

NFIB SMALL BUSINESS ECONOMIC TRENDS

William C. Dunkelberg
Holly Wade

September 2020

SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	23%	2	5%
Plans to Make Capital Outlays	28%	2	5%
Plans to Increase Inventories	11%	5	13%
Expect Economy to Improve	32%	8	20%
Expect Real Sales Higher	8%	5	13%
Current Inventory	5%	2	5%
Current Job Openings	36%	3	8%
Expected Credit Conditions	-5%	-1	-3%
Now a Good Time to Expand	13%	1	3%
Earnings Trends	-12%	13	33%
Total Change		40	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 increased 3.8 points in September to 104.0, historically high. Nine of the 10 Index components improved and one declined. The NFIB Uncertainty Index increased 2 points in September to 92, up from 75 in April. Earnings trends over the past three months improved 13 points to a net negative 12 percent reporting higher earnings. Owners expecting better business conditions over the next six months improved 8 points to a net 32 percent. Real sales expectations in next three months increased 5 points to net 8 percent. Inventory investment plans over the next three to six months increased by 5 points to a net 11 percent, a significant gain. The percent of owners thinking it's a good time to expand increased 1 point to 13 percent.

LABOR MARKETS

Firms increased employment by 0.01 workers per firm on average over the past few months, basically unchanged from August. Ten percent (up 2 points) reported increasing employment an average of 3.2 workers per firm and 16 percent (down 4 points) reported reducing employment an average of 2.0 workers per firm (seasonally adjusted). Twenty-two million jobs were lost in the March-April period, half have been recouped to date, but the pace of improvement appears to be slowing. A seasonally-adjusted net 23 percent plan to create new jobs in the next three months, up 2 points from August, and 22 percentage points above April. Plans are back to levels observed in the first quarter when the economy was busy extending the longest expansion in history. Owners are now anticipating that the U.S. economy will continue to grow, and that they will need employees to produce and deliver the goods. Thirty-six percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up 3 points. Thirty-two percent have openings for skilled workers (up 1 point) and 16 percent have openings for unskilled labor (up 4 points). Overall, 56 percent reported hiring or trying to hire in September, up four points from the previous month. Fifty percent (89 percent of those hiring or trying to hire) reported few or no "qualified" applicants for the positions they were trying to fill, up 4 points.

CAPITAL SPENDING

Fifty-three percent reported capital outlays in the last 6 months, up 6 points from August. This is a major contribution to GDP growth but also to the improvement in future periods of worker productivity, the key to rising worker compensation. Still, the frequency of expenditures is 10 points below January levels. Of those making expenditures, 38 percent reported spending on new equipment (up 4 points), 23 percent acquired vehicles (up 2 points), and 16 percent improved or expanded facilities (down 4 points). Four percent acquired new buildings or land for expansion (down 2 points), and 8 percent spent money for new fixtures and furniture (down 1 point). Plans to make capital outlays continued to push toward pre-crisis levels. Twenty-eight percent plan capital outlays in the next few months, up 2 points from August.

This survey was conducted in September 2020. A sample of 5,000 small-business owners/members was drawn. Six hundred four (604) usable responses were received — a response rate of 12.1 percent.

SALES AND INVENTORIES

As parts of the economy continue to open, small businesses continue to see improvements in foot traffic and sales. A net negative 6 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, an improvement of 9 points from August. The net percent of owners expecting higher real sales volumes increased 5 points to a net 8 percent of owners, a remarkable recovery. The net percent of owners reporting inventory increases rose 2 points to a net negative 7 percent, so substantially more firms report falling inventories than see stocks building. Consequently, the net percent of owners viewing current inventory stocks as “too low” continued to increase, rising 2 points to 5 percent, a record high. The net percent of owners planning to expand inventory holdings increased from August by 5 points to a net 11 percent, the highest reading since November 2004. Inventories are very low and need to be rebuilt to support even modest growth in the economy.

COMPENSATION AND EARNINGS

Seasonally adjusted, a net 23 percent reported raising compensation (up 5 points) and a net 16 percent plan to do so in the coming months, up two points. Nine percent cited labor costs as their top business problem (unchanged). Twenty-one percent of the owners selected “finding qualified labor” as their top business problem (unchanged). The frequency of reports of positive profit trends rose 13 points to a net negative 12 percent reporting quarter on quarter profit improvement. Among owners reporting weaker profits, 51 percent blamed weak sales, 9 percent cited lower prices, 6 percent cited usual seasonal change, and 5 percent cited labor costs. For owners reporting higher profits, 73 percent credited sales volumes and 12 percent cited usual seasonal change. Sales remain the major story.

