NFIB Small Business Economic Trends

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May 2015

Based on a Survey of Small and Independent Business Owners

SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	12%	1	6%
Plans to Make Capital Outlays	25%	-1	-6%
Plans to Increase Inventories	4%	0	0%
Expect Economy to Improve	-3%	3	18%
Expect Real Sales Higher	7%	-3	-18%
Current Inventory	0%	1	6%
Current Job Openings	29%	2	12%
Expected Credit Conditions	-4%	0	0%
Now a Good Time to Expand	14%	4	26%
Earnings Trends	-7%	9	56%
Total Change		16	100%

(Column 1 is the current reading; column 2 is the change from the prior month; column 3 the percent of the total change accounted for by each component; * is under 1 percent and not a meaningful calculation)

NFIB SMALL BUSINESS

ECONOMIC TRENDS

NFIB Research Foundation 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 Foundation. 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 Foundation. © NFIB Research Foundation. 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 Index of Small Business Optimism increased 1.4 points to 98.3 in spite of five months of lousy growth. May is the best reading since the 100.4 December reading but nothing to write home about. The 42 year average is 98.0, a bit lower than the 99.5 average through 2007. Six of the 10 Index components posted improvements. Overall, the Index remained in a holding pattern, a few points below the pre-recession average, although at the 42 year average, and showing no tendency to "break out" into a stronger pattern of economic growth.

LABOR MARKETS

Small businesses posted another decent month of job creation in May, a string of 5 solid months of job creation. On balance, owners added a net 0.13 workers per firm over the past few months. Fourteen percent reported raising employment an average of 2.7 workers per firm while 12 percent reported reducing employment an average of 3 workers per firm. Fifty-five percent reported hiring or trying to hire (up 2 points), but 47 percent, reported few or no qualified applicants for the positions they were trying to fill. Thirteen percent reported using temporary workers. Twenty-nine percent of all owners reported job openings they could not fill in the current period, up 2 points, revisiting the February reading, and the highest reading since April 2006.

INVENTORIES AND SALES

The seasonally adjusted net percent of all owners reporting higher nominal sales in the past 3 months compared to the prior 3 months rose a stunning 11 points to a net 7 percent. Eleven percent cited weak sales as their top business problem (unchanged). Expected real sales volumes posted a 3 point decline, falling to a net 7 percent of owners expecting gains, after a 5 point decline in January and February, a 2 point decline in March and a 3 point decline in April. Overall, expectations are not showing a lot of strength.

The net percent of owners reporting inventory increases fell 4 points to a net negative 5 percent (seasonally adjusted). The net percent of owners viewing current inventory stocks as "too low" improved 1 point to a net 0 percent. The reductions were apparently a result of unexpectedly strong improvement in sales trends, and this left balance in the assessment of current stocks. The net percent of owners planning to add to inventory was unchanged at a net 4 percent, in sympathy with the more widespread reduction in stocks. Inventory investment might have been even stronger in light of the liquidation had expectations for real sales gains improved rather than softened.

This survey was conducted in May 2015. A sample of 3,938 small-business owners/members was drawn. Six hundred and sixteen (616) usable responses were received – a response rate of 15 percent.

CAPITAL SPENDING

Fifty-four percent reported outlays, down a surprising 6 points. Of those making expenditures, 39 percent reported spending on new equipment (up 4 points), 21 percent acquired vehicles (down 4 points), and 13 percent improved or expanded facilities (unchanged). Six percent acquired new buildings or land for expansion and 12 percent spent money for new fixtures and furniture, both figures up 1 point. These numbers suggest, overall, a back-tracking of investment spending. The percent of owners planning capital outlays in the next 3 to 6 months fell 1 point to 25 percent, not a strong reading historically but among the best in this expansion.

INFLATION

Seasonally adjusted, the net percent of owners raising selling prices was 6 percent, up 4 points but still a "tame" reading. However, if the strength in sales gains persists, owners will have more opportunities to raise prices. Seasonally adjusted, a net 17 percent plan price hikes (unchanged). The economy has grown too slowly to support widespread price hikes.

EARNINGS AND WAGES

Earnings trends posted an unexpected 9 point gain, posting a reading of a net negative 7 percent reporting higher earnings, this on top of a 6 point improvement in April. This is the best reading since October 2005. The main factor improving the earnings trend was the decline in the percent reporting lower earnings quarter on quarter.

Reports of increased labor compensation rose 1 point to a net 25 percent of all owners. Reports of gains this frequent occurred in December 2014 and January of this year, but those are the highest readings since January 2008 when employment last peaked before the recession. Labor costs continue to put pressure on the bottom line, but fuel prices are down a lot and sales trends much stronger. This should begin to show up in wage growth, although rising benefits offset potential increases in take-home pay. A seasonally adjusted net 14 percent plan to raise compensation in the coming months (unchanged). The reported gains in compensation are still in the range typical of an economy with reasonable growth.

CREDIT MARKETS

Four percent of owners reported that all their borrowing needs were not satisfied, unchanged and historically low. Thirty percent reported all credit needs met, and 50 percent explicitly said they did not want a loan. For most of the recession, record numbers of firms have been on the "credit sidelines", seeing no good reason to borrow. Only 2 percent reported that financing was their top business problem (unchanged). In the Great Recession, no more than 5 percent cited credit availability and interest rates as their top problem (chart) compared to as high as 37 percent in the Volcker era. If credit availability is really a problem, owners let it be known. Twenty-nine percent of all owners reported borrowing on a regular basis, down 1 point.

