

December  
2024

NFIB

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

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SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	19%	1	*
Plans to Make Capital Outlays	27%	-1	*
Plans to Increase Inventories	6%	5	*
Expect Economy to Improve	52%	16	*
Expect Real Sales Higher	22%	8	*
Current Inventory (too low)	-1%	1	*
Current Job Openings	35%	-1	*
Expected Credit Conditions	-2%	3	*
Now a Good Time to Expand	20%	6	*
Earnings Trends	-26%	0	*
Total Change		38	

Based on a Survey of Small and Independent Business Owners

# **NFIB SMALL BUSINESS ECONOMIC TRENDS**

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

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# SUMMARY

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## OPTIMISM INDEX

Small business optimism expands on an improved economic outlook post-election. The Optimism Index rose by 3.4 points in December to 105.1, the second consecutive month above the 51-year average of 98. This is the highest reading since October 2018. Of the 10 Optimism Index components, seven increased, two decreased, and one was unchanged. The Uncertainty Index declined 12 points to 86, as business owners became more certain about economic policies following the election.

## LABOR MARKETS

In December, 35 percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 1 point from November. Twenty-nine percent have openings for skilled workers (down 1 point) and 13 percent have openings for unskilled labor (unchanged). The difficulty in filling open positions is particularly acute in transportation, construction, and manufacturing industries. Job openings in construction were down 13 points from last month and down 17 points from the prior year, with 41 percent reporting a job opening they cannot fill. Openings were the lowest in the agriculture and finance industries. A seasonally adjusted net 19 percent of owners plan to create new jobs in the next three months, up 1 point from November. The last time hiring plans were this high was May 2023. Overall, 55 percent reported hiring or trying to hire in December, unchanged from November. Forty-nine percent (89 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (up 1 point). Twenty-eight percent of owners reported few qualified applicants for their open positions (down 1 point) and 21 percent reported none (up 2 points). The percent of small business owners reporting labor quality as the single most important problem for business was unchanged from November at 19 percent. Labor costs reported as the single most important problem for business owners was unchanged from November at 11 percent, only 2 points below the highest reading of 13 percent reached in December 2021.

## CAPITAL SPENDING

Fifty-six percent reported capital outlays in the last six months, up 2 points from November. Of those making expenditures, 37 percent reported spending on new equipment (down 2 points), 24 percent acquired vehicles (up 2 points), and 16 percent improved or expanded facilities (up 2 points). Eleven percent spent money on new fixtures and furniture (down 1 point) and 7 percent acquired new buildings or land for expansion (unchanged). Twenty-seven percent (seasonally adjusted) plan capital outlays in the next six months, down 1 point from November's highest reading since January 2022.

## SALES AND INVENTORIES

A net negative 13 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, unchanged from November. The net percent of owners expecting higher real sales volumes rose 8 points to a net 22 percent (seasonally adjusted). This is the highest reading since January 2020. The net percent of owners reporting inventory gains rose 7 points to a net 0 percent (seasonally adjusted). Not seasonally adjusted, 13 percent reported increases in stocks (up 3 points) and 14 percent reported reductions (down 2 points). A net negative 1 percent (seasonally adjusted) of owners viewed current inventory stocks as “too low” in December, up 1 point from November (e.g., inventory stocks are too large relative to expected sales). A net 6 percent (seasonally adjusted) of owners plan inventory investment in the coming months, up 5 points from November and the highest reading since December 2021.

## COMPENSATION AND EARNINGS

Seasonally adjusted, a net 29 percent reported raising compensation, down 3 points from November and the lowest reading since March 2021. A seasonally adjusted net 24 percent plan to raise compensation in the next three months, down 4 points from November. The frequency of reports of positive profit trends was a net negative 26 percent (seasonally adjusted), unchanged from November. Among owners reporting lower profits, 35 percent blamed weaker sales, 13 percent cited usual seasonal change, 12 percent blamed the rise in the cost of materials, and 11 percent cited labor costs. For owners reporting higher profits, 51 percent credited sales volumes, 22 percent cited usual seasonal change, and 7 percent cited higher selling prices.

## CREDIT MARKETS

Two percent of owners reported that all their borrowing needs were not satisfied, down 2 points from November. Twenty-four percent reported all credit needs met (down 2 points) and 65 percent said they were not interested in a loan (up 3 points). A net 4 percent reported their last loan was harder to get than in previous attempts (down 3 points). Four percent reported that financing was their top business problem in December (down 1 point). A net 1 percent of owners reported paying a higher rate on their most recent loan, down 4 points from November and the lowest reading since September 2021. The average rate paid on short maturity loans was 8.7 percent, down 0.1 of a point from November. Twenty-five percent of all owners reported borrowing on a regular basis, down 3 points from November.

## INFLATION

The net percent of owners raising average selling prices was unchanged from November at a net 24 percent seasonally adjusted. Twenty percent of owners reported that inflation was their single most important problem in operating their business (higher input and labor costs), unchanged from November and leading labor quality as the top issue by 1 point. Unadjusted, 11 percent (unchanged) reported lower average selling prices and 31 percent (down 1 point) reported higher average prices. Price hikes were most frequent in the finance (56 percent higher, 15 percent lower), retail (38 percent higher, 6 percent lower), construction (30 percent higher, 9 percent lower), and transportation (30 percent higher, 9 percent lower) sectors. Seasonally adjusted, a net 28 percent plan price hikes in December (unchanged).

