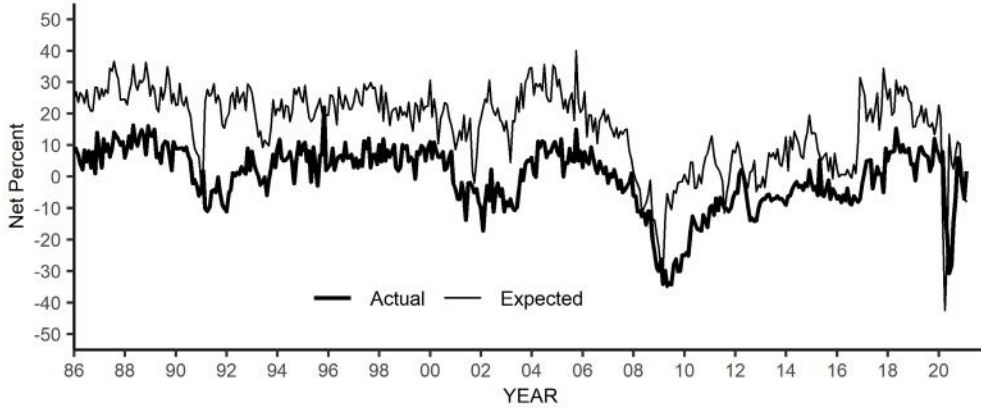
Reason	Current Month	One Year Ago	Two Years Ago
Sales Volume	17	9	13
Increased Costs*	6	6	9
Cut Selling Prices	1	2	2
Usual Seasonal Change	8	8	7
Other	3	4	2

* 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 February 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
2016	-7	-6	-8	-6	-8	-4	-8	-9	-6	-7	-8	-7
2017	-2	2	5	5	5	-4	0	3	1	1	-5	9
2018	5	8	8	8	15	10	8	10	8	8	9	4
2019	4	-1	5	9	9	7	7	6	2	4	12	9
2020	7	5	8	-11	-19	-31	-28	-15	-6	6	5	-2
2021	-7	2										

SALES EXPECTATIONS

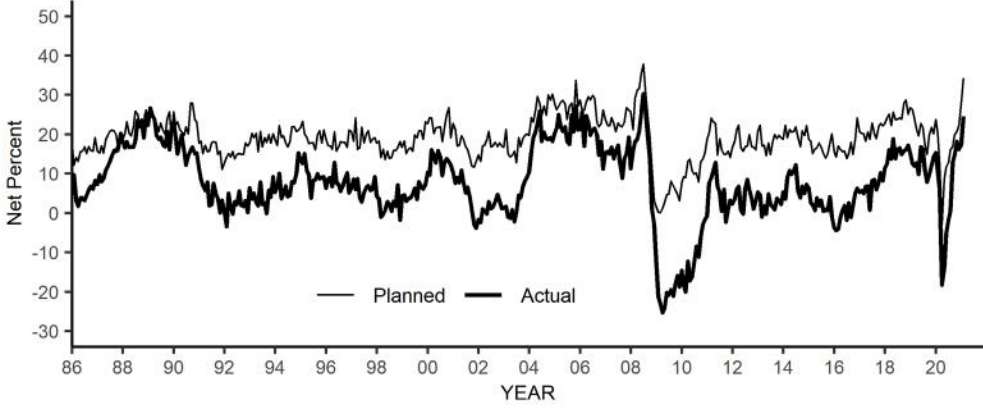
Net Percent ("Higher" Minus "Lower") During Next Three Months
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	3	0	1	1	1	2	1	-1	4	1	11	31
2017	29	26	18	20	22	17	22	27	15	21	34	28
2018	25	28	20	21	31	26	29	26	29	28	24	23
2019	16	16	19	20	23	17	22	17	16	17	13	16
2020	23	19	-12	-42	-24	13	5	3	8	11	10	-4
2021	-6	-8										