COMMENTARY

Real GDP declined in Q1 following a not very impressive 2014Q4. Special events (weather, dock strike, oil patch weakness) certainly subtracted a point or so from growth, but the fundamental economy did not have enough strength to survive the shocks and that remains the problem. The second quarter did not get off to a good start, growth of course will look better because the denominator is lower in Q1. It looks like trade will be a positive for Q2 as the deficit fell - that will help. Financial markets are driven by "Fed guessing". In spite of the poor first quarter performance, growth for the 12 months through March 31 was approaching 3 percent, very inconsistent with current Federal Reserve policy, as are current labor market indicators. The Fed's reticence to move, the continual delays, are negatives for growth, generating considerable uncertainty. A move toward "normalization" would be welcome to the real economy and to savers. The Fed should give up managing asset prices.

The NFIB May survey results confirm that the economy is moving ahead, but at an uninspiring pace. Owners do what is necessary, hire workers when needed, to keep up with growth mostly powered by population growth. Growth is not inspired, owners remain generally pessimistic about a pickup in the economy of any consequence. None of its top issues will be address over the next few years, the Administration is focused on global warming polices that with certainty will depress growth in the near-term for sure.

Owners report that the labor market is, from an historical perspective, getting very tight. Owner complaints about "finding qualified workers" are rising, job openings are near 42 year record high levels, and job creation plans remain solid. Over 80 percent of those hiring or trying to hire in May reported few nor no qualified applicants. This is inconsistent with current Fed policy, which has no impact on the supply of qualified workers.

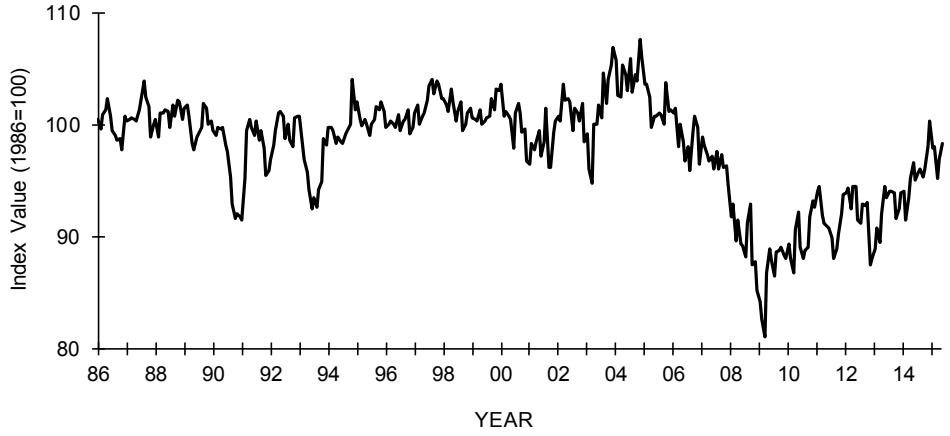
In spite of the poor first quarter performance, there is no recession in the cards, absent a huge unpredictable negative shock. Reports of positive sales and profit trends auger well for the second half, credit is not a problem and rates are still low (although everyone already has their low rate loan). Capital spending has still not picked up any strength, a firmer record of spending growth will be required (not lower interest rates). But "replacement" demand continues and the need for it grows with time and technological advance.

NFIB data do not look forward much beyond the third quarter, and that appears to be "more of the same", maybe a slightly faster pace of "plodding".

OVERVIEW - SMALL BUSINESS OPTIMISM

OPTIMISM INDEX

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



OPTIMISM INDEX

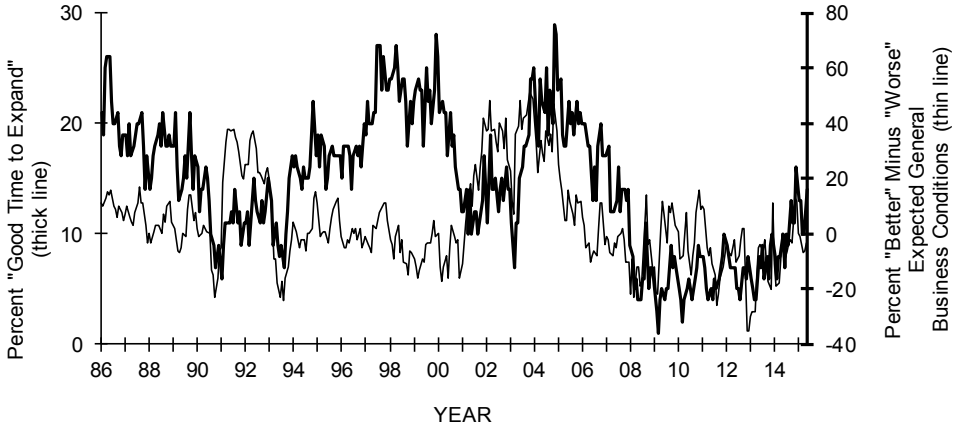
Based on Ten Survey Indicators
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	89.3	88.0	86.8	90.6	92.2	89.0	88.1	88.8	89.0	91.7	93.2	92.6
2011	94.1	94.5	91.9	91.2	90.9	90.8	89.9	88.1	88.9	90.2	92.0	93.8
2012	93.9	94.3	92.5	94.5	94.4	91.4	91.2	92.9	92.8	93.1	87.5	88.0
2013	88.9	90.8	89.5	92.1	94.4	93.5	94.1	94.1	93.9	91.6	92.5	93.9
2014	94.1	91.4	93.4	95.2	96.6	95.0	95.7	96.1	95.3	96.1	98.1	100.4
2015	97.9	98.0	95.2	96.9	98.3							

