

MAY

2022

NFIB

SMALL BUSINESS  
**ECONOMIC**  
**TRENDS**

William C. Dunkelberg  
Holly Wade

SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	26%	6	*
Plans to Make Capital Outlays	25%	-2	*
Plans to Increase Inventories	1%	0	*
Expect Economy to Improve	-54%	-4	*
Expect Real Sales Higher	-15%	-3	*
Current Inventory (too low)	8%	2	*
Current Job Openings	51%	4	*
Expected Credit Conditions	-4%	1	*
Now a Good Time to Expand	6%	2	*
Earnings Trends	-24%	-7	*
Total Change		-1	

Based on a Survey of Small and Independent Business Owners

# **NFIB SMALL BUSINESS ECONOMIC TRENDS**

---

*NFIB Research Center has collected Small Business Economic Trends Data with Quarterly surveys since 1973 and monthly surveys since 1986. The sample is drawn from the membership files of the National Federation of Independent Business (NFIB). Each was mailed a questionnaire and one reminder. Subscriptions for twelve monthly SBET issues are \$250. Historical and unadjusted data are available, along with a copy of the questionnaire, from the NFIB Research Center. You may reproduce Small Business Economic Trends items if you cite the publication name and date and note it is a copyright of the NFIB Research Center. © NFIB Research Center. ISBS #0940791-24-2. Chief Economist William C. Dunkelberg and Executive Director of the NFIB Research Center Holly Wade are responsible for the report.*

## **IN THIS ISSUE**

---

Summary . . . . .	1
Commentary . . . . .	3
Optimism . . . . .	4
Outlook . . . . .	4
Earnings . . . . .	6
Sales . . . . .	7
Prices . . . . .	8
Employment . . . . .	9
Compensation . . . . .	10
Credit Conditions . . . . .	12
Inventories . . . . .	14
Capital Outlays . . . . .	16
Most Important Problem . . . . .	18
Survey Profile . . . . .	19
Economic Survey . . . . .	20

# SUMMARY

---

## OPTIMISM INDEX

The Optimism Index fell 0.1 point in May to 93.1. This is the fifth consecutive month below the 48-year average of 98. The Index has declined every month this year through May. Five of the 10 Index components improved, four declined, and one was unchanged. Owners expecting better business conditions over the next six months decreased 4 points to a net negative 54 percent, the lowest level recorded in the 48-year-old survey. Expectations for better business conditions have deteriorated every month since January. The net percent of owners raising average selling prices increased 2 points to a net 72 percent seasonally adjusted, the highest reading in the 48-year-history of the survey and 32 points higher than May 2021.

## LABOR MARKETS

As employment continues to approach the 2020 high, labor markets get tighter. Fifty-one percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 4 points from April. Forty-two percent have openings for skilled workers (up 2 points) and 25 percent have openings for unskilled labor (up 3 points). The difficulty in filling open positions is particularly acute in the construction, manufacturing, retail, and wholesale sectors. Openings are lowest in the agriculture and finance sectors. Overall, however, the current level of openings is over 20 percentage points higher than the historical average. Owners' plans to fill open positions remain elevated, with a seasonally adjusted net 26 percent planning to create new jobs in the next three months, up 6 points from April and close to a 48-year record high. Sixty-one percent (92 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 6 points). Thirty-three percent of owners reported few qualified applicants for their open positions (up 3 points) and 28 percent reported none (up 3 points, and 1 point shy of the 48-year record high).

## CAPITAL SPENDING

Fifty-three percent reported capital outlays in the last six months, down 1 point from April. Surprisingly, orders for capital goods have remained strong for the whole economy, less so for small firms which dominate the services sectors. Of those making expenditures, 36 percent reported spending on new equipment (down 4 points), 21 percent acquired vehicles (down 3 points), and 15 percent improved or expanded facilities (up 1 point). Six percent acquired new buildings or land for expansion (down 2 points) and 12 percent spent money for new fixtures and furniture (up 1 point). Twenty-five percent plan capital outlays in the next few months, down 2 points from April. A more positive view of the future economy and economic policy would help stimulate longer term investment spending, but currently, owner views about the future are not supportive. In addition, Federal Reserve actions will raise interest rates, increasing the cost of financing capital projects and reducing the expected gains from investments.