SMALL BUSINESS PRICES

PRICES

Actual Last Three Months and Planned Next Three Months
January 1986 to February 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
2016	-4	-4	-4	-1	1	2	-2	3	-1	2	5	6
2017	5	6	5	7	7	1	8	9	6	8	10	8
2018	11	13	16	14	19	14	16	17	15	16	16	17
2019	15	13	12	13	10	17	16	11	8	10	12	14
2020	15	11	6	-18	-14	-5	-2	1	13	15	18	16
2021	17	25										

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
2016	16	14	17	16	16	16	14	15	18	15	19	24
2017	21	20	20	18	21	19	23	20	19	22	23	22
2018	23	24	25	22	26	24	24	24	24	28	29	25
2019	27	26	24	21	20	23	22	17	15	20	22	20
2020	24	20	12	-3	9	12	13	16	17	20	21	22
2021	28	34										

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										

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										

EMPLOYMENT

Planned Next Three Months and Current Job Openings
January 1986 to February 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
2016	29	28	25	29	27	29	26	30	24	28	31	29
2017	31	32	30	33	34	30	35	31	30	35	30	31
2018	34	34	35	35	33	36	37	38	38	38	34	39
2019	35	37	39	38	38	36	39	35	35	34	38	33
2020	37	38	35	24	23	32	30	33	36	33	34	32
2021	33	40										

HIRING PLANS

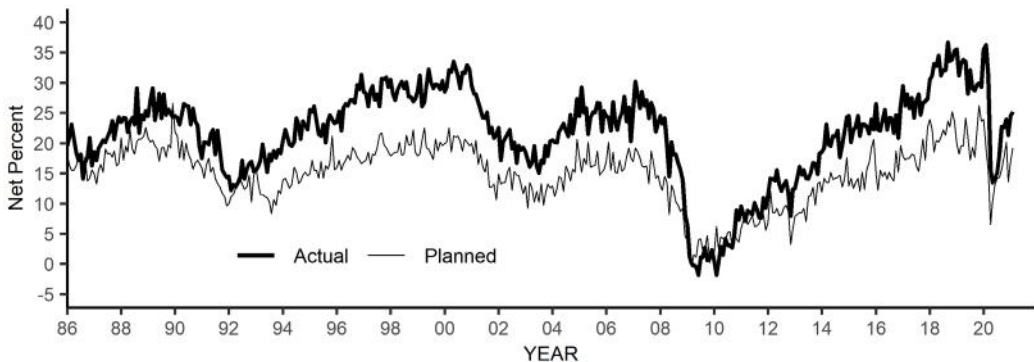
Net Percent ("Increase" Minus "Decrease") in the Next Three Months
(Seasonally Adjusted)

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

SMALL BUSINESS COMPENSATION

COMPENSATION

Actual Last Three Months and Planned Next Three Months
January 1986 to February 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
2016	27	22	22	24	26	22	24	24	22	25	21	26
2017	30	26	28	26	28	24	27	28	25	27	27	27
2018	31	31	33	33	35	31	32	32	37	34	34	35
2019	36	31	33	34	34	28	32	29	29	30	30	29
2020	36	36	31	16	14	14	15	18	23	23	24	21
2021	25	25										

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
2016	15	12	16	15	15	14	15	14	14	19	15	20
2017	18	17	18	18	18	18	16	15	18	21	17	23
2018	24	22	19	21	20	21	22	21	24	23	25	24
2019	20	18	20	20	24	21	17	19	18	22	26	24
2020	24	19	16	7	10	13	14	14	16	18	20	14
2021	17	19										

PRICES AND LABOR COMPENSATION

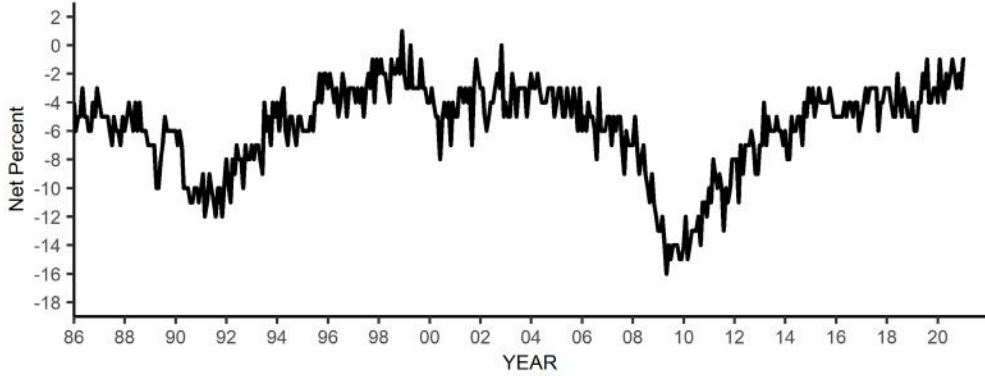
Net Percent Price Increase and Net Percent Compensation
(Seasonally Adjusted)