# COMMENTARY

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For the first 10 months of 2016, the Optimism Index averaged 94. Then there was the presidential election in November and the Index soared to 105.9. From January 2022 to October 2024, the Index averaged 94 (the 51-year average is 98), a poor showing. But in December 2024, the Index surged to 105.1, very similar to 2016. The years under Trump delivered, solid growth, low unemployment, and inflation under 2 percent. But results like that are not guaranteed by solid optimism. Sound economic policies and luck are needed to produce good economic outcomes.

Based on election polls, the top concern of voters was inflation. Currently, inflation is under 3 percent, but above the 2 percent Fed target. More likely the issue is the 20 percent increase in selling prices (CPI) since 2020, consumers want prices to fall, not continue to rise even if at a very low inflation rate. Small business owners share the same sentiment, high prices (costs) are the concern, not the rate of price increases. Inflation remains the top business problem, just ahead of the quality of labor in second place. The cost of energy impacts virtually all products and was a major factor impacting the good inflation experience from 2016-2020. Policies that expand energy production and lower energy prices would contribute to lower inflation and even falling prices.

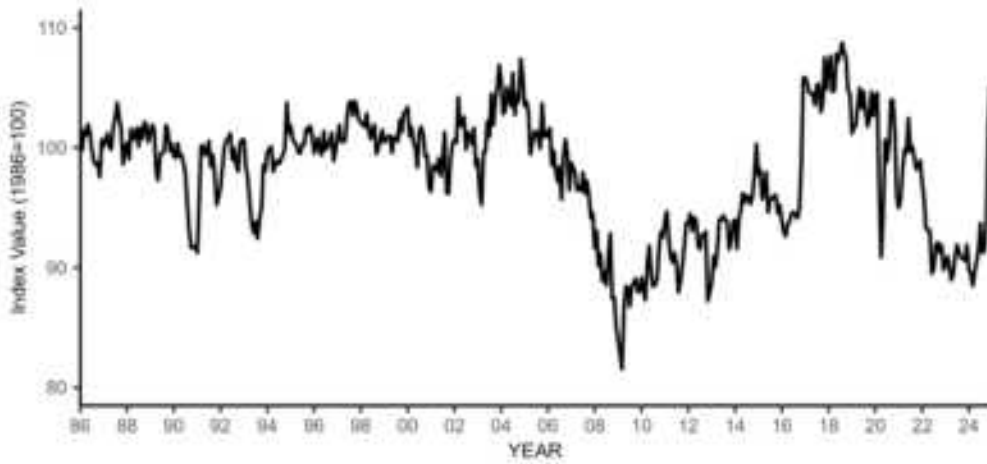
Taxes will be a top policy focus as well, with a promise to preserve the TCJA tax cuts passed in 2017. This is a top concern for small business owners and important tax-related legislation will be an early agenda item for the new administration. Deregulation will also be a welcomed reversal from the previous administration's agenda that caused much consternation among the small business community.

It will be a noisy first year, with many distractions including the wars involving Israel and Ukraine, talk about the Panama Canal and Greenland, and relations with Russia and China. Domestically, there are plenty of headaches including the border, crime, and activist activities. Natural disasters (fires, floods, storms) will continue to demand attention. The Fed will likely cut rates by 50 basis points during the year. All this with a new team of managers. It will be a bumpy ride.

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

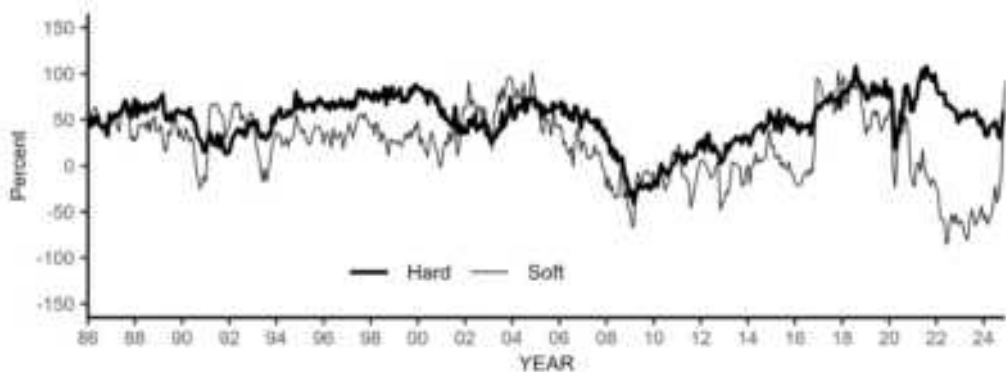
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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	89.5	89.9	91.8	92.1	91.3	91.9	89.8
<b>2023</b>	90.3	90.9	90.1	89.0	89.4	91.0	91.9	91.3	90.8	90.7	90.6	91.9
<b>2024</b>	89.9	89.4	88.5	89.7	90.5	91.5	93.7	91.2	91.5	93.7	101.7	105.1

## OPTIMISM INDEX COMPONENTS

Hard: Job Creation Plans, Job Openings, Inventory Plans, Earnings, Capital Expenditure Plans

