

# NFIB SMALL BUSINESS ECONOMIC TRENDS

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May 2021

## SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	27%	6	*%
Plans to Make Capital Outlays	27%	0	*%
Plans to Increase Inventories	6%	1	*%
Expect Economy to Improve	-26%	-11	*%
Expect Real Sales Higher	2%	1	*%
Current Inventory	8%	1	*%
Current Job Openings	48%	4	*%
Expected Credit Conditions	-3%	0	*%
Now a Good Time to Expand	13%	-1	*%
Earnings Trends	-11%	-4	*%
Total Change		-3	100%

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

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# SUMMARY

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## OPTIMISM INDEX

The Optimism Index fell a bit in May to 99.6, a decline of 0.2 points from April. After steadily increasing in each month of 2021, May saw a slight pause in the recovery of small business optimism. The economy is doing very well currently, and owners are scrambling to take advantage of it by hiring and investing. The first five Index components in the table are at historically high levels. However, the other five components which are forward-looking expectations, are flashing yellow, indicating owners have waning confidence that the economy will be better by year end. The NFIB Uncertainty Index decreased 1 point to 79.

## LABOR MARKETS

Strong job growth eased in May as small businesses struggled to find workers to fill open positions as unfilled job openings increased from 44 percent to 48 percent, seasonally adjusted. May is the fourth consecutive month setting a new record high reading for unfilled job openings. May's reading is 26 points higher than the 48-year historical average of 22 percent. Forty percent have openings for skilled workers (up 3 points) and 27 percent have openings for unskilled labor (up 7 points). The increase in unfilled openings was accompanied by a 2-point increase in the percent that reported hiring or trying to hire in May, 61 percent. Owners have plans to fill open positions, with a seasonally adjusted net 27 percent planning to create new jobs in the next three months, sharply up 6 points from April. Finding qualified employees remains a problem. Fifty-seven percent (93 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 May (up 3 points). Where there are open positions, labor quality remains a significant problem. Thirty-two percent of owners reported few qualified applicants for their open positions (up 1 point) and 25 percent reported none (up 2 points). The labor shortage remains the top problem facing owners.

## CAPITAL SPENDING

Fifty-nine percent reported capital outlays in the last six months, up 2 points from April. This takes spending back into the range experienced for the last few years which was the best capital investment period in recent history. Of those making expenditures, 44 percent reported spending on new equipment (up 2 points), 24 percent acquired vehicles (down 1 point), and 16 percent improved or expanded facilities (up 1 point). Six percent acquired new buildings or land for expansion (unchanged) and 13 percent spent money for new fixtures and furniture (up 1 point). Twenty-seven percent plan capital outlays in the next few months, unchanged from April. Historically high numbers of owners are not optimistic about economic conditions or real sales in the second half, and this will not encourage more investment and expansion. Capital spending is critical to the improvement of worker productivity and compensation.

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This survey was conducted in May 2021. A sample of 5,000 small-business owners/members was drawn. Six hundred fifty-nine (659) usable responses were received — a response rate of 13.2 percent.

## **SALES AND INVENTORIES**

A net 7 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, up 4 points from April and marking a return to the pre-Covid sales activity. The net percent of owners expecting higher real sales volumes improved 2 points to a net 3 percent. This is an improvement but, historically, still weak. The net percent of owners reporting inventory increases rose 1 point to a net negative 1 percent. The problem is a good one – owners are selling stuff faster than they can replace the inventory. However, owners don't expect that to continue into the second half of the year. A net 8 percent of owners view current inventory stocks as "too low" in May, up 1 point from April and at historically high levels. A net 6 percent of owners plan inventory investment in the coming months, up 1 point.