CREDIT MARKETS

Two percent of owners reported that all their borrowing needs were not satisfied (down 1 point). Thirty-three percent reported all credit needs met (up 2 points) and 55 percent said they were not interested in a loan (up 2 points). A net 2 percent reported their last loan was harder to get than in previous attempts (up 1 point). One percent reported that financing was their top business problem (down 1 point). The net percent of owners reporting paying a higher rate on their most recent loan was negative 10 percent, down 5 points from August. Twenty-six percent of all owners reported borrowing on a regular basis (up 2 points). The average rate paid on short maturity loans was up 0.3 points at 5.1 percent. Loan rates have rarely been as low, and availability is not a major issue.

INFLATION

The net percent of owners raising average selling prices rose 12 points to a net 13 percent, seasonally adjusted, a significant increase but to a typical level of price raising activity. Unadjusted, 11 percent (down 5 points) reported lower average selling prices and 23 percent (up 7 points) reported higher average prices. Price hikes were most frequent in wholesale (27 percent higher, 10 percent lower) and retail (27 percent higher, 7 percent lower). Seasonally adjusted, a net 17 percent plan price hikes (up 1 point).

COMMENTARY

We are experiencing the shortest recession in modern history, starting in March or April and ending no later than September (official dates will eventually be determined by the National Bureau of Economic Research once more precise data are available). Housing is probably the hottest sector, posting record home sales last month and double-digit price increases. More construction firms have unfilled job openings than in any other industry. Durable goods orders were strong except for aircraft, autos were weak after several strong months. Non-defense capital goods orders (excluding aircraft) were also very strong.

Inventories are very low compared to sales, more firms reported stocks too low than too high, a rare occurrence and good news for manufacturers and for GDP growth. The ratio of inventories to sales in retailing is at a record low level, spurring more production and imports to fill the gap. The inventory rebuild will add 4 or 5 percentage points to GDP growth estimated to be about 30 percent for third quarter over second (annual rate). And retail sales were up at a 50 percent annual rate in Q3 after falling 25 percent in Q2. Consumer sentiment rose dramatically in September and the \$300/week unemployment supplement kicked in for some.

The ISM Services Index came in at 57 (above 50 is “expansion”), good news because small businesses dominate the service sector. The manufacturing sector is also looking very good, at 55. These measures indicate that growth is likely to be solid in the coming months, taking the economy closer to 2019 level of GDP growth this year.

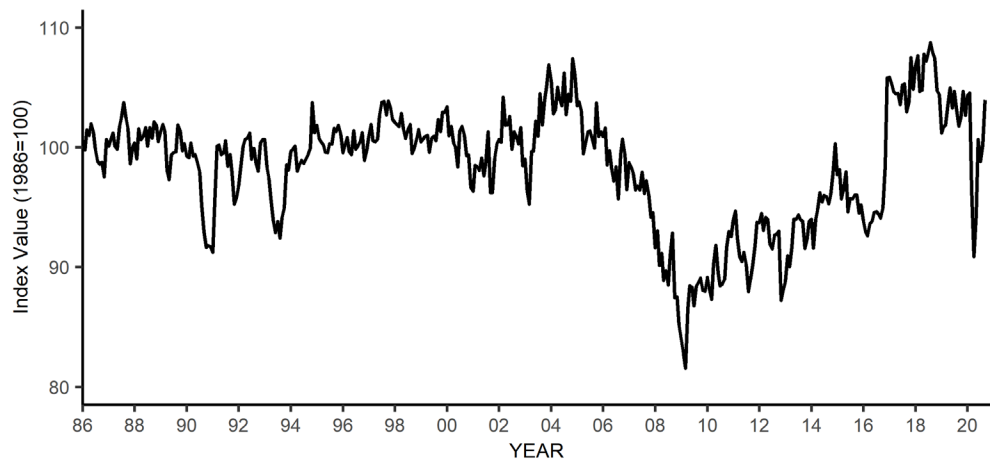
The Federal Reserve continues on its quixotic search for inflation, determined to do whatever it can to create some. In addition to buying \$80 billion per month in U.S. Treasury Bonds, \$40 billion in mortgage backed securities, it is also lending money to the private sector. The Fed has succeeded in creating inflation in the asset market, stocks and bonds are at record high levels, but alas, no goods and services inflation. Home prices rose at double digit rates because demand for homes exceeds supply, the traditional cause of “inflation” (not directly included in our inflation measures). But no significant increase in the overall price level – no inflation.