## **SALES AND INVENTORIES**

One percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down 2 points from April. The net percent of owners expecting higher real sales volumes decreased 3 points to a net negative 15 percent. The net percent of owners reporting inventory increases fell 5 points to a net negative 1 percent. Not seasonally adjusted, 17 percent reported increases in stocks while 15 percent reported reductions. Thirty-nine percent of owners report that supply chain disruptions have had a significant impact on their business (up 3 points). Another 31 percent report a moderate impact and 22 percent report a mild impact. Only 8 percent report no impact from recent supply chain disruptions. A net 8 percent of owners viewed current inventory stocks as “too low” in May, up 2 points from April. A net 1 percent of owners plan inventory investment in the coming months, unchanged from April.

## **COMPENSATION AND EARNINGS**

Seasonally adjusted, a net 46 percent reported raising compensation, down 3 points from April. A net 25 percent plan to raise compensation in the next three months, down 2 points from April but historically very high. Twelve percent cited labor costs as their top business problem, up 4 points from April, and 23 percent said that labor quality was their top business problem (unchanged). Labor quality remains in second place behind “inflation.” The frequency of reports of positive profit trends was a net negative 24 percent, down 7 points from April. Among owners reporting lower profits, 34 percent blamed the rise in the cost of materials, 25 percent blamed weaker sales, and 10 percent cited labor costs. For owners reporting higher profits, 49 percent credited sales volumes, 18 percent cited higher prices, and 16 percent cited usual seasonal change.

## **CREDIT MARKETS**

Two percent of owners reported that all their borrowing needs were not satisfied (unchanged). Twenty-two percent reported all credit needs met (down 6 points) and 65 percent said they were not interested in a loan (up 4 points). A net 4 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). A net 14 percent of owners reported paying a higher rate on their most recent loan, down 2 points from April. The average rate paid on short maturity loans was 5.7 percent, still among the lowest rates paid in the 48-year survey history. Twenty-two percent of all owners reported borrowing on a regular basis (down 4 points).

## **INFLATION**

The net percent of owners raising average selling prices increased 2 points from April to a net 72 percent seasonally adjusted (the same as March 2022 and a record high reading). Unadjusted, 3 percent (down 1 point) reported lower average selling prices and 71 percent (up 1 point) reported higher average prices. Price hikes were most frequent in wholesale (80 percent higher, 4 percent lower), manufacturing (79 percent higher, 1 percent lower), retail trades (78 percent higher, 2 percent lower), and construction (77 percent higher, 2 percent lower). Seasonally adjusted, a net 47 percent plan price hikes (up 1 point).

# COMMENTARY

---

Things are pretty messy these days. Inflation out of control. Stock markets are sagging. The war in Ukraine continues. And China's zero Covid policy remains in place. A lot of moving parts continue to disrupt the global economy. It's a mess indeed.

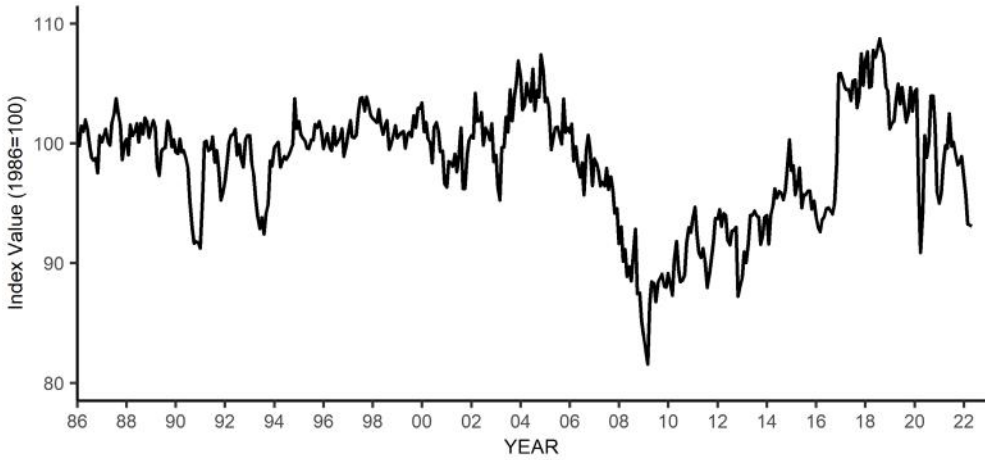
Inflation is now taxing earnings at an unacceptable rate. Compensation is growing at an annual rate of about 6% but inflation is at 8%, reducing real incomes. As is always the case, the impact is not evenly spread across the population, especially harmful to those on fixed incomes and those earning less than average incomes. House prices are up 20% over the year so those interested in homeownership are being priced out of the market. Mortgage rates are rising as well. To combat inflation, the Federal Reserve will rapidly raise interest rates to slow spending. The prime rate of interest hit 20% during the last big inflation fight over 40 years ago. For this round, prime started at 3.5%. It will go higher, and borrowers will pay more for loans. But for now, borrowing is still relatively inexpensive but maybe not for long.