## **COMPENSATION AND EARNINGS**

Seasonally adjusted, a net 34 percent reported raising compensation (up 3 points), the highest level in the past 12 months. Raising compensation is about the only way owners have to remedy the labor shortage problem. A net 22 percent plan to raise compensation in the next three months, up 2 points. Eight percent cited labor costs as their top business problem and 26 percent said that labor quality was their top business problem, the top business concern. The frequency of reports of positive profit trends declined 4 points to a net negative 11 percent. Among owners reporting lower profits, 38 percent blamed weaker sales, 17 percent cited a rise in the cost of materials, 12 percent cited the usual seasonal change, 8 percent cited labor costs, 7 percent cited lower prices, and 6 percent cited higher taxes or regulatory costs. For owners reporting higher profits, 60 percent credited sales volumes, 18 percent cited usual seasonal change, and 14 percent cited higher prices.

## **CREDIT MARKETS**

Three percent of owners reported that all their borrowing needs were not satisfied (up 1 point). Twenty-three percent reported all credit needs met (down 3 points) and 62 percent said they were not interested in a loan (up 3 points). A net 2 percent reported their last loan was harder to get than in previous attempts (down 1 point). One percent reported that financing was their top business problem. The net percent of owners reporting paying a higher rate on their most recent loan was 1 percent. The average rate paid on short maturity loans was 4.9 percent. Twenty-three percent of all owners reported borrowing on a regular basis (down 1 point).

## **INFLATION**

The net percent of owners raising average selling prices increased 4 points to a net 40 percent, seasonally adjusted, the highest reading since April 1981. This is inflation on Main Street which means its inflation for the whole economy. The inflation spike is likely temporary according to the Fed but is being closely watched. Unadjusted, 5 percent (down 1 point) reported lower average selling prices and 48 percent (up 3 points) reported higher average prices. Price hikes were most frequent in wholesale (65 percent higher, 2 percent lower), retail (53 percent higher, 5 percent lower), and manufacturing (47 percent higher, 1 percent lower). Seasonally adjusted, a net 43 percent plan price hikes (up 7 points).

# COMMENTARY

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Two headlines in the bigger picture: Labor is in short supply and holding back growth, and Inflation is rampant on Main Street. The Federal Reserve is clinging to its insistence that inflation be allowed to run over 2 percent for a considerable amount of time to produce an average inflation rate of 2 percent (inflation has been below 2% for years). Yikes! Consumers didn't mind low inflation at all. That will likely force the Federal Reserve to allow interest rates to rise to offset the depreciation caused by inflation and protect lenders (savers) who get repaid in the future when prices are higher.

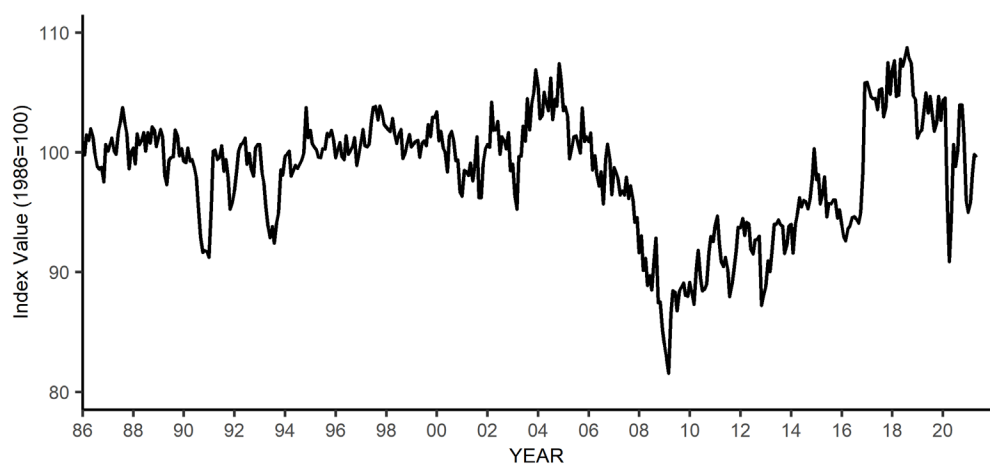
Owners are passing on higher operating costs and wages much as they did in 2008 when oil was \$140/bb. Today, oil is about \$70/bbl and energy costs aren't a major problem yet. But owners are finding that they must raise labor compensation to keep workers and attract new ones. This cost is being passed on in higher prices along with other costs due to supply chain problems, trade issues, and Covid-19 disruptions.