SMALL BUSINESS OUTLOOK

OUTLOOK

Good Time to Expand and Expected General Business Conditions
January 1986 to May 2015
(Seasonally Adjusted)



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
2010	5	4	2	4	5	6	5	4	6	7	9	8
2011	8	7	5	4	5	4	6	5	6	7	8	10
2012	9	8	7	7	7	5	5	4	7	7	6	8
2013	6	5	4	4	8	7	9	6	8	6	9	10
2014	8	6	8	8	10	7	10	9	13	11	11	16
2015	13	13	10	10	14							

MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook
May 2015

Reason	Good Time	Not Good Time	Uncertain
Economic Conditions	7	21	16
Sales Prospects	5	5	3
Fin. & Interest Rates	2	1	1
Cost of Expansion	0	4	6
Political Climate	0	11	11
Other/Not Available	0	0	0

OUTLOOK FOR GENERAL BUSINESS CONDITIONS

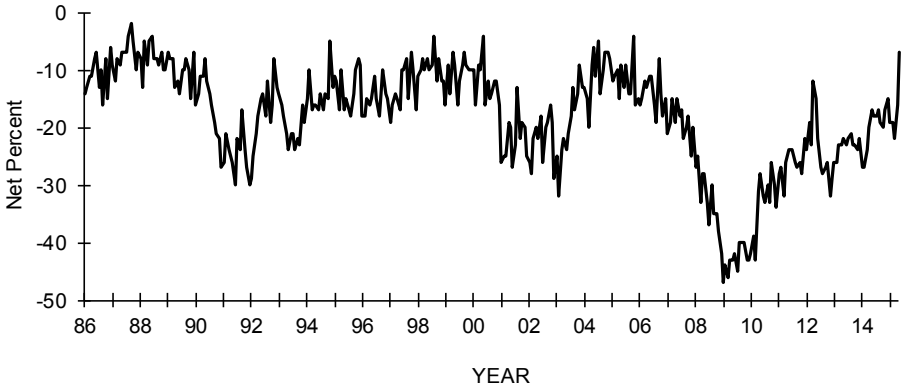
Net Percent ("Better" Minus "Worse") Six Months From Now
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	1	-9	-8	0	8	-6	-15	-8	-3	8	16	9
2011	10	9	-5	-8	-5	-11	-15	-26	-22	-16	-12	-8
2012	-3	-6	-8	-5	-2	-10	-8	-2	2	2	-35	-35
2013	-30	-28	-28	-15	-5	-4	-6	-2	-10	-17	-20	-11
2014	-11	-19	-18	-9	0	-10	-6	-3	-2	-3	13	12
2015	0	-1	-7	-6	-3							

SMALL BUSINESS EARNINGS

EARNINGS

Actual Last Three Months
January 1986 to May 2015
(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
2010	-42	-39	-43	-31	-28	-32	-33	-30	-33	-26	-30	-34
2011	-28	-27	-32	-26	-24	-24	-24	-26	-27	-26	-28	-22
2012	-24	-19	-23	-12	-15	-22	-27	-28	-27	-26	-32	-29
2013	-26	-26	-23	-23	-22	-23	-22	-21	-23	-23	-24	-22
2014	-27	-27	-24	-20	-17	-18	-18	-17	-19	-20	-17	-15
2015	-19	-19	-22	-16	-7							

MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason
May 2015

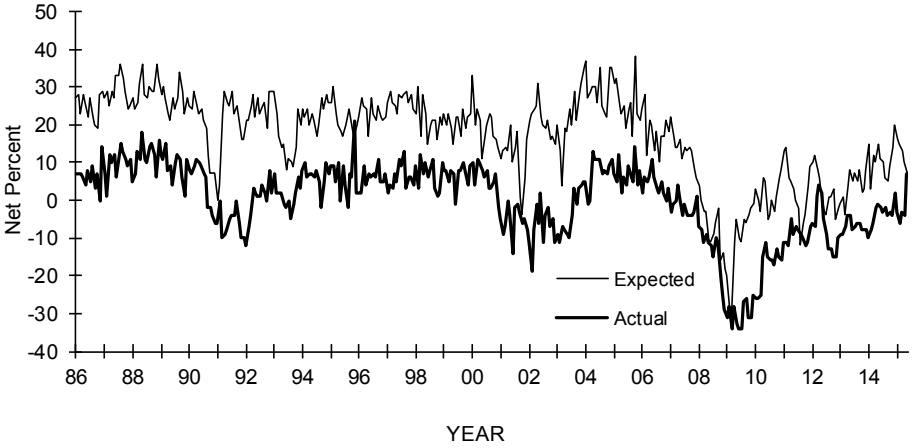
	Current Month	One Year Ago	Two Years Ago
Sales Volume	11	15	18
Increased Costs*	8	11	12
Cut Selling Prices	4	2	2
Usual Seasonal Change	5	7	7
Other	0	4	4