For the moment, the economy seems to be doing okay despite continuing supply side issues that are holding down profits, not due weak spending. But we are skating on thin ice, cracks are appearing, and the cold water is deep. We are short on life preservers. But the Administration refuses to ease up on the policies it implemented that produced higher energy costs and overheated spending. Instead, it proposes more spending, bigger government, and higher taxes, all of which will raise prices. Owners remain very pessimistic about the second half of the year. But until a recession shows its face, they will "make hay while the sun shines."

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

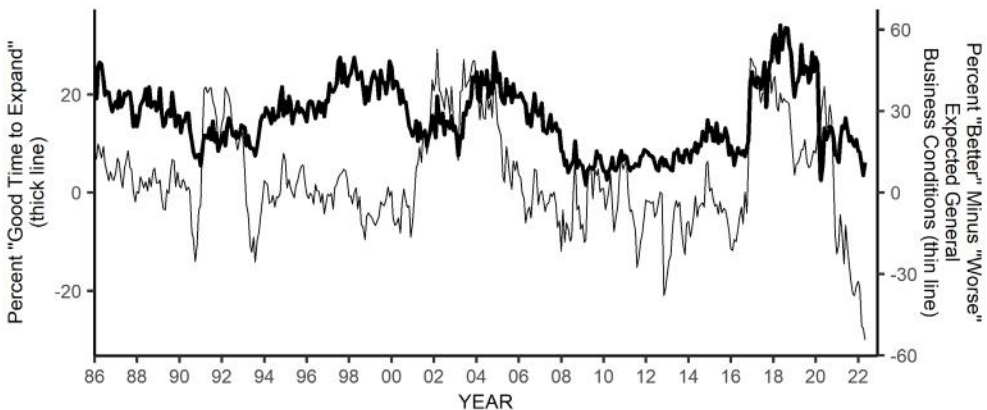
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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
<b>2022</b>	97.1	95.7	93.2	93.2	93.1							

## SMALL BUSINESS OUTLOOK

### OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to May 2022  
(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>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
<b>2022</b>	9	8	6	4	6							

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
May 2022

Reason	Good Time	Not Good Time	Uncertain
<b>Economic Conditions</b>	2	40	16
<b>Sales Prospects</b>	5	1	1
<b>Fin. &amp; Interest Rates</b>	0	3	1
<b>Cost of Expansion</b>	0	6	4
<b>Political Climate</b>	1	10	5
<b>Other / Not Available</b>	0	3	2

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

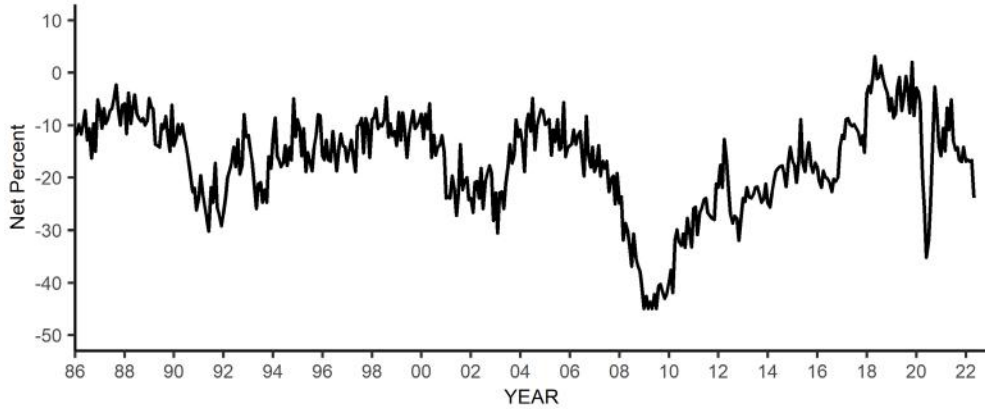
Net Percent ("Better" Minus "Worse") Six Months From Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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
<b>2022</b>	-33	-35	-49	-50	-54							

# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to May 2022  
(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>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
<b>2022</b>	-17	-17	-17	-17	-24							

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
May 2022

Reason	Current Month	One Year Ago	Two Years Ago
<b>Sales Volume</b>	11	13	20
<b>Increased Costs*</b>	20	12	6
<b>Cut Selling Prices</b>	3	2	4
<b>Usual Seasonal Change</b>	4	4	5
<b>Other</b>	2	1	7