The second quarter will likely not repeat the first, but growth will still be historically strong as consumers spend the money being funneled to them by the government and through increased compensation. Consumers have a trillion or two of savings piled up and ready to go. But neither consumers or business owners are exuberant about economic prospects for the rest of the year. There is much uncertainty, about Covid, about economic policy (taxes, regulations, etc.) and politics, globally and domestically.

OVERVIEW - SMALL BUSINESS OPTIMISM

OPTIMISM INDEX

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



OPTIMISM INDEX

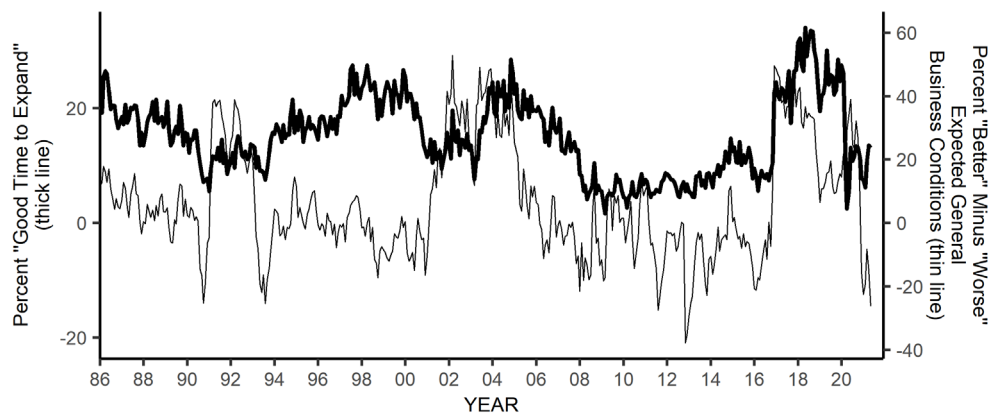
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	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	98.2	99.8	99.6							

SMALL BUSINESS OUTLOOK

OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to May 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							

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
May 2021

Reason	Good Time	Not Good Time	Uncertain
<b>Economic Conditions</b>	7	18	14
<b>Sales Prospects</b>	5	2	1
<b>Fin. &amp; Interest Rates</b>	3	0	1
<b>Cost of Expansion</b>	0	5	3
<b>Political Climate</b>	0	20	16
<b>Other / Not Available</b>	0	2	2

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

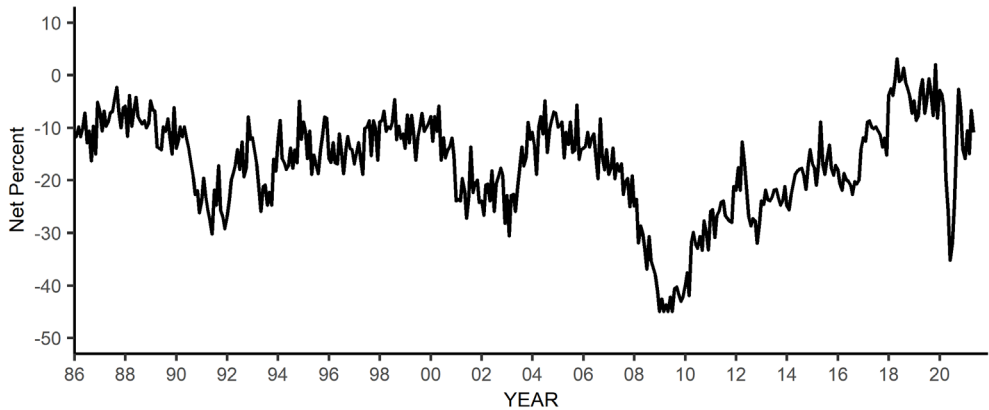
Net Percent ("Better" Minus "Worse") Six Months From Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<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							

## SMALL BUSINESS EARNINGS

### EARNINGS

Actual Last Three Months  
January 1986 to May 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	-15	-7	-11							

### MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
May 2021

Reason	Current Month	One Year Ago	Two Years Ago
Sales Volume	13	20	8
Increased Costs*	12	6	6
Cut Selling Prices	2	4	3
Usual Seasonal Change	4	5	6
Other	1	7	5