SMALL BUSINESS CREDIT CONDITIONS

CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago*
January 1986 to February 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
2016	33	31	32	29	29	29	28	29	32	28	31	30
2017	30	31	30	31	28	27	30	31	29	30	30	34
2018	31	31	32	31	34	28	32	32	29	32	32	35
2019	33	33	34	31	31	28	28	33	30	29	28	29
2020	31	28	26	29	26	27	26	24	26	25	22	26
2021	23	26										

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
2016	-5	-5	-5	-5	-4	-5	-4	-4	-5	-4	-4	-6
2017	-5	-4	-3	-4	-3	-3	-3	-3	-6	-4	-4	-3
2018	-3	-3	-4	-5	-5	-2	-4	-5	-3	-4	-5	-5
2019	-4	-6	-6	-4	-4	-2	-3	-1	-4	-4	-3	-3
2020	-4	-1	-3	-4	-2	-3	-2	-1	-2	-3	-2	-3
2021	-1	-1										

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
2016	35/3	31/4	31/5	31/4	31/4	32/5	30/3	29/4	32/6	29/4	30/4	29/4
2017	31/4	30/3	32/4	32/3	31/3	27/4	31/3	34/3	33/2	29/4	32/4	32/3
2018	31/3	32/2	31/4	32/4	37/4	30/3	32/3	33/3	27/3	30/3	32/3	32/4
2019	33/3	34/3	33/3	32/4	34/3	29/3	28/3	31/4	30/2	29/3	28/3	29/3
2020	30/3	32/2	29/3	29/5	33/3	34/3	35/3	31/3	33/2	29/3	25/2	26/3
2021	24/2	28/2										

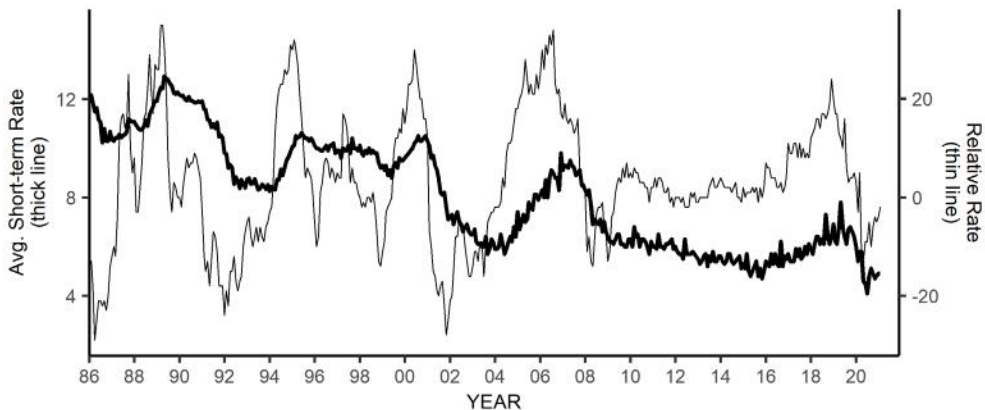
EXPECTED CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	-7	-7	-6	-6	-6	-6	-5	-5	-7	-6	-5	-6
2017	-3	-3	-3	-4	-4	-3	-4	-3	-4	-5	-4	-4
2018	-4	-3	-6	-6	-5	-4	-4	-6	-5	-5	-5	-6
2019	-5	-5	-7	-4	-5	-3	-4	-2	-4	-3	-3	-3
2020	-4	-1	-4	-6	-4	-6	-5	-4	-5	-4	-3	-5
2021	-3	-6										

INTEREST RATES

Relative Rates and Actual Rates Last Three Months
January 1986 to February 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
2016	7	6	6	4	4	4	2	2	3	1	2	4
2017	11	9	9	11	11	8	11	8	10	8	9	8
2018	12	13	14	16	16	14	17	17	16	17	19	24
2019	20	17	17	13	12	10	16	6	3	4	4	5
2020	3	-3	5	-11	-13	-9	-9	-5	-10	-6	-4	-5
2021	-4	-2										

Borrowing at Least Once Every Three Months.