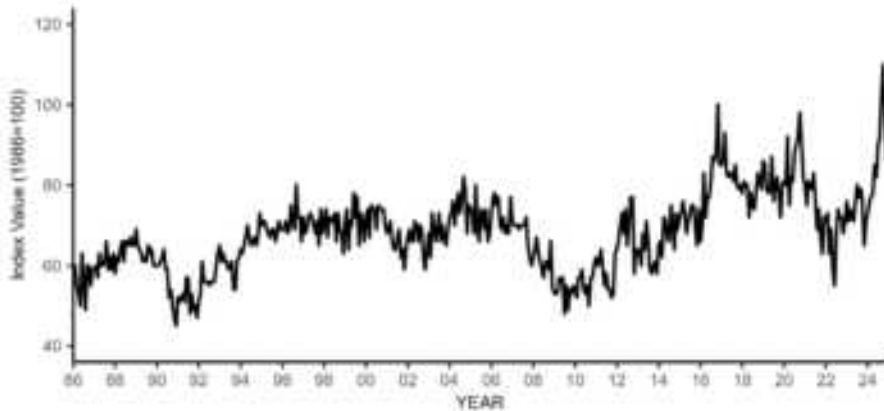
Soft: Expected Business Conditions, Outlook for Expansion, Expected Real Sales, Expected Credit Conditions, Inventory Satisfaction



# SMALL BUSINESS UNCERTAINTY

## UNCERTAINTY INDEX

Sum of "Don't Know" & "Uncertain" Answers on 6 Questions  
(Seasonally Adjusted 1986=100)



## UNCERTAINTY INDEX

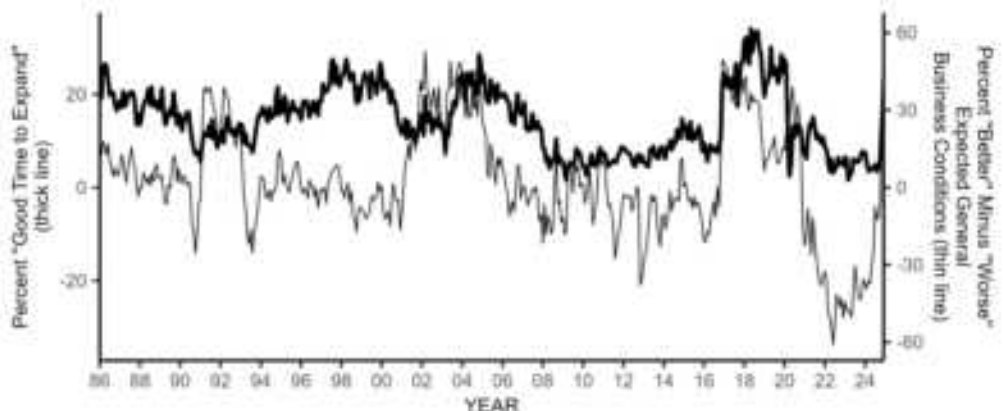
Sum of "Don't Know" & "Uncertain" Answers on 6 Questions  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2019</b>	86	85	79	78	79	87	76	80	82	78	72	80
<b>2020</b>	81	80	92	75	82	81	88	90	92	98	90	82
<b>2021</b>	80	75	81	80	79	83	76	69	74	67	63	72
<b>2022</b>	71	73	63	69	59	55	67	74	72	72	68	71
<b>2023</b>	76	71	74	72	71	76	80	77	79	76	65	71
<b>2024</b>	73	76	77	78	85	82	90	92	103	110	98	86

# SMALL BUSINESS OUTLOOK

## OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to December 2024  
(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>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	3	4	5	6	5	6	5
<b>2023</b>	7	6	2	3	3	6	6	6	5	6	8	8
<b>2024</b>	8	5	4	4	4	4	5	4	4	6	14	20

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
December 2024

Reason	Good Time	Not Good Time	Uncertain
<b>Economic Conditions</b>	4	19	19
<b>Sales Prospects</b>	2	3	3
<b>Fin. &amp; Interest Rates</b>	0	4	4
<b>Cost of Expansion</b>	0	5	7
<b>Political Climate</b>	10	3	8
<b>Other / Not Available</b>	1	2	2

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

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

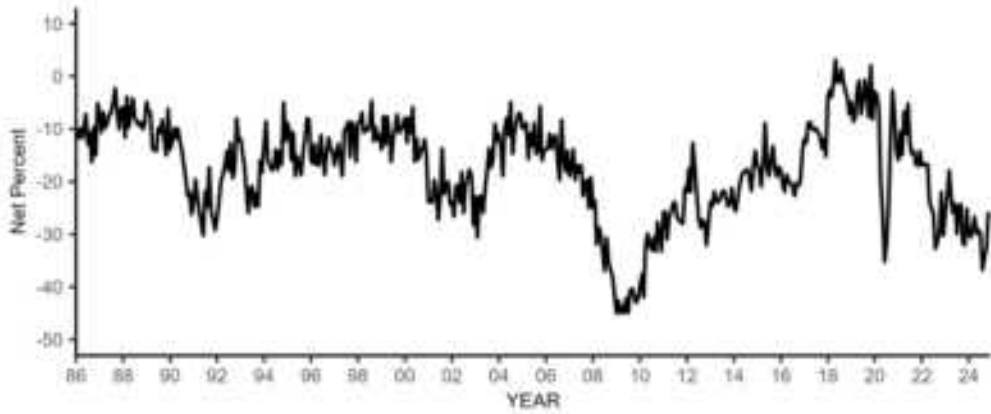
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2019</b>	6	11	11	13	16	16	20	12	9	10	13	16
<b>2020</b>	14	22	5	29	34	39	25	24	32	27	8	-16
<b>2021</b>	-23	-19	-8	-15	-26	-12	-20	-28	-33	-37	-38	-35
<b>2022</b>	-33	-35	-49	-50	-54	-61	-52	-42	-44	-46	-43	-51
<b>2023</b>	-45	-47	-47	-49	-50	-40	-30	-37	-43	-43	-42	-36
<b>2024</b>	-38	-39	-36	-37	-30	-25	-7	-13	-12	-5	36	52



# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to December 2024  
(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>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	-25	-26	-33	-31	-30	-22	-30
<b>2023</b>	-26	-23	-18	-23	-26	-24	-30	-25	-24	-32	-32	-25
<b>2024</b>	-30	-31	-29	-27	-30	-29	-30	-37	-34	-33	-26	-26

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
December 2024

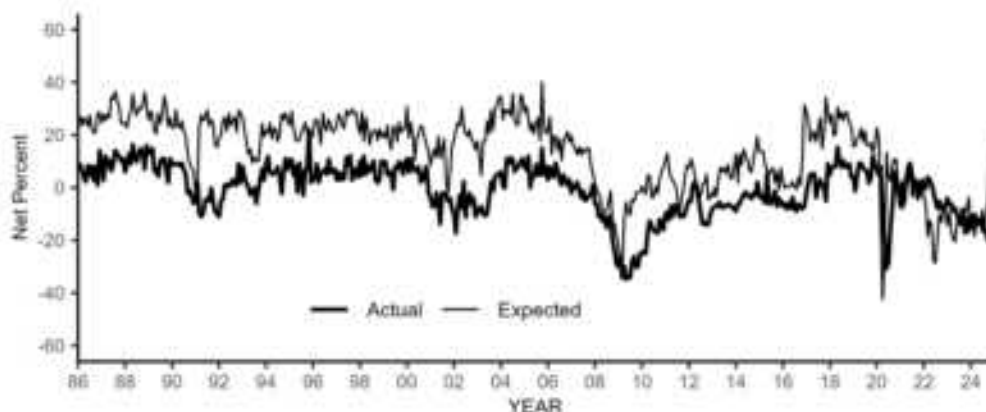
Reason	Current Month	One Year Ago	Two Years Ago
<b>Sales Volume</b>	13	12	10
<b>Increased Costs*</b>	9	12	20
<b>Cut Selling Prices</b>	2	6	4
<b>Usual Seasonal Change</b>	5	4	4
<b>Other</b>	2	1	1

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

# SMALL BUSINESS SALES

## SALES

Actual (Prior Three Months) and Expected (Next Three Months)  
 January 1986 to December 2024  
 (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>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	-2	-5	-8	-5	-8	-7	-8
<b>2023</b>	-4	-6	-6	-9	-8	-10	-13	-14	-8	-17	-17	-11
<b>2024</b>	-11	-13	-10	-13	-14	-12	-16	-16	-17	-20	-13	-13

## SALES EXPECTATIONS

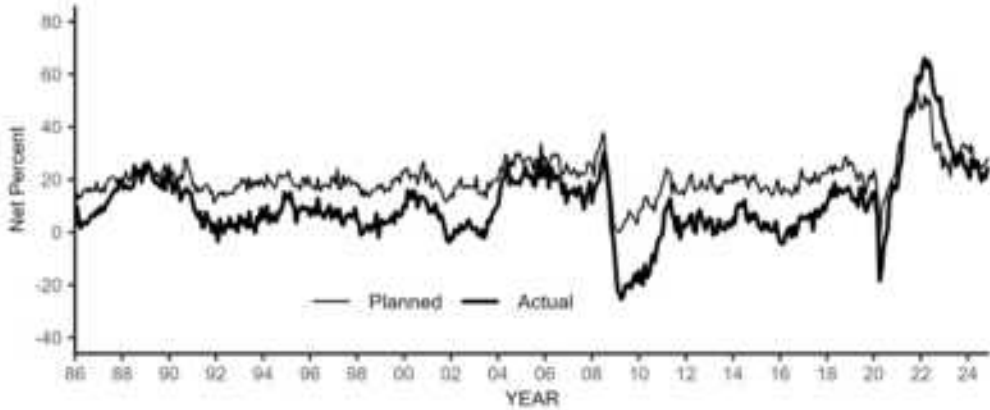
Net Percent ("Higher" Minus "Lower") During Next Three Months  
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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	-28	-29	-19	-10	-13	-8	-10
<b>2023</b>	-14	-9	-15	-19	-21	-14	-12	-14	-13	-10	-8	-4
<b>2024</b>	-16	-10	-18	-12	-13	-13	-9	-18	-9	-4	14	22

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
 January 1986 to December 2024  
 (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>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>	58	64	66	63	65	63	56	53	51	50	51	43
<b>2023</b>	42	38	37	33	32	29	25	27	29	30	25	25
<b>2024</b>	22	21	28	25	25	27	22	20	22	21	24	24

## 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>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	47	52	48	51	49	37	32	31	34	34	24
<b>2023</b>	29	25	26	21	29	31	27	30	30	33	34	32
<b>2024</b>	33	30	33	26	28	26	24	25	25	26	28	28

# 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>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	-2	-4	-8	-4	-2	-3	1
<b>2023</b>	2	4	2	-2	-4	-2	-2	-4	-2	-3	-2	-2
<b>2024</b>	0	-1	-2	0	-2	-5	-3	-6	-4	-3	-1	-3

## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

48	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<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	60	57	57	57	55	54	51
<b>2023</b>	52	54	53	55	55	54	56	54	57	55	50	49
<b>2024</b>	49	51	48	51	51	51	49	56	52	46	48	49

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to December 2024  
(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
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	46	49	50	51	49	48	49
2022	47	48	47	47	51	50	49	49	46	46	44	41
2023	45	47	43	45	44	42	42	40	43	43	40	40
2024	39	37	37	40	42	37	38	40	34	35	36	35