On a broader level, the political climate is stressful and contributing to uncertainty. The presidential election is weeks away and voters have a choice of very different management teams. All that, in addition to a virus that has killed 200,000 people to date with more to come. Stressful and confusing times. But these issues will be resolved and the small business sector will continue to drive the economy forward.

OVERVIEW - SMALL BUSINESS OPTIMISM

OPTIMISM INDEX

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



OPTIMISM INDEX

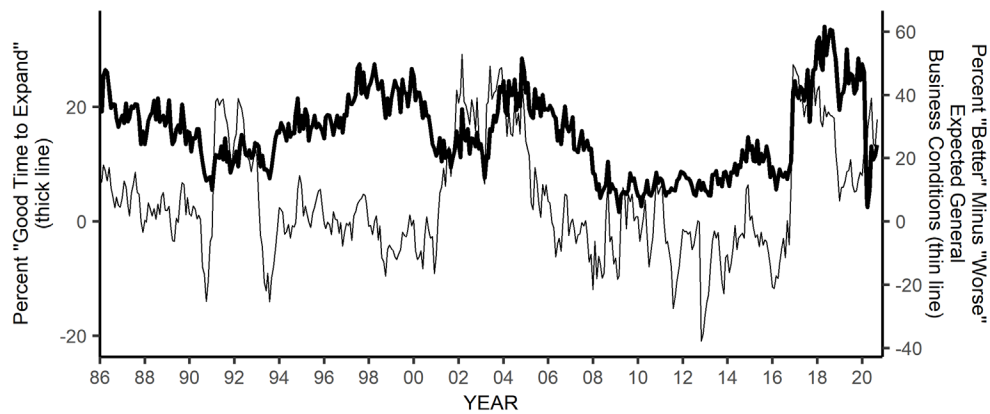
Based on Ten Survey Indicators
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	97.7	98.1	95.7	96.5	97.9	94.6	95.7	95.7	96.0	96.0	94.5	95.2
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			

SMALL BUSINESS OUTLOOK

OUTLOOK

Good Time to Expand and Expected General Business Conditions
January 1986 to September 2020
(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
2015	13	13	11	11	14	10	12	11	11	13	12	8
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			

MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook
September 2020

Reason	Good Time	Not Good Time	Uncertain
Economic Conditions	3	27	12
Sales Prospects	3	3	1
Fin. & Interest Rates	3	0	0
Cost of Expansion	0	1	1
Political Climate	2	14	21
Other / Not Available	1	4	4

OUTLOOK FOR GENERAL BUSINESS CONDITIONS

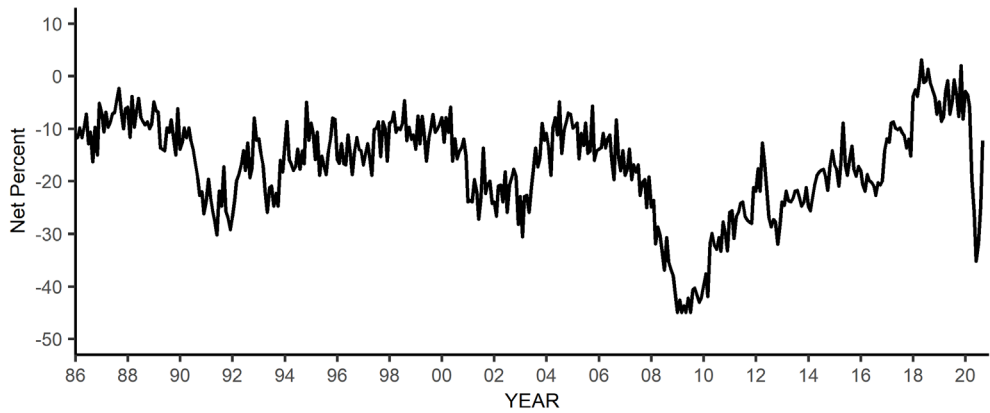
Net Percent ("Better" Minus "Worse") Six Months From Now
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	0	2	-2	-5	-4	-8	-3	-8	-6	-6	-10	-15
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			

SMALL BUSINESS EARNINGS

EARNINGS

Actual Last Three Months
January 1986 to September 2020
(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
2015	-17	-18	-21	-17	-9	-17	-19	-16	-13	-18	-19	-17
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			

MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason
September 2020

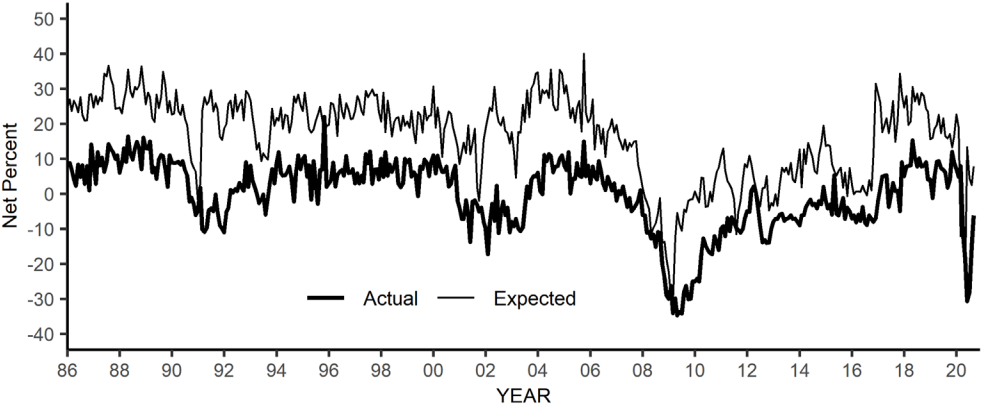
Reason	Current Month	One Year Ago	Two Years Ago
Sales Volume	18	7	6
Increased Costs*	4	5	7
Cut Selling Prices	3	2	2
Usual Seasonal Change	2	3	5
Other	5	1	4

* 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 September 2020
(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
2015	-2	-4	-3	-6	5	-6	-6	-4	-1	-7	-4	-5
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			

SALES EXPECTATIONS

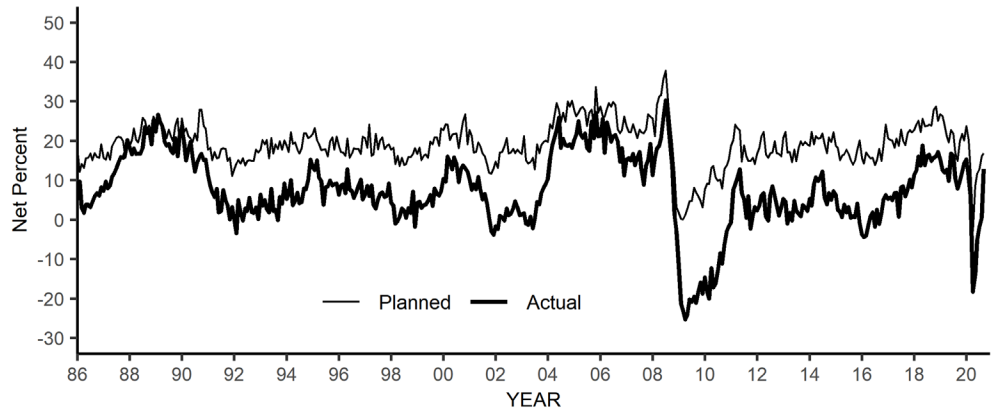
Net Percent ("Higher" Minus "Lower") During Next Three Months
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	14	14	14	9	7	5	7	8	2	6	-1	7
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			

SMALL BUSINESS PRICES

PRICES

Actual Last Three Months and Planned Next Three Months
January 1986 to September 2020
(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
2015	6	3	2	1	4	2	3	1	1	1	4	-1
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			

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
2015	19	18	15	16	17	18	17	15	14	15	18	20
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			

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
2015	5	4	2	2	4	0	0	6	5	0	0	-1
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			

QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	42	47	42	44	47	44	48	48	45	48	47	48
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			

EMPLOYMENT

Planned Next Three Months and Current Job Openings
January 1986 to September 2020
(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
2015	26	29	24	27	29	24	25	28	27	27	28	28
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			