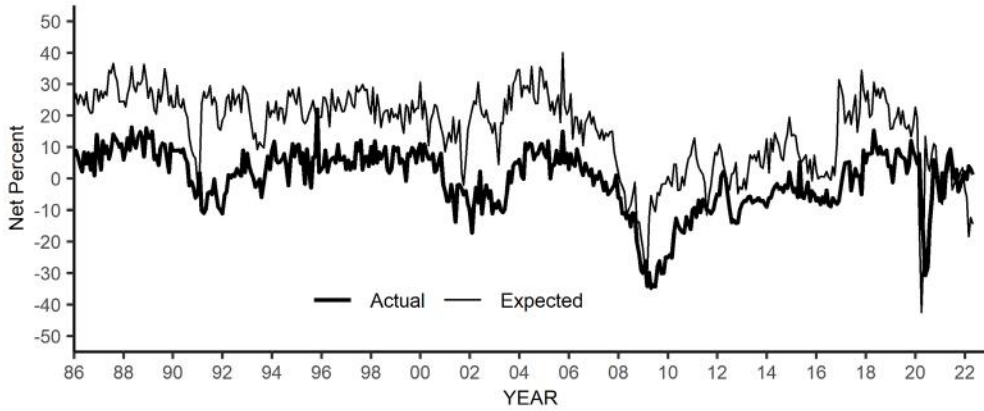
\* Increased costs include labor, materials, finance, taxes, and regulatory costs.



# SMALL BUSINESS SALES

## SALES

Actual (Prior Three Months) and Expected (Next Three Months)  
 January 1986 to May 2022  
 (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>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
<b>2022</b>	2	0	4	3	1							

## SALES EXPECTATIONS

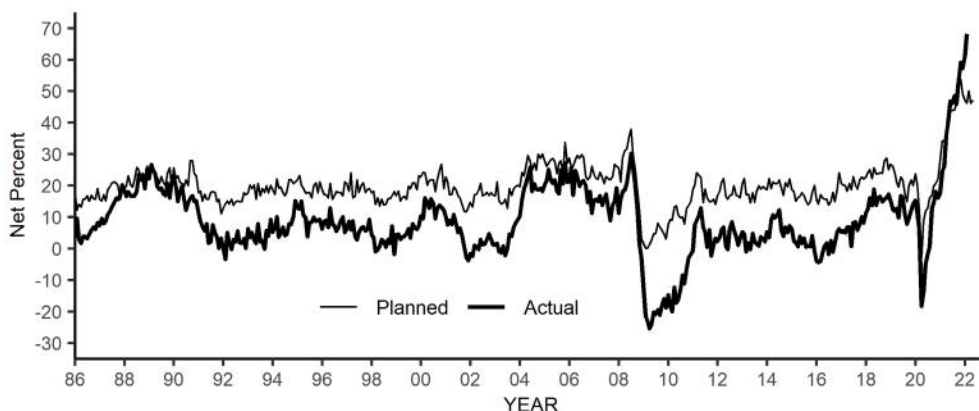
Net Percent ("Higher" Minus "Lower") During Next Three Months  
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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
<b>2022</b>	-3	-6	-18	-12	-15							

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
 January 1986 to May 2022  
 (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>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
<b>2022</b>	61	68	72	70	72							

## 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>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
<b>2022</b>	47	46	50	46	47							

# 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
<b>2017</b>	3	4	2	4	5	-1	2	2	-1	3	2	3
<b>2018</b>	4	4	4	7	7	3	6	5	1	5	5	5
<b>2019</b>	7	9	12	7	9	5	3	5	4	4	10	6
<b>2020</b>	9	13	8	-12	-16	-16	-11	-12	-6	-2	-2	-5
<b>2021</b>	0	-3	-2	1	-5	-2	-6	-8	-1	-2	-1	1
<b>2022</b>	-1	1	-2	-2	-4							

## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	47	44	45	48	51	46	52	52	49	52	44	54
<b>2018</b>	49	47	47	50	48	55	52	55	53	53	53	54
<b>2019</b>	49	49	54	49	54	50	56	57	50	53	53	50
<b>2020</b>	49	52	47	41	37	43	44	46	50	48	47	48
<b>2021</b>	46	51	51	54	57	56	57	60	62	58	56	57
<b>2022</b>	55	57	55	55	61							

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to May 2022  
(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>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
<b>2022</b>	47	48	47	47	51							