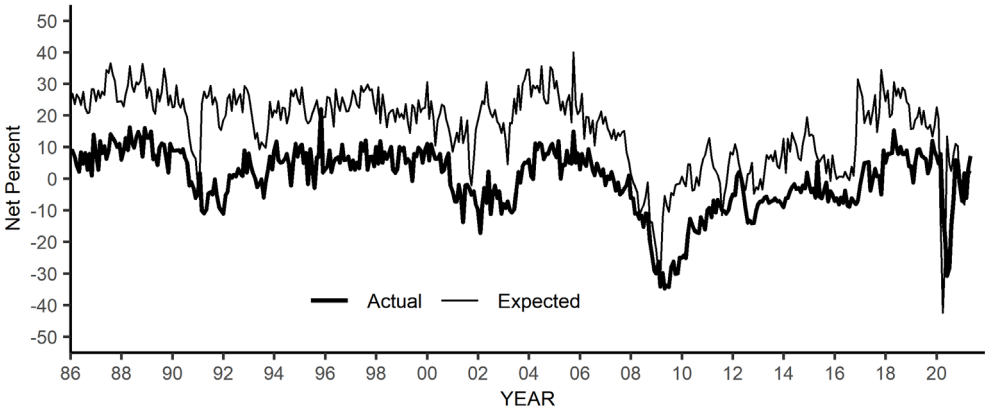
\* Increased costs include labor, materials, finance, taxes, and regulatory costs.



## SMALL BUSINESS SALES

### SALES

Actual (Prior Three Months) and Expected (Next Three Months)  
January 1986 to May 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	-6	3	7							

### SALES EXPECTATIONS

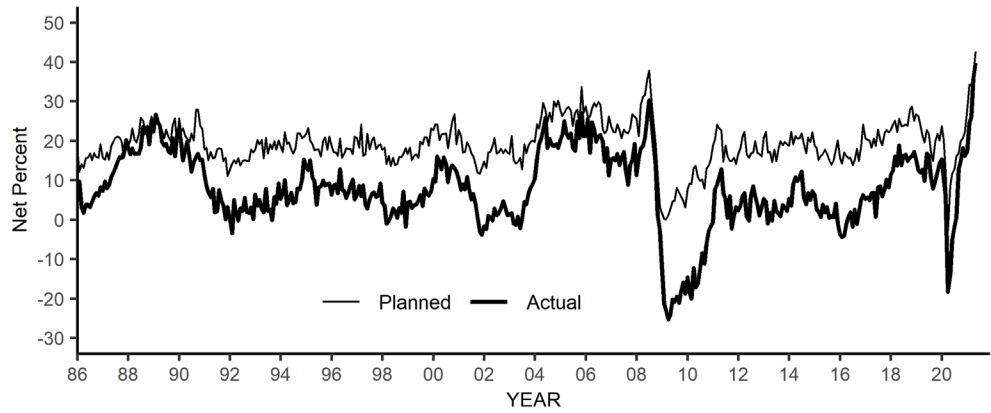
Net Percent ("Higher" Minus "Lower") During Next Three Months  
(Seasonally Adjusted)

	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	0	1	3							

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
*January 1986 to May 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	26	36	40							

## 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	34	36	43							

# 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							

## 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							

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to May 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	42	44	48							

HIRING PLANS

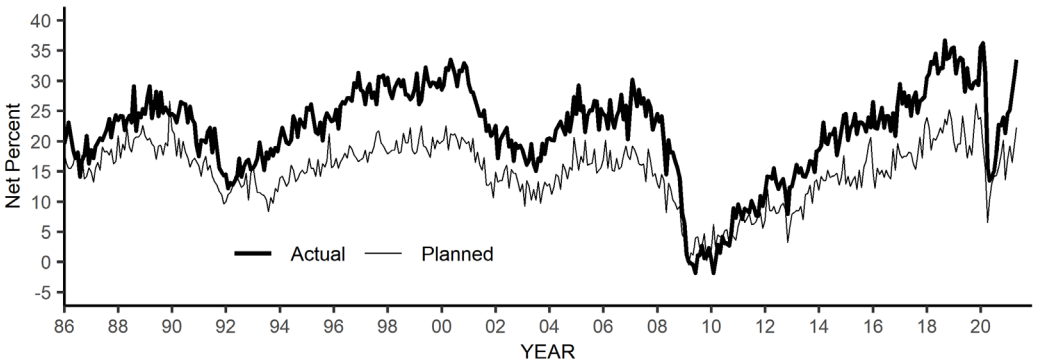
Net Percent (“Increase” Minus “Decrease”) in the Next Three Months  
(Seasonally Adjusted)