HIRING PLANS

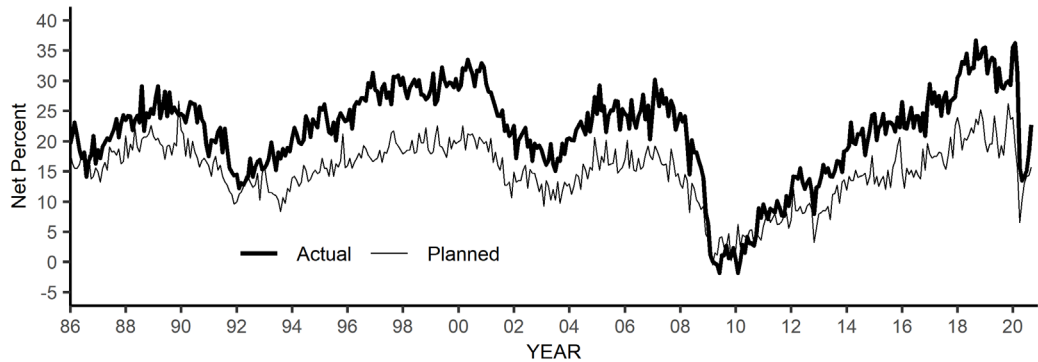
Net Percent ("Increase" Minus "Decrease") in the Next Three Months
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	13	12	12	11	13	9	12	11	12	11	11	15
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			

SMALL BUSINESS COMPENSATION

COMPENSATION

Actual Last Three Months and Planned Next Three Months
January 1986 to September 2020
(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
2015	25	20	22	23	25	21	23	23	23	22	24	22
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			

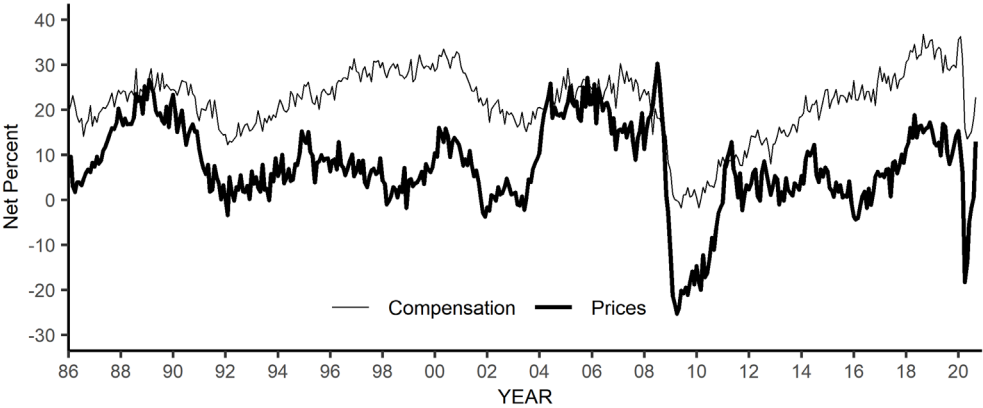
COMPENSATION PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	13	14	13	14	14	12	15	12	16	17	19	21
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			

PRICES AND LABOR COMPENSATION

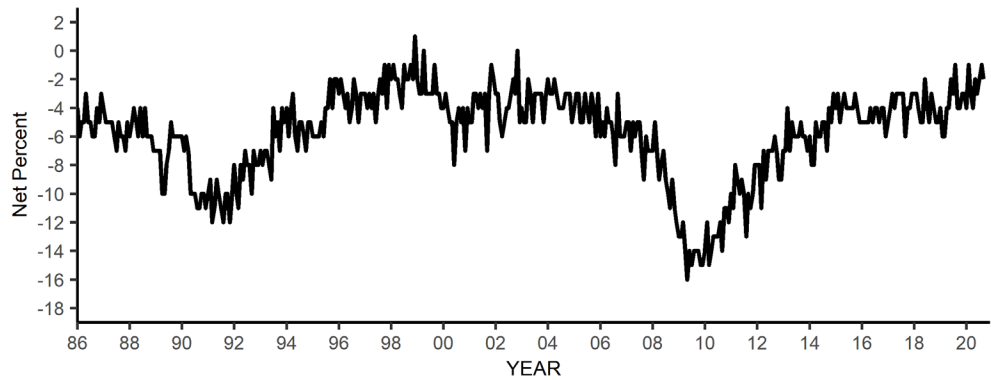
Net Percent Price Increase and Net Percent Compensation
(Seasonally Adjusted)



SMALL BUSINESS CREDIT CONDITIONS

CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago*
January 1986 to September 2020



* 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
2015	33	30	32	30	29	31	30	33	29	28	27	31
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			

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
2015	-4	-3	-5	-4	-3	-4	-4	-4	-4	-3	-4	-5
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			

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
2015	32/4	33/3	35/5	31/4	30/4	32/5	32/4	33/3	30/2	30/3	32/3	32/4
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			