### HIRING PLANS

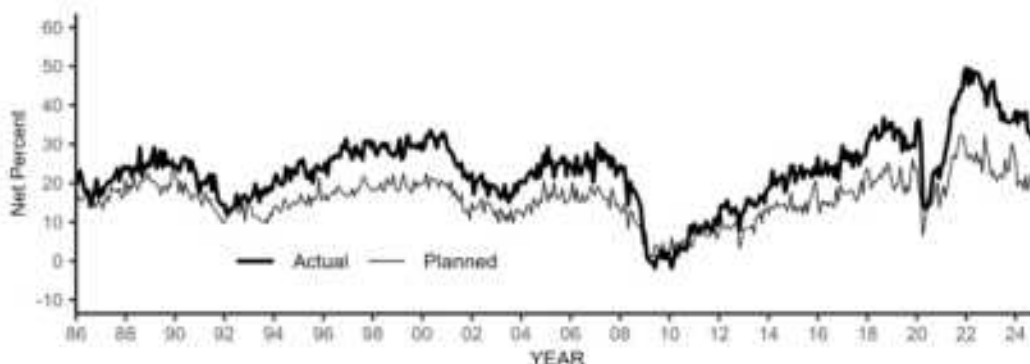
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	28	27	32	26	26	25	28
2022	26	19	20	20	26	19	20	21	23	20	18	17
2023	19	17	15	17	19	15	17	17	18	17	18	16
2024	14	12	11	12	15	15	15	13	15	15	18	19

## SMALL BUSINESS COMPENSATION

### COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to December 2024  
(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>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	48	48	46	45	44	40	44
<b>2023</b>	46	46	42	40	41	36	38	36	36	36	36	36
<b>2024</b>	39	35	38	38	37	38	33	33	32	31	32	29

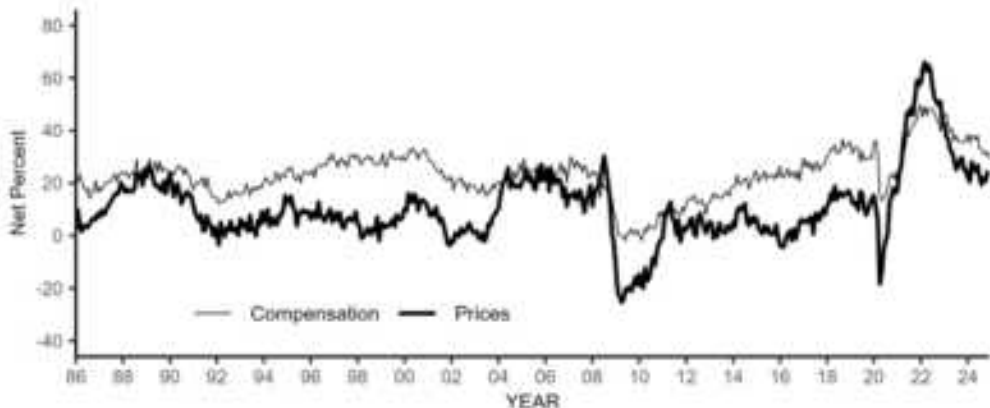
### COMPENSATION PLANS

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>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	28	25	26	23	32	28	27
<b>2023</b>	22	23	22	21	22	22	21	26	23	24	30	29
<b>2024</b>	26	19	21	21	18	22	18	20	23	23	28	24

### PRICES AND LABOR COMPENSATION

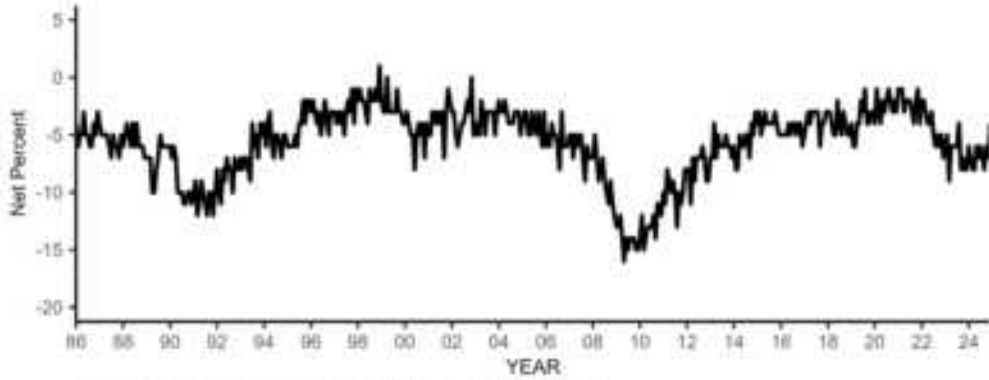
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago\*  
January 1986 to November 2024



\* 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>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	25	26	27	26	28	27	28
<b>2023</b>	29	30	30	31	29	28	27	28	31	27	31	29
<b>2024</b>	29	25	28	31	31	28	27	27	26	25	28	25

## 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>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	-3	-5	-6	-5	-6	-5	-7
<b>2023</b>	-6	-5	-9	-6	-6	-6	-6	-4	-8	-7	-8	-8
<b>2024</b>	-6	-7	-8	-8	-6	-7	-6	-7	-8	-6	-7	-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>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	27/1	25/3	23/4	26/2	26/2	22/2	25/2
<b>2023</b>	26/2	25/3	29/2	30/2	27/1	27/2	25/3	27/2	23/2	23/2	25/2	25/3
<b>2024</b>	26/3	24/3	27/2	28/3	29/3	24/4	25/2	26/3	24/2	23/2	26/4	24/2