** 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 May 2015
(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
2010	-26	-26	-25	-15	-11	-15	-16	-16	-17	-13	-15	-16
2011	-11	-11	-12	-5	-9	-7	-8	-9	-10	-12	-11	-7
2012	-6	-7	1	4	2	-5	-9	-13	-13	-15	-15	-10
2013	-9	-9	-7	-4	-4	-8	-7	-6	-6	-8	-8	-8
2014	-10	-8	-6	-2	-1	-2	-3	-2	-4	-3	-4	2
2015	-3	-6	-3	-4	7							

SALES EXPECTATIONS

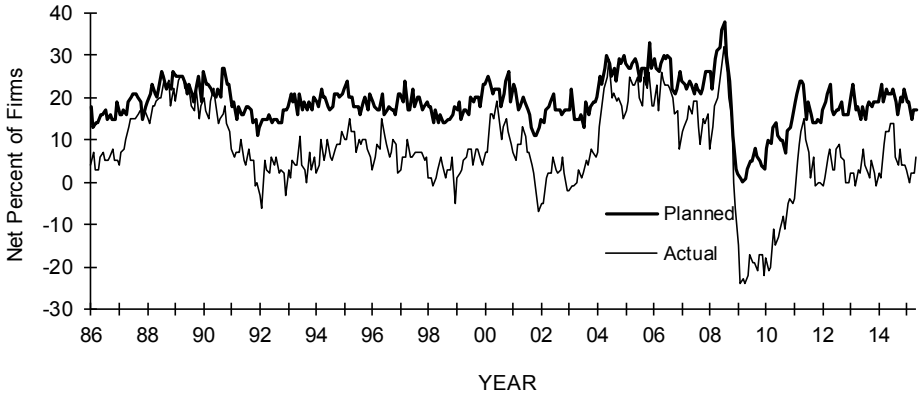
Net Percent ("Higher" Minus "Lower") During Next Three Months
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	3	0	-3	6	5	-5	-4	0	-3	1	6	8
2011	13	14	6	5	3	0	-2	-12	-6	-4	4	9
2012	10	12	8	6	2	-3	-4	1	1	3	-5	-2
2013	-1	1	-4	4	8	5	7	5	8	2	3	8
2014	15	3	12	10	15	11	10	6	5	9	14	20
2015	16	15	13	10	7							

SMALL BUSINESS PRICES

PRICES

Actual Last Three Months and Planned Next Three Months
January 1986 to May 2015
(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
2010	-18	-21	-20	-11	-15	-13	-11	-8	-11	-5	-4	-5
2011	-4	5	9	12	15	10	7	1	6	-1	0	0
2012	-1	1	6	8	3	3	8	9	6	5	0	0
2013	2	2	-1	3	2	8	4	2	1	5	2	-1
2014	2	1	9	12	12	14	14	6	4	8	4	4
2015	3	0	2	2	6							

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
2010	8	10	9	13	14	11	10	10	7	12	13	15
2011	19	21	24	24	23	15	19	16	14	14	15	14
2012	17	19	21	23	17	16	17	17	19	16	16	16
2013	21	23	17	18	15	18	15	18	19	18	19	19
2014	19	23	19	22	21	21	22	19	16	20	19	22
2015	19	19	15	17	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
2010	-10	-9	-11	-12	-12	-10	-5	-2	-3	-6	-2	-1
2011	-4	-2	-4	-6	-3	-7	-2	-2	-5	0	2	1
2012	0	-2	-3	-4	-5	-3	1	2	-3	1	-1	-2
2013	2	-2	-2	-2	-3	-1	-1	4	0	3	2	4
2014	2	2	-1	-2	-1	-1	3	4	3	3	2	9
2015	5	4	-1	-2	2							

QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	24	26	23	26	26	25	28	32	30	28	27	28
2011	28	30	29	32	30	33	31	33	34	31	35	34
2012	31	31	32	34	37	33	38	37	41	38	36	33
2013	34	34	36	38	38	41	40	42	41	40	44	38
2014	38	40	41	41	46	43	42	46	42	45	45	43
2015	42	47	42	44	47							

EMPLOYMENT

Planned Next Three Months and Current Job Openings
January 1986 to May 2015
(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
2010	10	11	9	11	9	9	10	11	11	10	9	13
2011	13	15	15	14	12	15	12	15	14	14	16	15
2012	18	17	15	17	20	15	15	18	17	16	17	16
2013	18	21	18	18	19	19	20	19	20	21	23	23
2014	22	22	22	24	24	26	24	26	21	24	24	25
2015	26	29	24	27	29							

HIRING PLANS

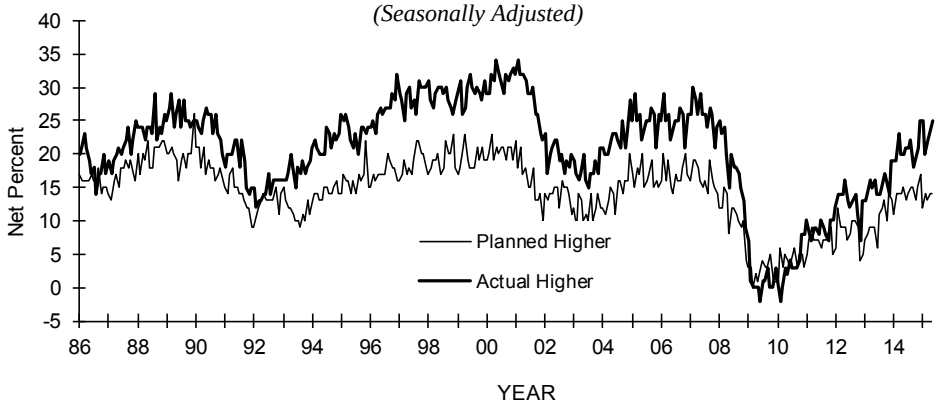
Net Percent ("Increase" Minus "Decrease") in the Next Three Months
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	-1	-1	-2	-1	1	1	2	1	-3	1	4	6
2011	3	5	2	2	-1	3	2	5	4	3	7	6
2012	5	4	0	5	6	3	5	10	4	4	5	1
2013	3	4	0	6	5	7	9	10	9	5	9	8
2014	12	7	5	8	10	12	13	10	9	10	11	15
2015	14	12	10	11	12							