	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	22	21	27							

SMALL BUSINESS COMPENSATION

COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to May 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	28	31	34							

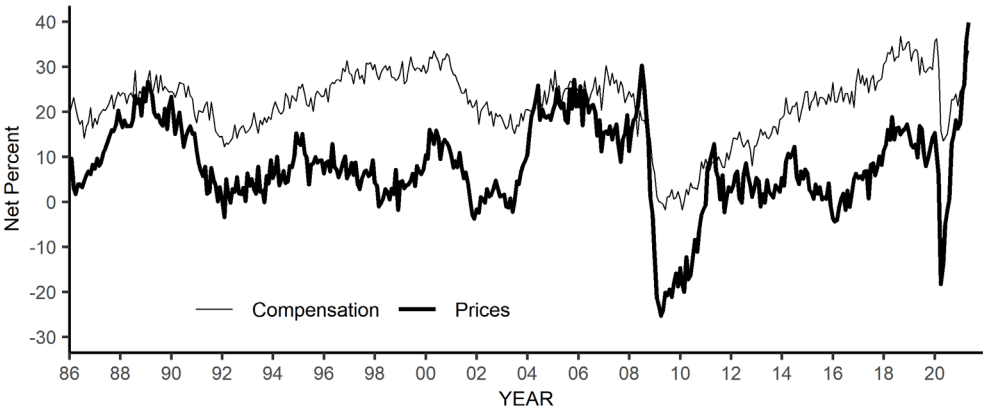
### COMPENSATION PLANS

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	17	20	22							

### PRICES AND LABOR COMPENSATION

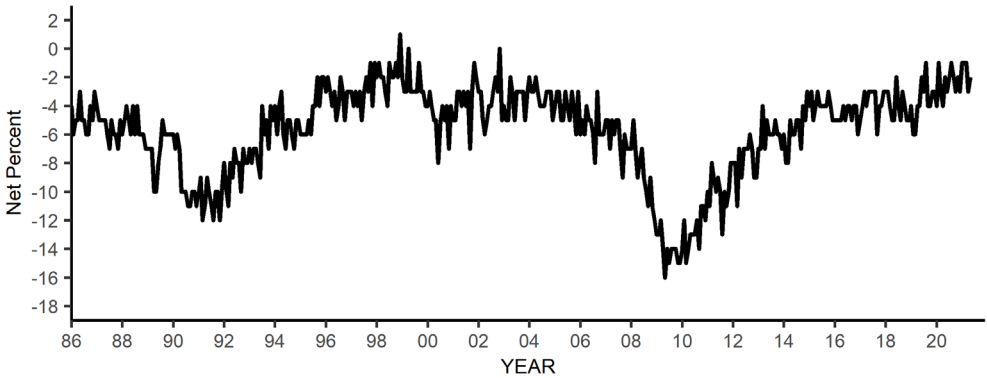
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



## SMALL BUSINESS CREDIT CONDITIONS

### CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
*January 1986 to May 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	23	24	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
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	-1	-3	-2							