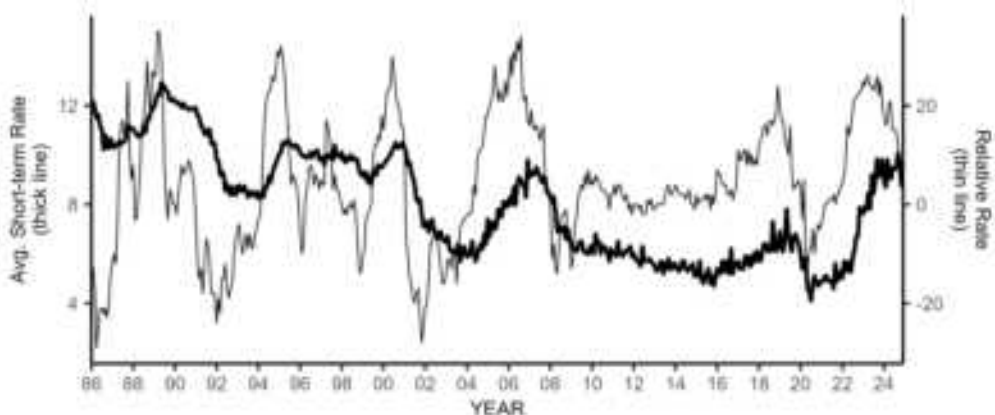
### EXPECT EASIER CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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	-5	-7	-8	-6	-8	-6	-9
<b>2023</b>	-8	-6	-9	-8	-10	-8	-8	-6	-10	-9	-11	-8
<b>2024</b>	-8	-6	-8	-9	-7	-7	-7	-8	-8	-6	-5	-2

### INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
January 1986 to December 2024





## SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

### RELATIVE INTEREST RATE PAID BY REGULAR BORROWERS

Net Percent ("Higher" Minus "Lower") Compared to Three Months Ago

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2019</b>	20	17	17	13	12	10	16	6	3	4	4	5
<b>2020</b>	3	-3	5	-11	-13	-9	-9	-5	-10	-6	-4	-5
<b>2021</b>	-4	-2	0	0	1	1	1	2	0	2	2	4
<b>2022</b>	4	6	9	16	14	16	19	21	22	22	23	23
<b>2023</b>	25	24	26	26	24	24	23	24	26	22	25	20
<b>2024</b>	18	16	17	21	20	15	15	15	12	5	5	1

*Borrowing at Least Once Every Three Months.*

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

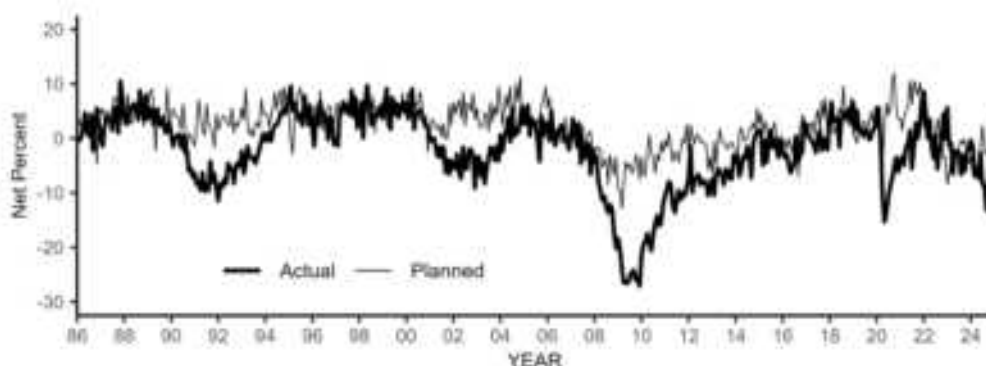
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2019</b>	6.9	6.2	6.1	6.7	7.8	6.8	6.4	6.1	6.7	6.8	6.6	6.4
<b>2020</b>	6.0	5.4	5.8	5.8	4.6	4.5	4.1	4.8	5.1	4.9	4.7	4.8
<b>2021</b>	4.9	4.9	5.1	5.1	4.9	4.9	4.9	4.6	5.6	4.9	5.1	5.3
<b>2022</b>	5.0	5.7	5.7	5.3	5.7	5.3	5.9	6.2	6.7	6.7	7.9	7.7
<b>2023</b>	7.6	7.9	7.8	8.5	7.8	9.2	8.5	9.0	9.8	9.1	9.3	9.8
<b>2024</b>	9.0	8.7	9.8	9.3	9.0	9.5	9.4	9.5	10.1	9.7	8.8	8.7

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to December 2024  
(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
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	-4	1	-6	-2	-1	5	0
2023	6	-1	-1	-7	-2	-3	-3	-7	-3	-6	-3	-2
2024	0	-1	-7	-6	-7	-3	-9	-9	-13	-9	-7	0

### 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
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	5	2	3	1	0	-2	1
2023	-1	-4	1	-5	-3	-4	-4	-5	-4	-3	0	-5
2024	-4	-4	-5	-4	-8	-2	-4	-5	-4	-2	-2	-1