## HIRING PLANS

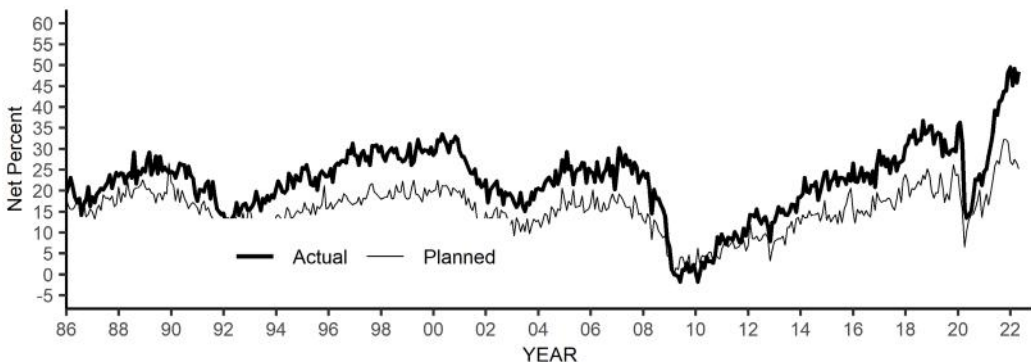
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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
<b>2022</b>	26	19	20	20	26							

# SMALL BUSINESS COMPENSATION

## COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to May 2022  
(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>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
<b>2022</b>	50	45	49	46	49							

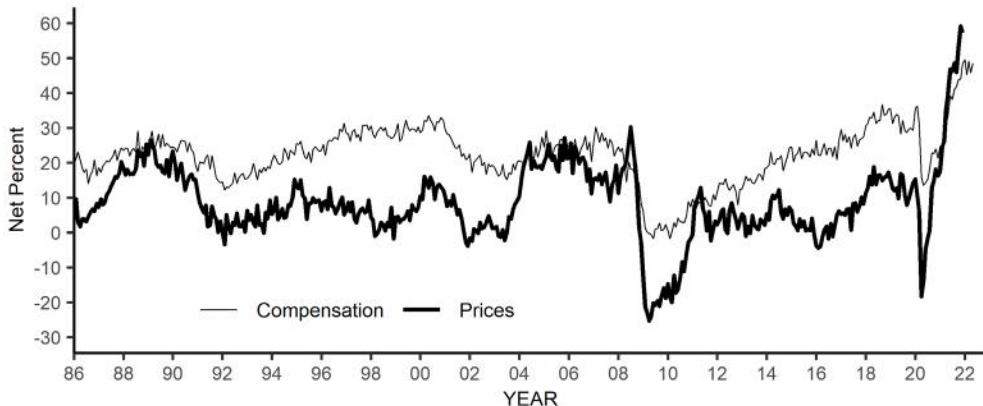
### COMPENSATION PLANS

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>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
<b>2022</b>	27	26	28	27	25							

### PRICES AND LABOR COMPENSATION

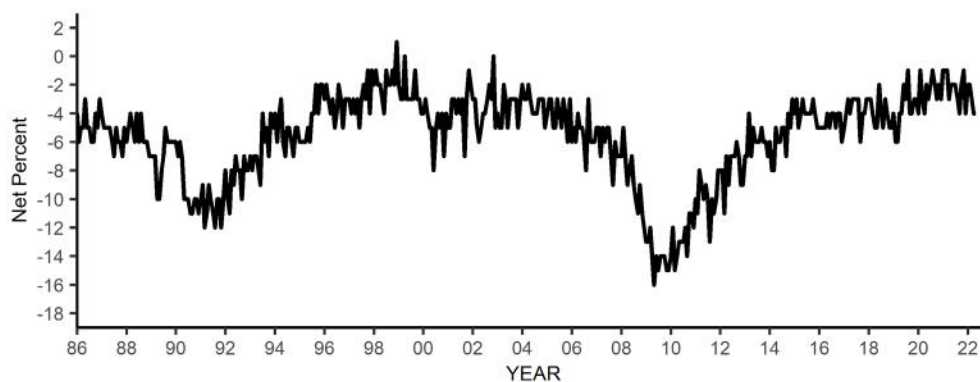
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to May 2022



\* 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>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
<b>2022</b>	23	23	25	26	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>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
<b>2022</b>	-2	-2	-3	-4	-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>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
<b>2022</b>	25/3	25/2	26/4	26/2	22/2							