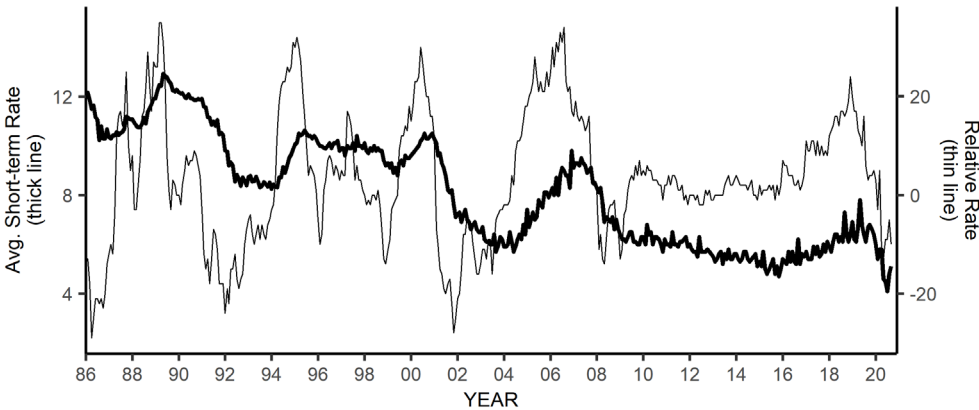
EXPECTED CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	-5	-4	-6	-4	-4	-4	-5	-7	-6	-5	-4	-6
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			

INTEREST RATES

Relative Rates and Actual Rates Last Three Months
January 1986 to September 2020



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
2015	2	0	1	1	1	2	1	2	-1	2	0	2
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			

Borrowing at Least Once Every Three Months.

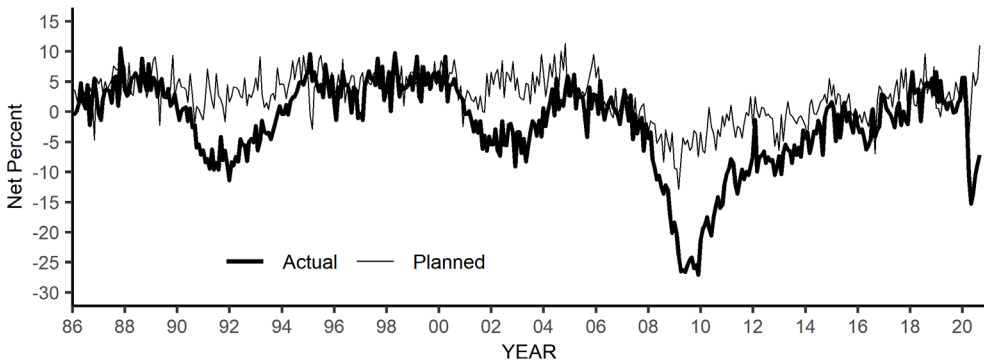
ACTUAL INTEREST RATE PAID ON
SHORT-TERM LOANS BY BORROWERS

Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	5.3	5.1	5.7	5.0	4.8	5.0	5.2	5.4	4.8	5.1	4.7	5.0
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			

SMALL BUSINESS INVENTORIES
INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)
January 1986 to September 2020
(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
2015	2	1	-5	-1	-4	0	2	-2	0	-2	-4	0
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			

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
2015	-1	-3	-7	-2	-1	-4	-6	-6	-5	-4	-5	-4
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			

INVENTORY PLANS

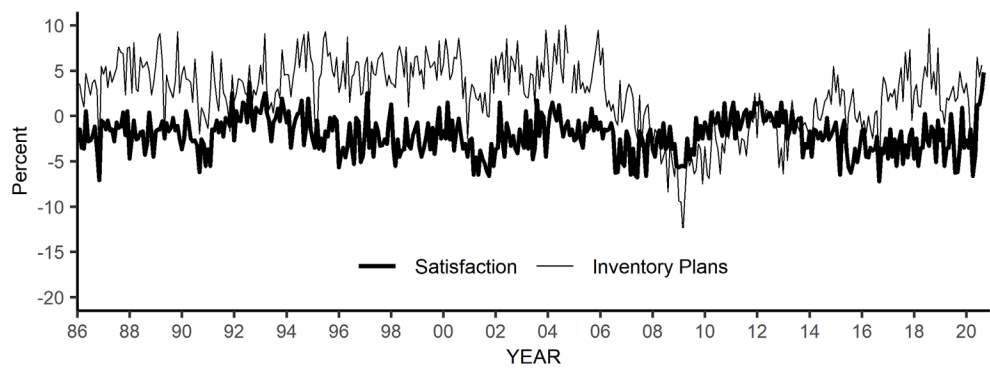
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	3	5	1	3	3	-4	0	2	3	0	-1	1
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			