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	27/2	26/2	23/3							

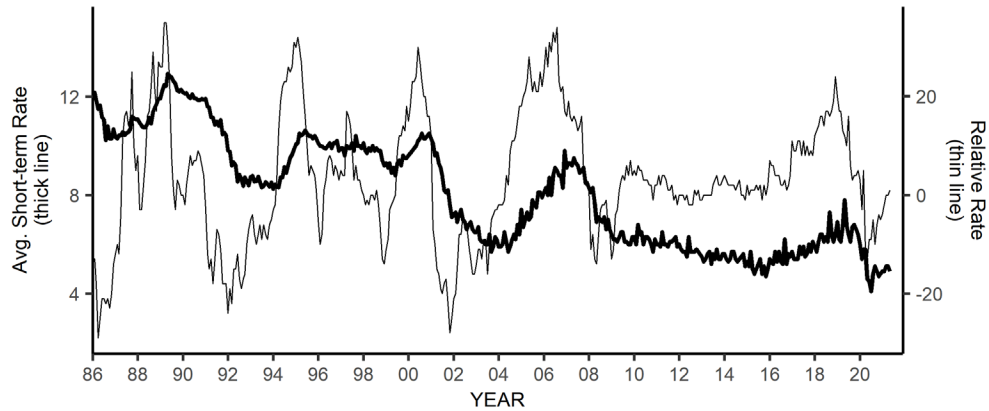
EXPECTED CREDIT CONDITIONS

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	-3	-3	-3							

INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
*January 1986 to May 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	0	0	1							

Borrowing at Least Once Every Three Months.

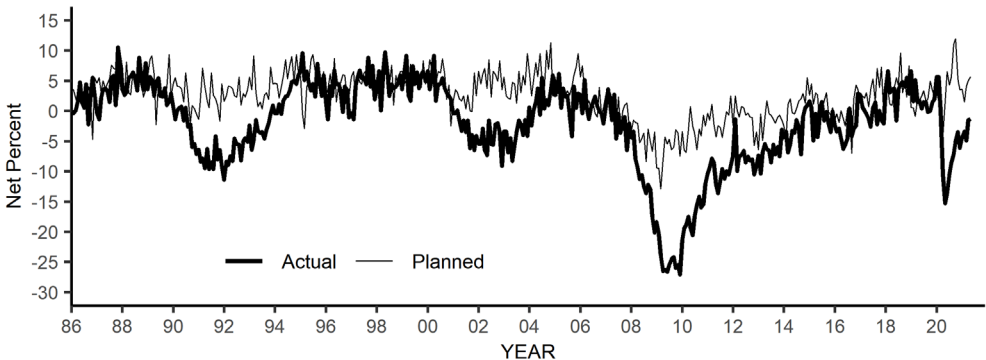
ACTUAL INTEREST RATE PAID ON  
SHORT-TERM LOANS BY BORROWERS

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	5.1	5.1	4.9							

SMALL BUSINESS INVENTORIES  
INVENTORIES

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

### 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							

### INVENTORY PLANS

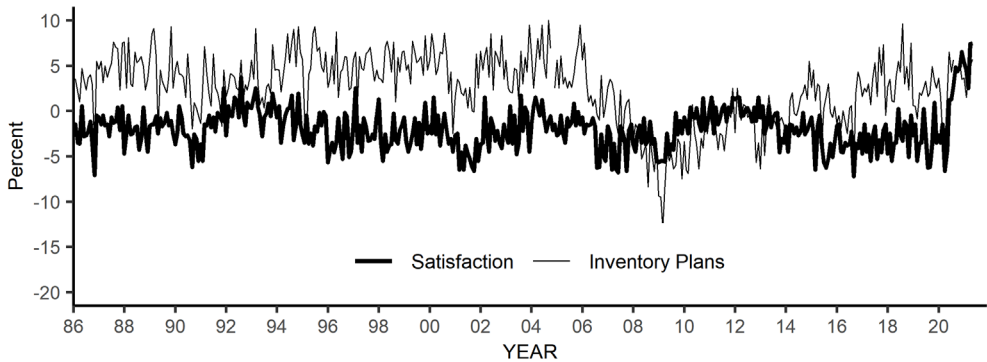
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	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							