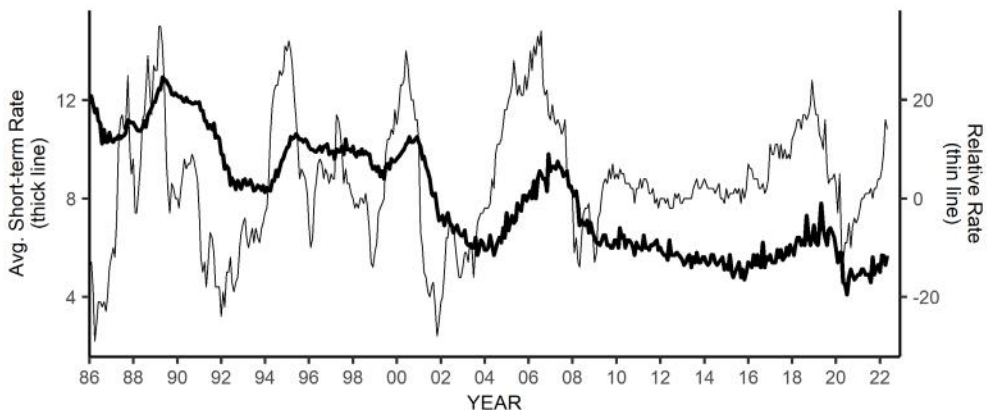
## EXPECT EASIER CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<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
<b>2022</b>	-4	-4	-4	-5	-4							

## INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
*January 1986 to May 2022*



## 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	1	1	2	0	2	2	4
2022	4	6	9	16	14							

*Borrowing at Least Once Every Three Months.*

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

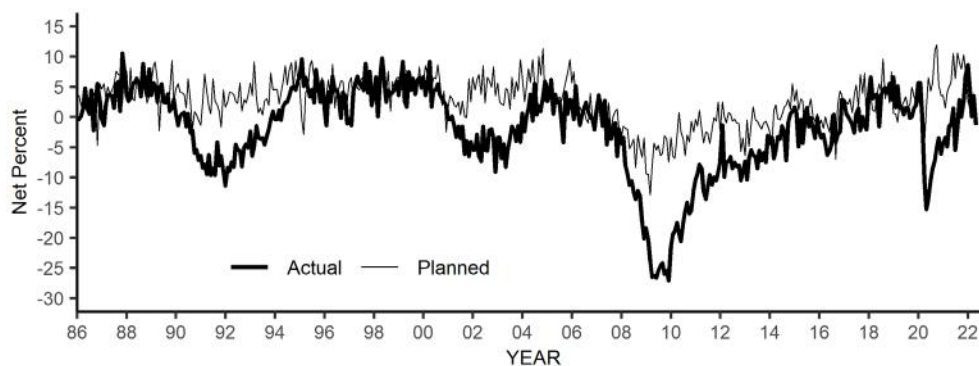
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	4.9	4.9	4.6	5.6	4.9	5.1	5.3
2022	5.0	5.7	5.7	5.3	5.7							

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to May 2022  
(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
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
2022	9	5	0	4	-1							

### Current Inventory (too low)

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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
2022	7	7	9	6	8							

### INVENTORY PLANS

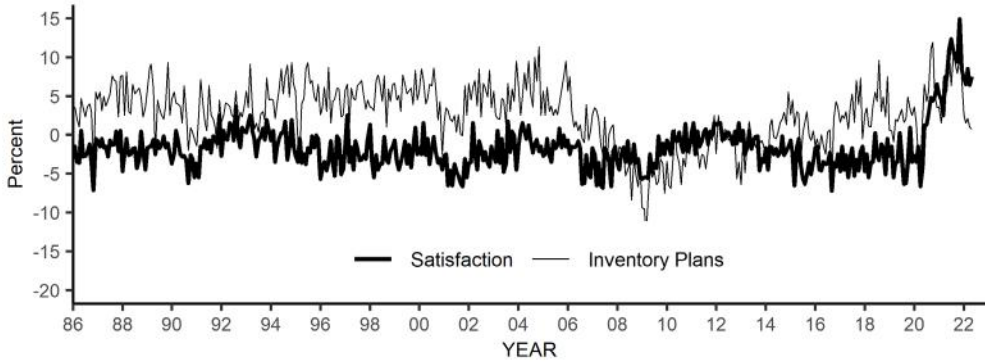
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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
2022	3	2	2	1	1							