SMALL BUSINESS CAPITAL OUTLAYS

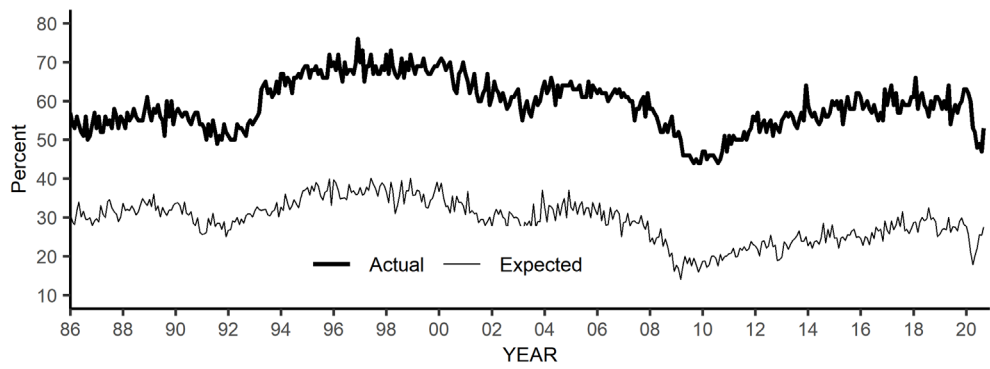
INVENTORY SATISFACTION AND INVENTORY PLANS

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 September 2020
(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
2015	59	60	58	60	54	58	61	58	58	58	62	62
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			

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	23	23	26
Equipment	38	38	41
Furniture or Fixtures	8	14	13
Add. Bldgs. or Land	4	7	7
Improved Bldgs. or Land	16	14	16

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	6	6	8
\$5,000 to \$9,999	5	5	6
\$10,000 to \$49,999	16	22	21
\$50,000 to \$99,999	8	9	9
\$100,000 +	14	10	13
No Answer	2	1	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
2015	25	25	22	25	25	24	26	26	27	27	25	25
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			

SINGLE MOST IMPORTANT PROBLEM

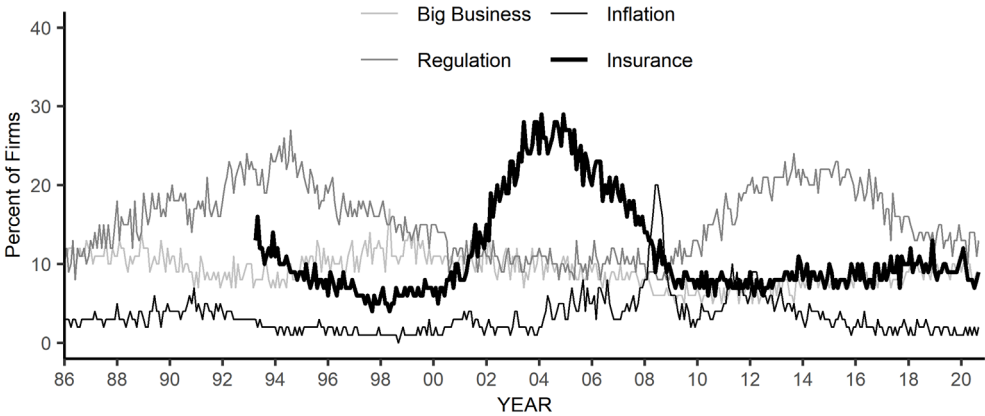
SINGLE MOST IMPORTANT PROBLEM

September 2020

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	16	16	32	8
Inflation	2	1	41	0
Poor Sales	12	9	34	2
Fin. & Interest Rates	2	1	37	1
Cost of Labor	9	11	11	2
Government Regulation	13	11	27	4
Comp. from Large Bus.	9	10	14	4
Quality of Labor	21	23	27	3
Cost/Avail. of Insurance	9	9	29	4
Other	8	8	31	1