### INVENTORY PLANS

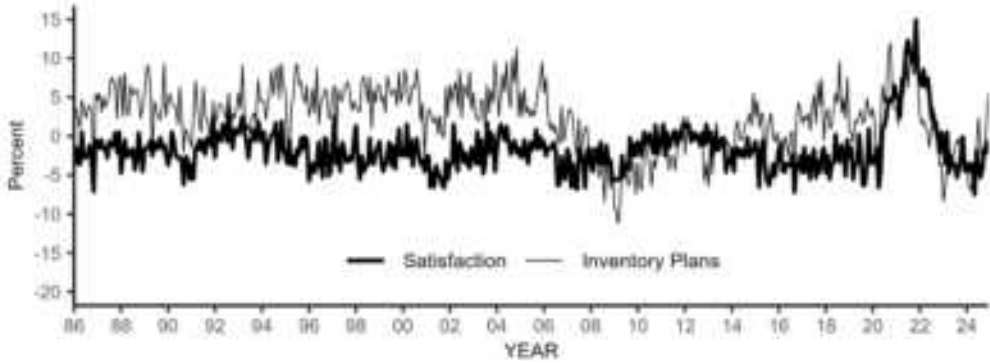
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	-2	1	4	0	2	-4	-4
2023	-8	-7	-4	-5	-2	-3	-2	0	-1	0	-3	-5
2024	-3	-7	-7	-6	-6	-2	2	-1	-3	-2	1	6

# SMALL BUSINESS CAPITAL OUTLAYS

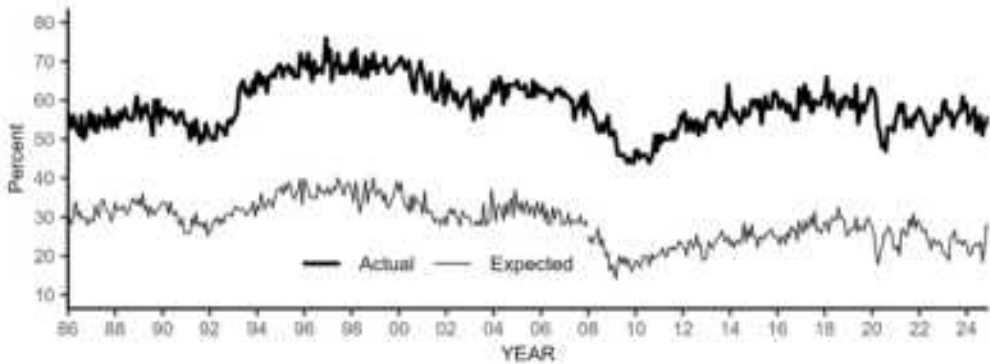
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 December 2024  
*(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>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	51	51	52	56	54	55	55
<b>2023</b>	59	60	57	56	57	53	55	56	57	57	61	58
<b>2024</b>	59	54	56	56	58	52	54	56	51	54	54	56

## 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	22	22
Equipment	37	40	37
Furniture or Fixtures	11	11	12
Add. Bldgs. or Land	7	5	4
Improved Bldgs. or Land	16	19	11

### AMOUNT OF CAPITAL EXPENDITURES MADE

Percent Distribution of Per Firm Expenditures  
During the Last Six Months

Amount	Current Month	One Year Ago	Two Years Ago
\$1 to \$999	2	2	2
\$1,000 to \$4,999	7	8	6
\$5,000 to \$9,999	5	3	5
\$10,000 to \$49,999	17	16	16
\$50,000 to \$99,999	11	13	10
\$100,000 +	15	15	14
No Answer	2	1	2

### 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
2019	26	27	27	27	30	26	28	28	27	29	30	28
2020	28	26	21	18	20	22	26	26	28	27	26	22
2021	22	23	20	27	27	25	26	30	28	31	27	29
2022	29	27	26	27	25	23	22	25	24	23	24	23
2023	21	21	20	19	25	25	27	24	24	24	23	24
2024	23	21	20	22	23	23	23	24	19	22	28	27

# SINGLE MOST IMPORTANT PROBLEM

## SINGLE MOST IMPORTANT PROBLEM

December 2024

Problem	Current	One Year Ago	Survey High	Survey Low
<b>Taxes</b>	15	17	32	8
<b>Inflation</b>	20	23	41	0
<b>Poor Sales</b>	7	5	34	2
<b>Fin. &amp; Interest Rates</b>	4	5	37	0
<b>Cost of Labor</b>	11	9	13	2
<b>Government Regulation</b>	8	7	27	4
<b>Comp. from Large Bus.</b>	4	5	14	0
<b>Quality of Labor</b>	19	20	29	3
<b>Cost/Avail. of Insurance</b>	7	5	29	0
<b>Other</b>	2	4	31	1

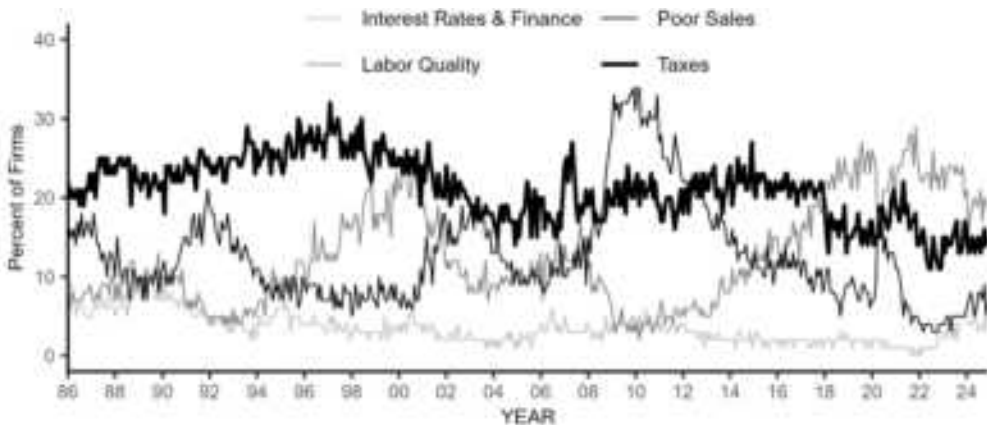
## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation  
January 1986 to December 2024