# SMALL BUSINESS CAPITAL OUTLAYS

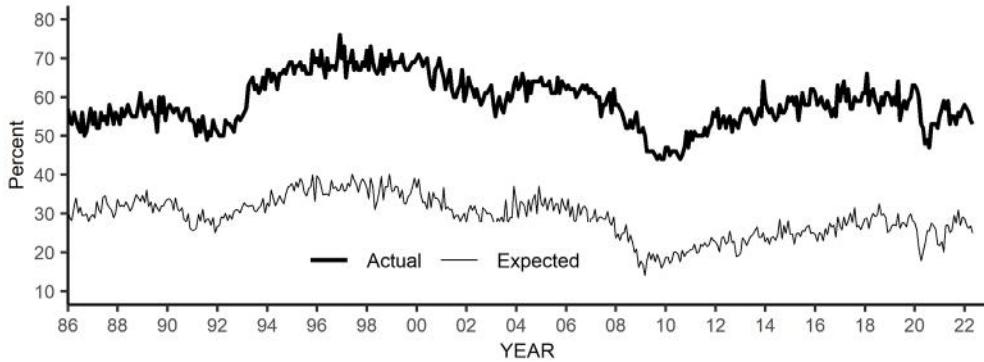
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 2022  
*(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>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
<b>2022</b>	58	57	56	54	53							

## 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
<b>Vehicles</b>	21	24	20
<b>Equipment</b>	36	44	35
<b>Furniture or Fixtures</b>	12	13	10
<b>Add. Bldgs. or Land</b>	6	6	5
<b>Improved Bldgs. or Land</b>	15	16	15

### 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
<b>\$1 to \$999</b>	2	2	3
<b>\$1,000 to \$4,999</b>	7	6	6
<b>\$5,000 to \$9,999</b>	5	7	4
<b>\$10,000 to \$49,999</b>	13	18	17
<b>\$50,000 to \$99,999</b>	9	12	10
<b>\$100,000 +</b>	15	14	11
<b>No Answer</b>	2	0	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
<b>2017</b>	27	26	29	27	28	30	28	32	27	27	26	27
<b>2018</b>	29	29	26	29	30	29	30	33	30	30	29	25
<b>2019</b>	26	27	27	27	30	26	28	28	27	29	30	28
<b>2020</b>	28	26	21	18	20	22	26	26	28	27	26	22
<b>2021</b>	22	23	20	27	27	25	26	30	28	31	27	29
<b>2022</b>	29	27	26	27	25							

# SINGLE MOST IMPORTANT PROBLEM

## SINGLE MOST IMPORTANT PROBLEM

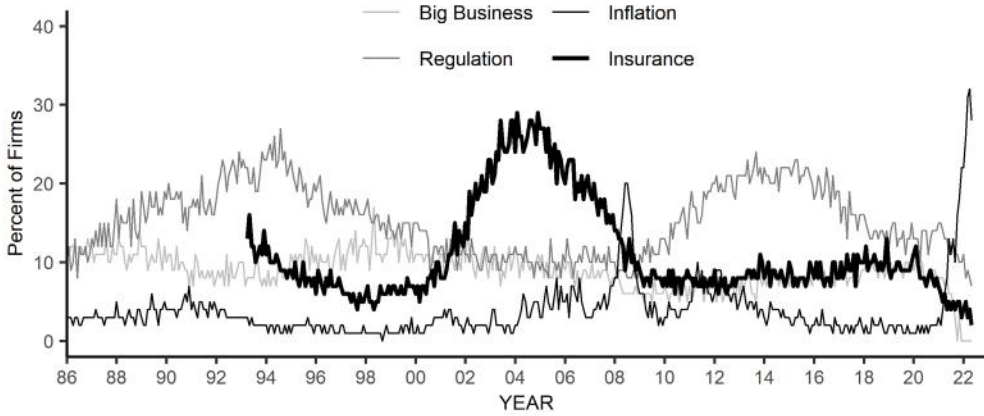
May 2022

Problem	Current	One Year Ago	Survey High	Survey Low
<b>Taxes</b>	12	22	32	8
<b>Inflation</b>	28	8	41	0
<b>Poor Sales</b>	4	5	34	2
<b>Fin. &amp; Interest Rates</b>	1	1	37	0
<b>Cost of Labor</b>	12	8	13	2
<b>Government Regulation</b>	7	13	27	4
<b>Comp. from Large Bus.</b>	0	8	14	0
<b>Quality of Labor</b>	23	26	28	3
<b>Cost/Avail. of Insurance</b>	2	4	29	0
<b>Other</b>	11	5	31	1

## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation

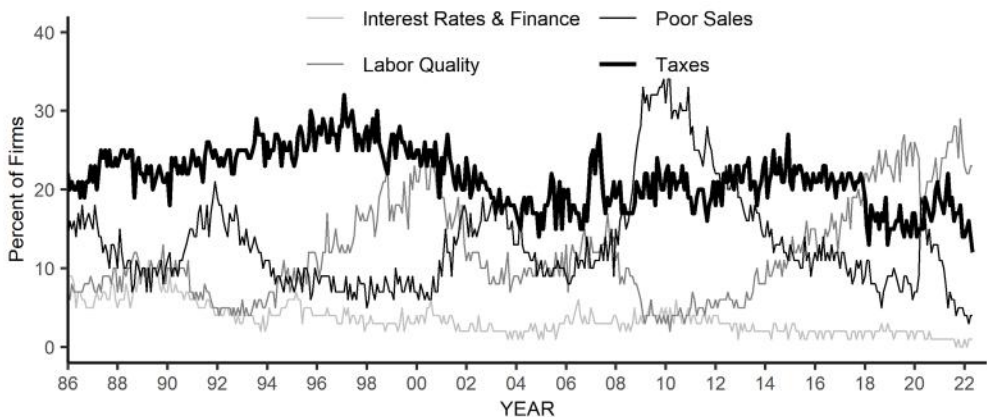
January 1986 to May 2022



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality

January 1986 to May 2022



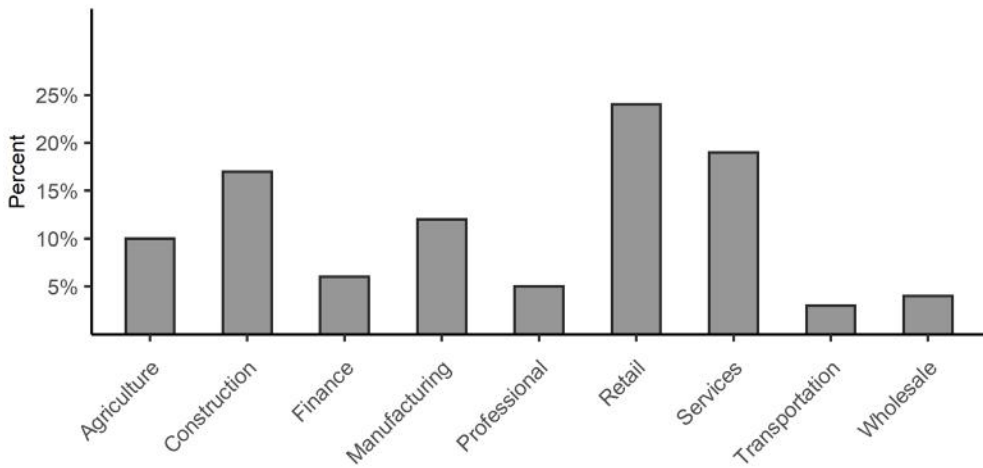
## SURVEY PROFILE

### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

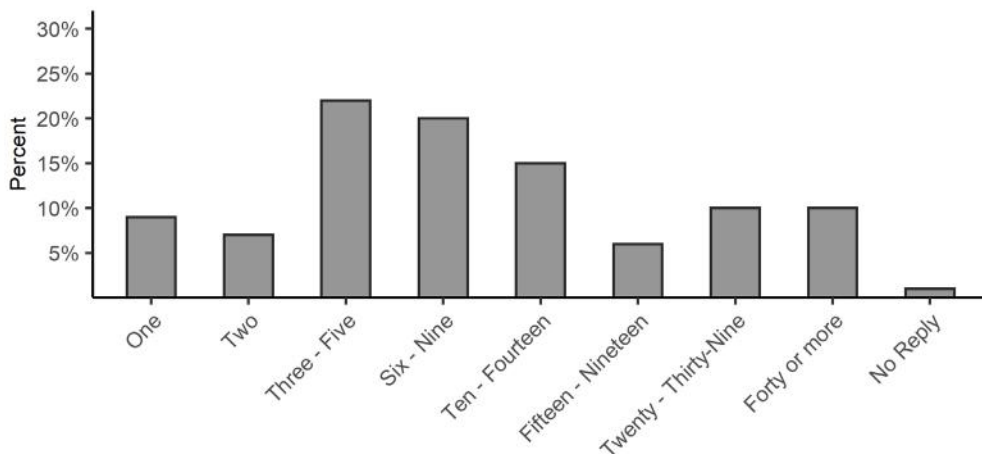
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	1873	764	704	1618	699	624	1533	713	629	1513	544	495
<b>2018</b>	1658	642	570	1554	562	665	1718	680	642	1743	700	621
<b>2019</b>	1740	526	643	1735	650	606	1502	680	603	1618	500	488
<b>2020</b>	1692	641	627	1832	814	670	1652	751	604	1719	561	542
<b>2021</b>	1109	678	514	1516	659	592	1440	595	537	1431	613	639
<b>2022</b>	1504	665	560	1457	581							

### 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

---

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