SMALL BUSINESS CAPITAL OUTLAYS

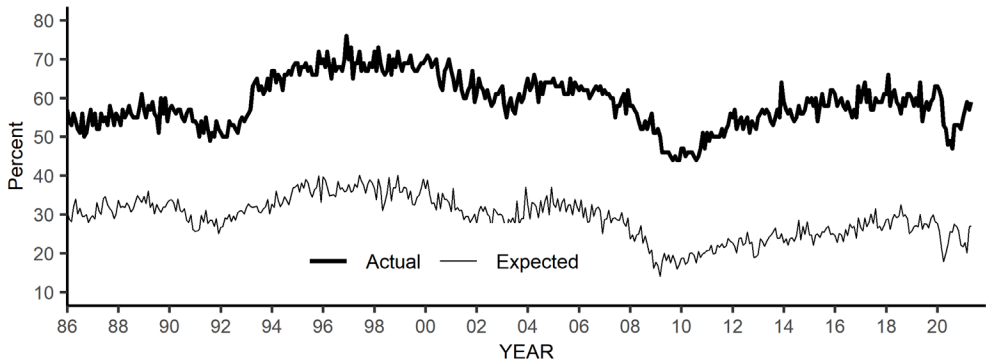
INVENTORY SATISFACTION AND INVENTORY PLANS

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 May 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	59	57	59							

## 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	24	20	29
Equipment	44	35	44
Furniture or Fixtures	13	10	14
Add. Bldgs. or Land	6	5	6
Improved Bldgs. or Land	16	15	19

### 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	3
\$1,000 to \$4,999	6	6	6
\$5,000 to \$9,999	7	4	5
\$10,000 to \$49,999	18	17	19
\$50,000 to \$99,999	12	10	10
\$100,000 +	14	11	17
No Answer	0	1	0

### CAPITAL EXPENDITURE PLANS

Percent Planning a Capital Expenditure During Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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							

SINGLE MOST IMPORTANT PROBLEM

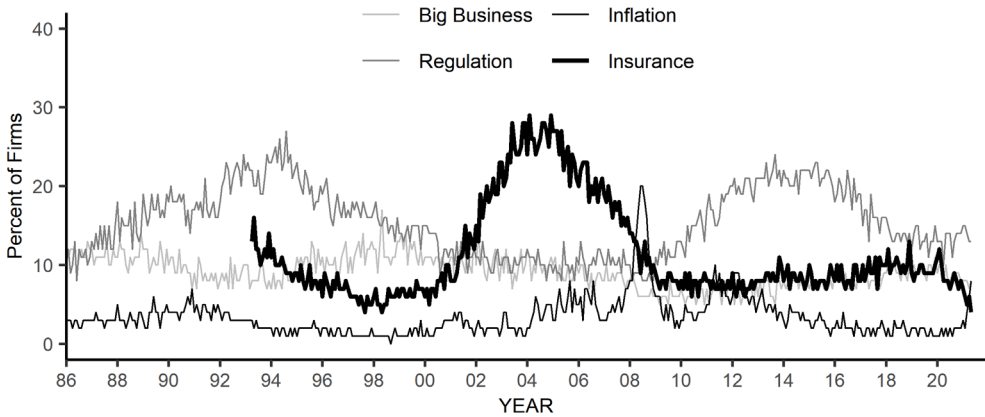
SINGLE MOST IMPORTANT PROBLEM

May 2021

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	22	15	32	8
Inflation	8	2	41	0
Poor Sales	5	18	34	2
Fin. & Interest Rates	1	2	37	1
Cost of Labor	8	6	11	2
Government Regulation	13	14	27	4
Comp. from Large Bus.	8	10	14	4
Quality of Labor	26	17	27	3
Cost/Avail. of Insurance	4	8	29	4
Other	5	8	31	1