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality  
January 1986 to December 2024



## SURVEY PROFILE

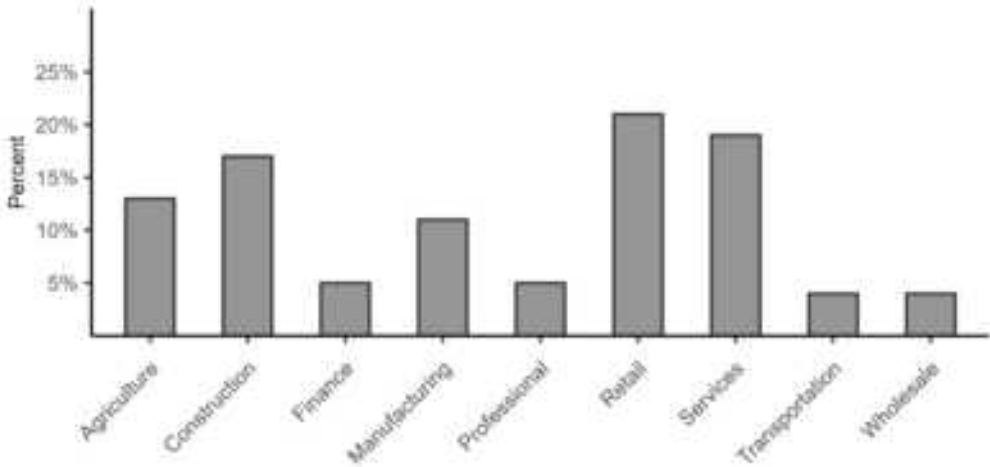
### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>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	505	1351	622	557	1342	572	514
<b>2023</b>	1466	626	573	1365	632	496	1313	611	582	1382	573	518
<b>2024</b>	1287	604	506	1215	578	514	1309	590	559	1197	532	513

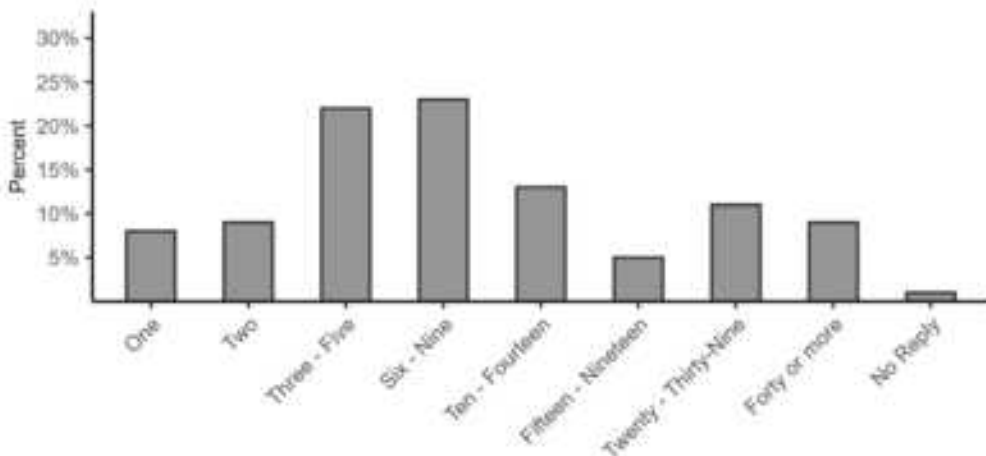
### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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

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SMALL BUSINESS SURVEY QUESTIONS	PAGE IN REPORT
Do you think the next three months will be a good time for small business to expand substantially? Why? .....	5
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? .....	6
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? .....	7
If higher or lower, what is the most important reason? .....	7
During the last calendar quarter, was your dollar sales volume higher, lower, or about the same as it was for the quarter before? .....	8
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? .....	8
How are your average selling prices compared to three months ago? .....	9
In the next three months, do you plan to change the average selling prices of your goods and/or services? .....	9
During the last three months, did the total number of employees in your firm increase, decrease, or stay about the same? .....	10
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)? .....	10
Do you have any job openings that you are not able to fill right now? .....	11
In the next three months, do you expect to increase or decrease the total number of people working for you? .....	11
Over the past three months, did you change the average employee compensation? .....	12
Do you plan to change average employee compensation during the next three months? .....	12

SMALL BUSINESS SURVEY QUESTIONS

PAGE IN REPORT

Are...loans easier or harder to get than they were three months ago? .....	13
During the last three months, was your firm able to satisfy its borrowing needs? .....	14
Do you expect to find it easier or harder to obtain your required financing during the next three months? .....	14
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? .....	15
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? .....	15
During the last three months, did you increase or decrease your inventories? .....	16
At the present time, do you feel your inventories are too large, about right, or inadequate? .....	16
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? .....	16
During the last six months, has your firm made any capital expenditures to improve or purchase equipment, buildings, or land? .....	17
If [your firm made any capital expenditures], what was the total cost of all these projects? .....	18
Looking ahead to the next three to six months, do you expect to make any capital expenditures for plant and/or physical equipment? .....	18
What is the single most important problem facing your business today? .....	19
Please classify your major business activity, using one of the categories of example below .....	20
How many employees do you have full and part-time, including yourself? .....	20