SMALL BUSINESS COMPENSATION

COMPENSATION

Actual Last Three Months and Planned Next Three Months
January 1986 to May 2015
(Seasonally Adjusted)



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
2010	1	-2	0	3	2	4	3	3	3	4	8	8
2011	10	8	7	9	9	8	10	9	8	7	10	10
2012	12	14	14	14	16	13	12	13	14	11	7	13
2013	13	14	16	15	16	14	14	15	17	16	14	19
2014	19	19	23	20	20	21	21	22	18	19	21	25
2015	25	20	22	23	25							

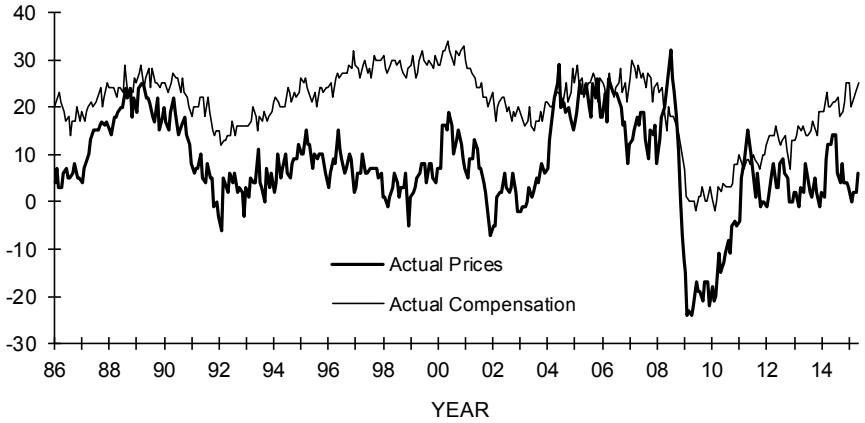
COMPENSATION PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	1	6	3	5	4	3	5	6	3	5	5	3
2011	5	7	9	7	7	7	6	7	7	8	9	5
2012	6	12	9	9	9	7	8	10	10	9	4	5
2013	7	8	9	9	9	6	11	12	13	10	14	13
2014	11	14	14	14	15	13	14	15	15	13	15	17
2015	12	14	13	14	14							

PRICES AND LABOR COMPENSATION

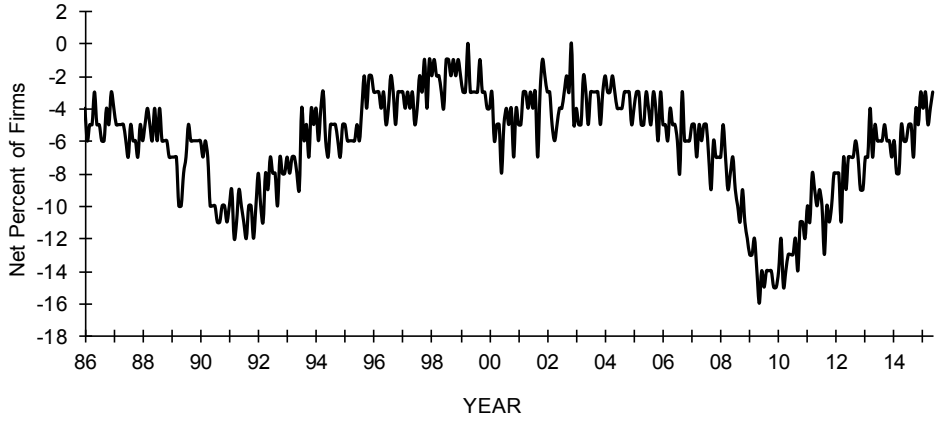
Net Percent Price Increase and Net Percent Compensation
(Seasonally Adjusted)



SMALL BUSINESS CREDIT CONDITIONS

CREDIT CONDITIONS

Loan Availability Compared to Three Months Ago*
January 1986 to May 2015



** For the population borrowing at least once every three months.*

REGULAR BORROWERS

Percent Borrowing at Least Once Every Three Months
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	32	34	35	31	32	29	32	31	33	31	28	30
2011	31	31	29	32	29	29	30	32	31	30	34	31
2012	32	32	31	32	32	29	31	30	31	30	30	29
2013	31	29	30	31	29	29	31	28	30	28	29	30
2014	31	30	31	30	31	28	30	29	31	28	33	31
2015	33	30	32	30	29							

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
2010	-14	-12	-15	-14	-13	-13	-13	-12	-14	-11	-11	-12
2011	-10	-11	-8	-9	-10	-9	-10	-13	-10	-11	-10	-8
2012	-8	-8	-11	-7	-9	-7	-7	-7	-6	-7	-9	-9
2013	-7	-7	-4	-7	-5	-6	-6	-6	-5	-6	-6	-7
2014	-6	-8	-8	-5	-6	-6	-5	-5	-7	-4	-5	-3
2015	-4	-3	-5	-4	-3							