ACTUAL INTEREST RATE PAID ON SHORT-TERM LOANS BY BORROWERS

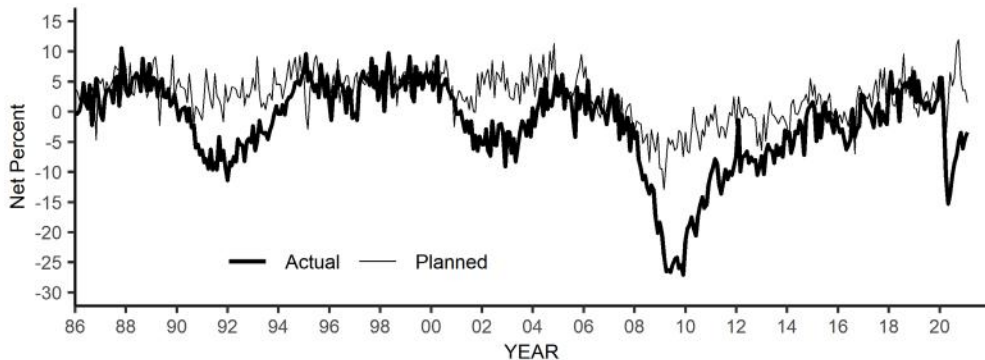
Average Interest Rate Paid

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

SMALL BUSINESS INVENTORIES

INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)
January 1986 to February 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										

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										

INVENTORY PLANS

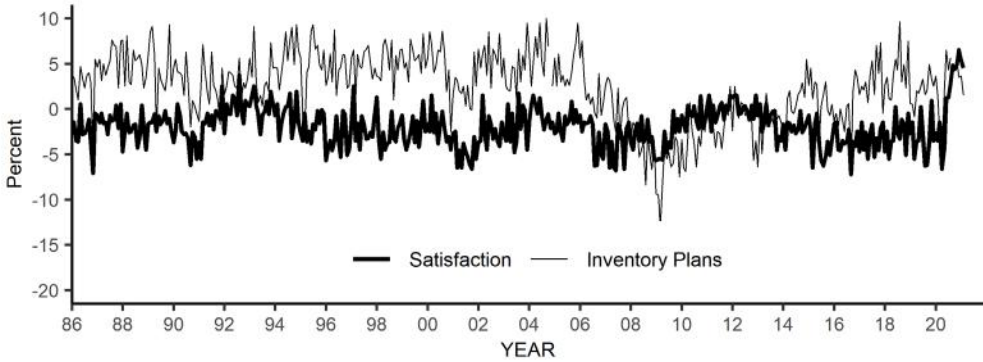
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months
(Seasonally Adjusted)

	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										

SMALL BUSINESS CAPITAL OUTLAYS

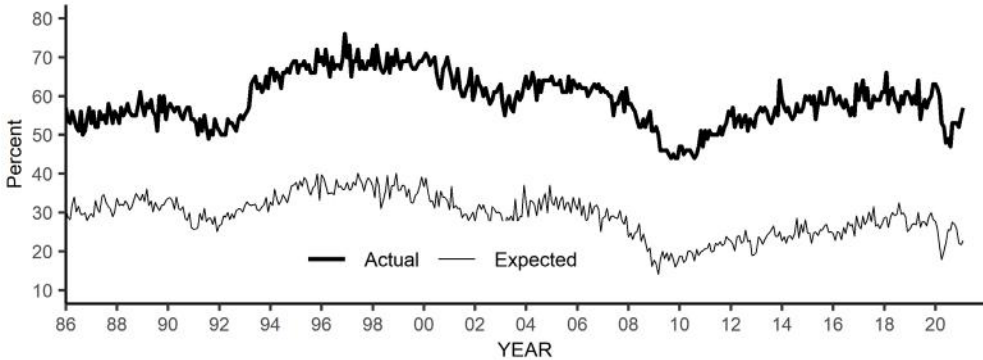
INVENTORY SATISFACTION AND INVENTORY PLANS