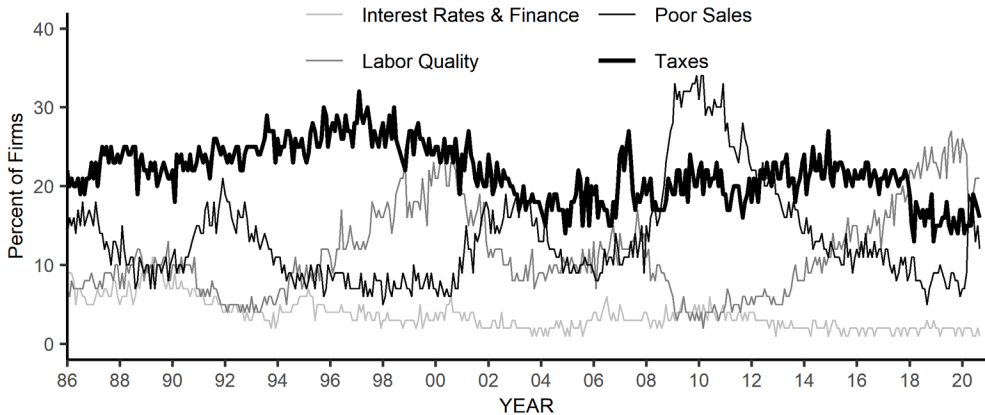
SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation
January 1986 to September 2020



SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality
January 1986 to September 2020



SURVEY PROFILE

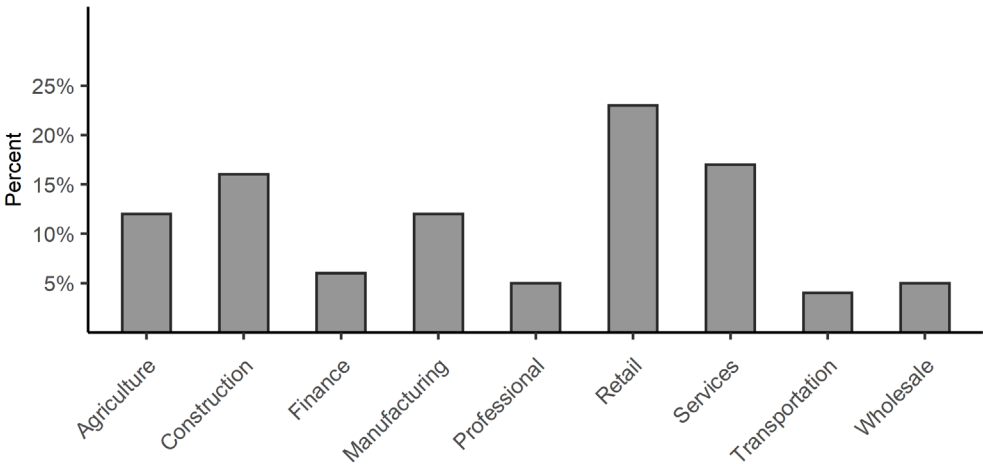
OWNER/MEMBERS PARTICIPATING IN
ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	1663	716	575	1500	616	620	1495	656	556	1411	601	509
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			

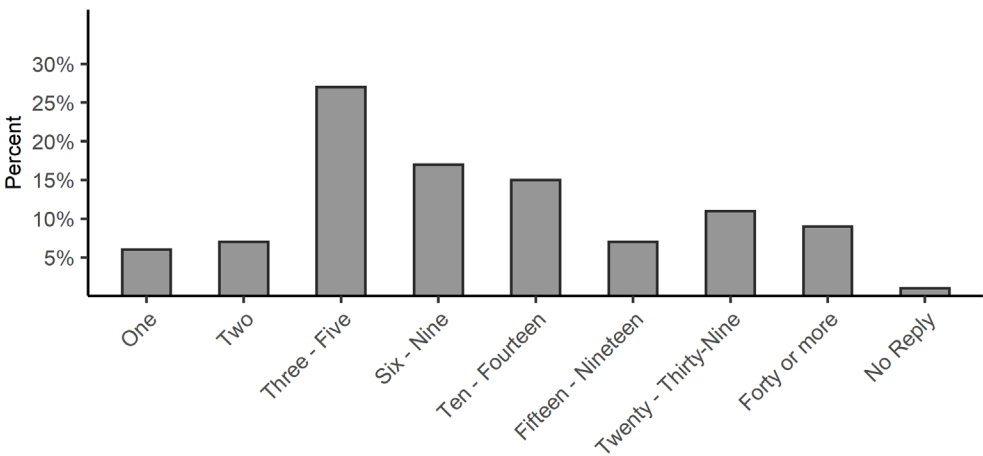
NFIB OWNER/MEMBERS PARTICIPATING
IN ECONOMIC SURVEY

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