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
2010	27/11	29/9	29/11	28/9	28/8	25/10	27/9	27/9	27/9	26/9	25/9	28/9
2011	28/8	29/8	28/7	28/8	28/8	25/9	28/8	28/7	29/8	28/9	30/7	29/7
2012	30/7	31/7	27/8	31/8	29/9	29/7	30/7	31/7	32/8	28/8	28/6	29/6
2013	31/6	29/7	29/7	31/6	28/5	29/5	30/5	31/5	28/6	28/6	32/4	32/4
2014	31/5	29/5	30/5	30/5	30/5	27/6	30/6	28/4	28/6	29/4	29/4	32/4
2015	32/4	33/3	35/5	31/4	30/4							

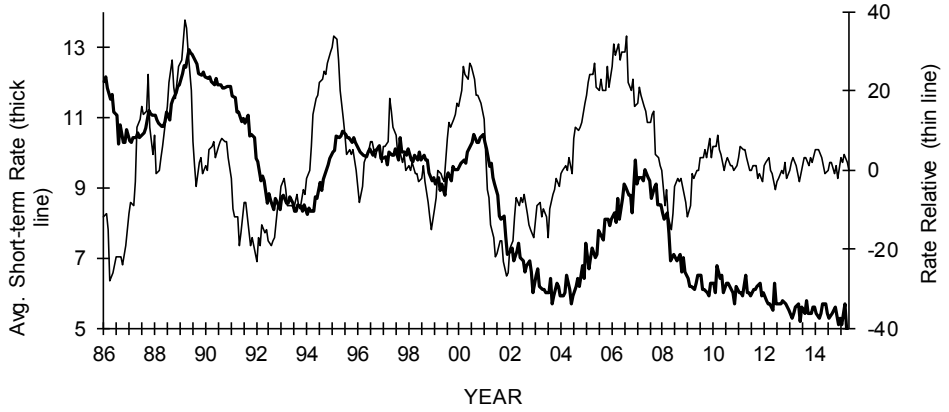
EXPECTED CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	-13	-14	-16	-15	-12	-13	-14	-14	-14	-12	-10	-11
2011	-10	-10	-9	-13	-11	-10	-11	-13	-12	-11	-10	-9
2012	-9	-10	-11	-8	-10	-8	-7	-9	-7	-8	-10	-11
2013	-9	-8	-6	-8	-6	-7	-8	-8	-7	-8	-7	-7
2014	-7	-7	-7	-6	-7	-7	-5	-5	-7	-5	-6	-5
2015	-5	-4	-6	-4	-4							

INTEREST RATES

Relative Rates and Actual Rates Last Three Months
January 1986 to May 2015



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
2010	6	6	9	5	4	0	2	3	1	1	0	1
2011	3	6	5	5	3	0	0	1	1	-2	-1	-3
2012	1	2	3	0	-1	-5	-3	-2	0	-1	2	-2
2013	0	2	3	1	-1	-3	1	3	3	1	3	2
2014	5	5	5	3	1	-1	0	2	2	-1	1	-2
2015	3	2	4	2	0							

Borrowing at Least Once Every Three Months.

ACTUAL INTEREST RATE PAID ON
SHORT-TERM LOANS BY BORROWERS

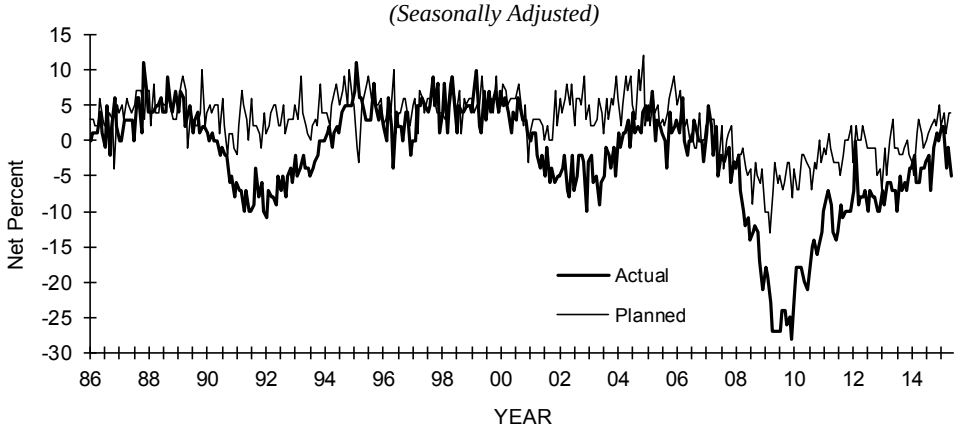
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	6.3	6.0	6.8	6.4	6.5	6.0	6.3	6.3	6.2	6.0	5.7	6.2
2011	6.0	6.0	5.9	6.5	6.0	6.0	5.9	6.1	6.1	6.2	6.3	5.9
2012	6.0	5.8	5.7	5.7	5.5	6.3	5.7	5.7	5.7	5.8	5.7	5.6
2013	5.5	5.3	5.4	5.6	5.7	5.2	5.6	5.4	5.8	5.4	5.4	5.6
2014	5.6	5.4	5.3	5.4	5.7	5.7	5.4	5.3	5.4	5.5	5.6	5.1
2015	5.3	5.1	5.7	5.0	4.8							