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 February 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
2016	61	58	59	60	58	57	59	57	55	57	55	63
2017	59	62	64	59	62	57	57	60	59	59	59	61
2018	61	66	58	61	62	59	58	56	60	58	61	61
2019	60	58	60	58	64	54	57	59	57	59	60	63
2020	63	62	60	53	52	48	49	47	53	53	53	52
2021	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	28	26	28
Equipment	40	43	43
Furniture or Fixtures	10	13	14
Add. Bldgs. or Land	4	6	6
Improved Bldgs. or Land	12	18	17

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	3	2
\$1,000 to \$4,999	7	8	7
\$5,000 to \$9,999	5	6	5
\$10,000 to \$49,999	16	20	18
\$50,000 to \$99,999	13	11	12
\$100,000 +	14	8	13
No Answer	0	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
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										

SINGLE MOST IMPORTANT PROBLEM

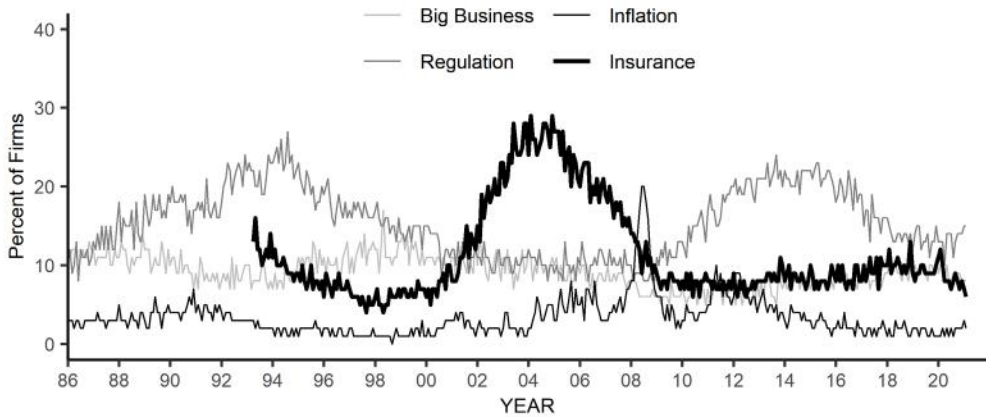
SINGLE MOST IMPORTANT PROBLEM

February 2021

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	18	14	32	8
Inflation	2	1	41	0
Poor Sales	11	7	34	2
Fin. & Interest Rates	1	2	37	1
Cost of Labor	9	8	11	2
Government Regulation	15	13	27	4
Comp. from Large Bus.	8	10	14	4
Quality of Labor	24	25	27	3
Cost/Avail. of Insurance	6	12	29	4
Other	6	8	31	1