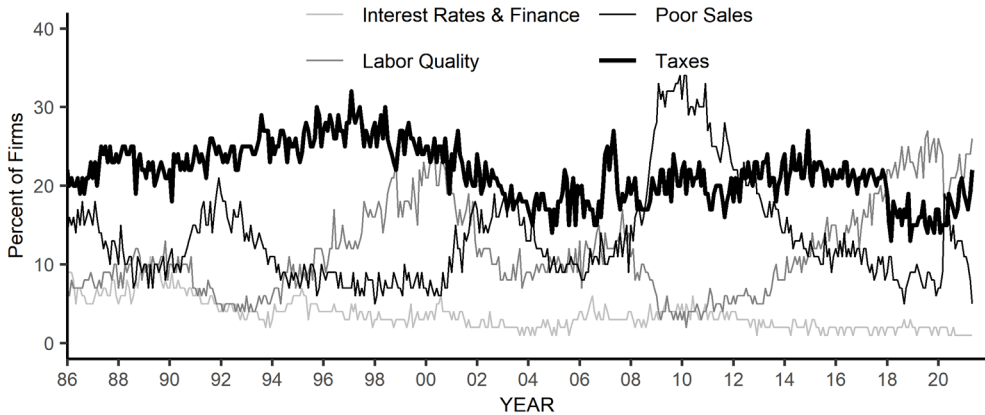
SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation  
*January 1986 to May 2021*



SELECTED SINGLE MOST IMPORTANT PROBLEM

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



## SURVEY PROFILE

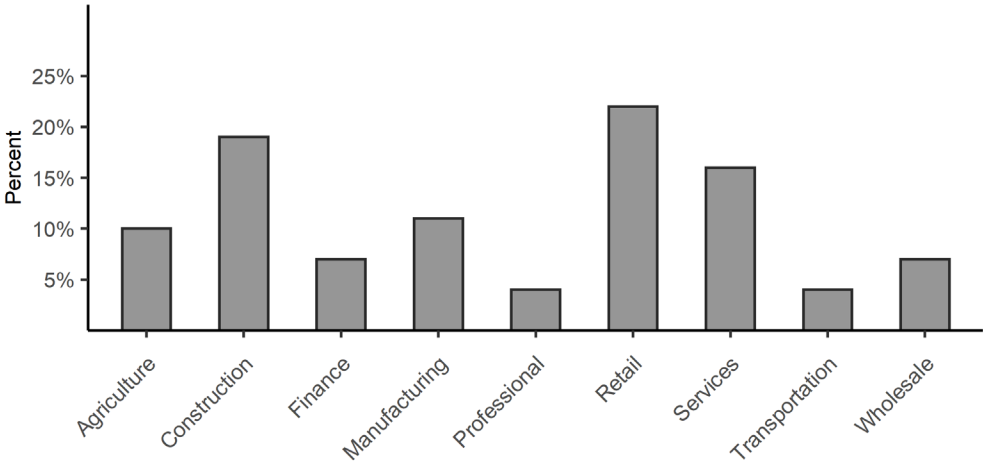
### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

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	514	1516	659							

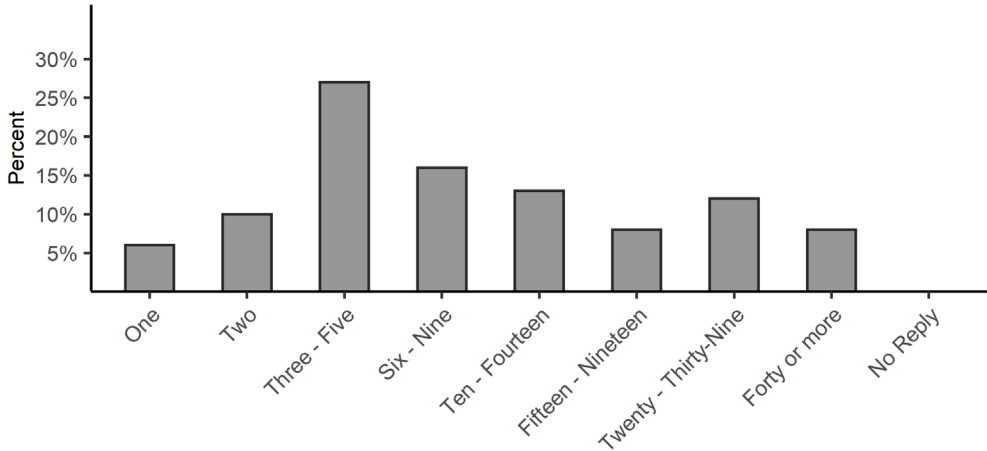
### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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