SMALL BUSINESS INVENTORIES

INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)
January 1986 to May 2015
(Seasonally Adjusted)



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
2010	-21	-18	-18	-18	-20	-21	-19	-15	-14	-16	-15	-13
2011	-10	-8	-7	-9	-13	-14	-13	-9	-11	-10	-10	-10
2012	-7	0	-9	-8	-8	-7	-10	-7	-8	-8	-10	-10
2013	-7	-9	-6	-6	-7	-7	-10	-5	-7	-6	-7	-4
2014	-4	-2	-6	-6	-4	-4	-3	-2	-7	-1	1	0
2015	2	2	-4	-1	-5							

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
2010	-1	-1	-1	1	0	-1	0	-1	-2	1	-3	-3
2011	0	2	-1	1	-1	-1	0	1	-1	0	-1	0
2012	1	2	3	0	0	0	0	0	-1	0	-2	0
2013	-1	1	-1	-1	1	-2	-1	0	0	-5	-4	-5
2014	-2	-4	0	-1	-2	-2	-3	-2	0	-3	-3	-3
2015	-1	-2	-5	-1	0							

INVENTORY PLANS

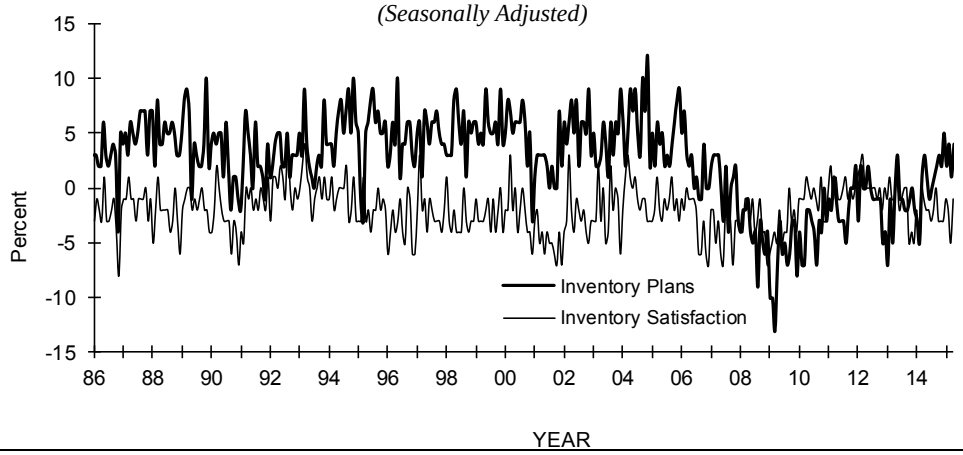
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	-4	-7	-7	-2	2	-3	-4	-7	-3	-4	0	-3
2011	-1	-2	1	-1	-3	-3	-3	-5	-2	0	0	2
2012	-3	2	0	0	2	0	-1	-1	-1	-1	-5	-4
2013	-7	-1	-5	0	3	-1	-1	-2	-2	-1	0	-2
2014	-3	-5	1	3	1	-1	0	1	2	3	2	5
2015	2	4	1	4	4							

SMALL BUSINESS CAPITAL OUTLAYS

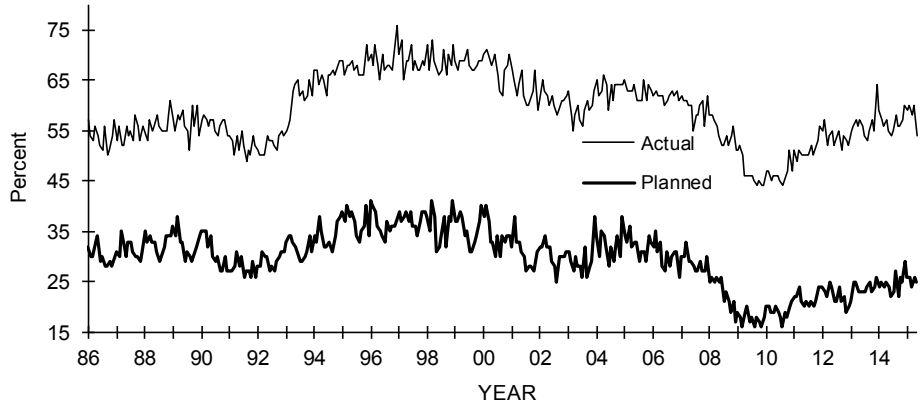
INVENTORY SATISFACTION AND INVENTORY PLANS

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 2015
(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
2010	47	47	45	46	46	46	45	44	45	47	51	47
2011	51	49	51	50	50	50	50	52	50	52	53	56
2012	55	57	52	54	55	52	54	55	51	54	53	52
2013	55	56	57	56	57	56	54	53	55	57	55	64
2014	59	57	56	57	55	54	55	58	56	56	57	60
2015	59	60	58	60	54							

TYPE OF CAPITAL EXPENDITURES MADE

Percent Purchasing or Leasing During Last Six Months

Type	Current	One Year Ago	Two Years Ago
Vehicles	21	24	19
Equipment	39	34	43
Furniture or Fixtures	13	12	12
Add. Bldgs. or Land	6	4	6
Improved Bldgs. or Land	13	13	13