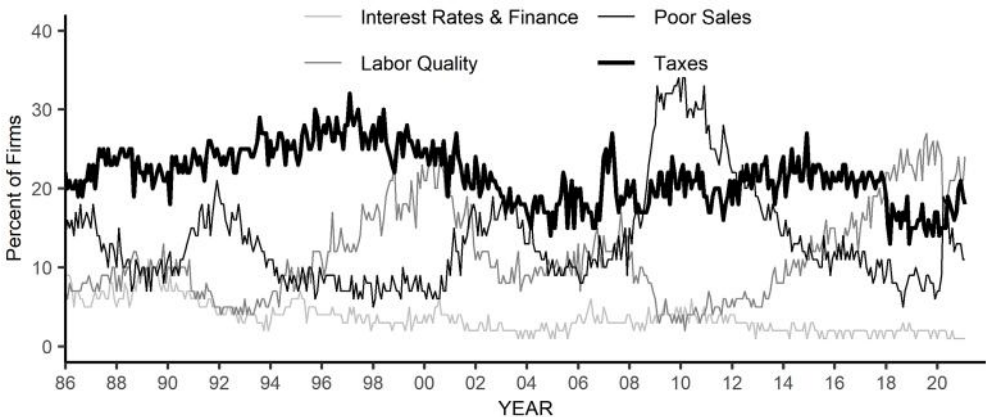
SELECTED SINGLE MOST IMPORTANT PROBLEM

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



SELECTED SINGLE MOST IMPORTANT PROBLEM

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



SURVEY PROFILE

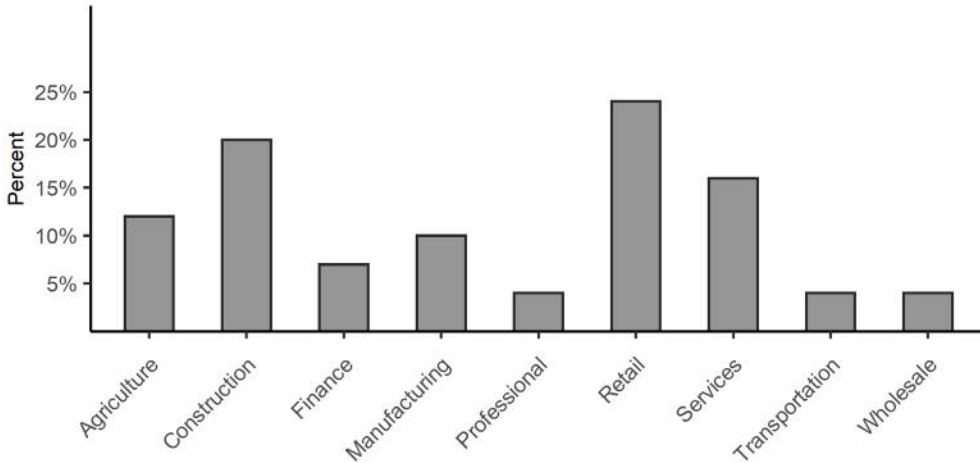
OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	1438	756	727	1644	700	735	1703	730	723	1702	724	619
2017	1873	764	704	1618	699	624	1533	713	629	1513	544	495
2018	1658	642	570	1554	562	665	1718	680	642	1743	700	621
2019	1740	526	643	1735	650	606	1502	680	603	1618	500	488
2020	1692	641	627	1832	814	670	1652	751	604	1719	561	542
2021	1109	678										

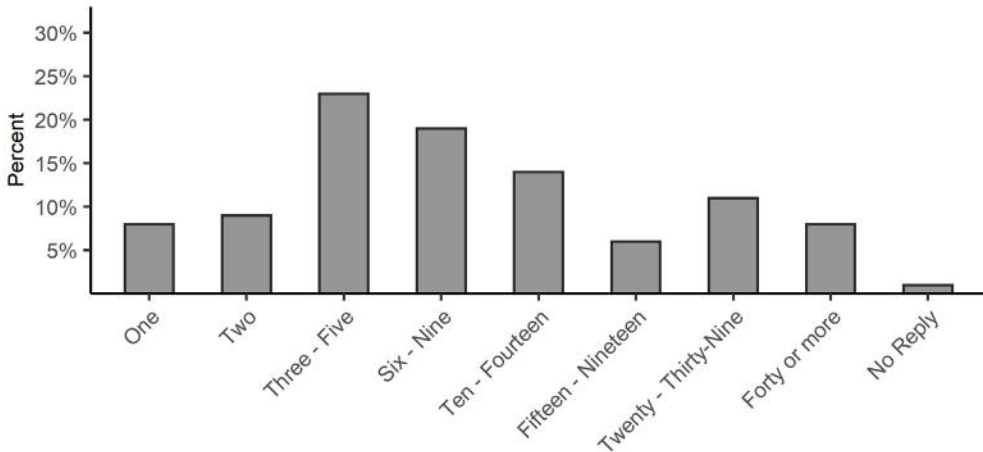
NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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 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

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