AMOUNT OF CAPITAL EXPENDITURES MADE

Percent Distribution of Per Firm Expenditures
During the Last Six Months

Amount	Current	One Year Ago	Two Years Ago
$1 to $999	2	4	3
$1,000 to $4,999	7	9	9
$5,000 to $9,999	6	5	6
$10,000 to $49,999	20	18	18
$50,000 to $99,999	7	8	8
$100,000 +	12	10	11
No Answer	0	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
2010	20	20	19	19	20	19	18	16	19	18	20	21
2011	22	22	24	21	20	21	20	21	20	21	24	24
2012	24	23	22	25	24	21	21	24	21	22	19	20
2013	21	25	25	23	23	23	23	24	25	23	24	26
2014	24	25	24	25	24	22	23	27	22	26	25	29
2015	26	26	24	26	25							

SINGLE MOST IMPORTANT PROBLEM

SINGLE MOST IMPORTANT PROBLEM

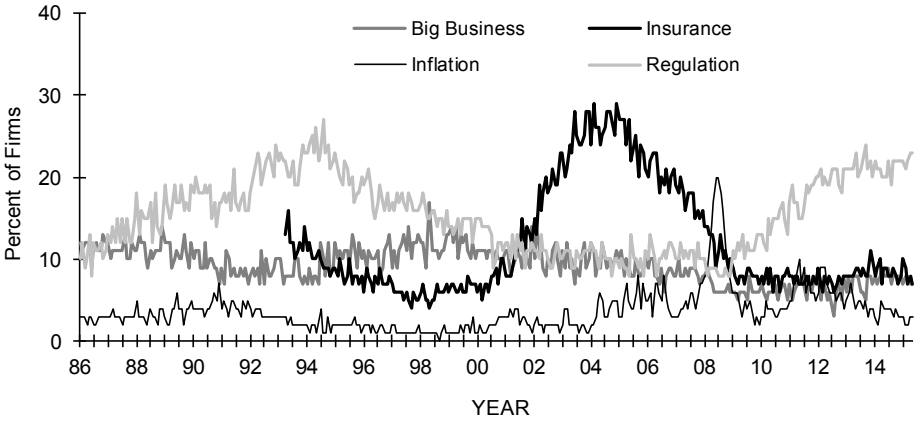
May 2015

Problem	Current	One Year Ago	Survey High	Survey Low
Taxes	23	25	32	8
Inflation	3	4	41	0
Poor Sales	11	12	34	2
Fin. & Interest Rates	2	3	37	1
Cost of Labor	6	4	9	2
Govt. Reqs. & Red Tape	23	20	27	4
Comp. From Large Bus.	7	8	14	4
Quality of Labor	13	10	24	3
Cost/Avail. of Insurance	7	9	29	4
Other	5	5	31	1

SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation

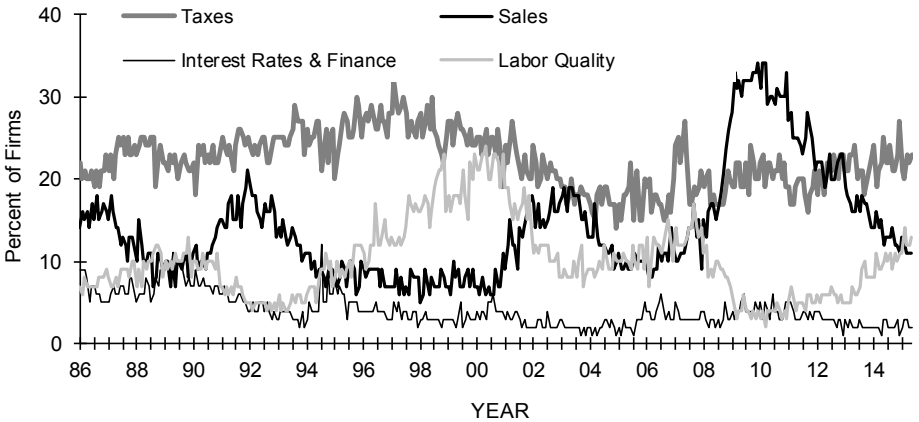
January 1986 to May 2015



SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality

January 1986 to May 2015



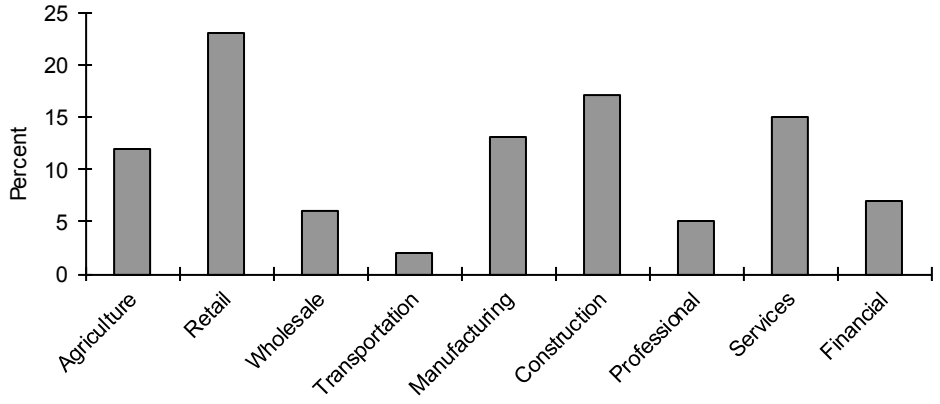
OWNER/MEMBERS PARTICIPATING IN
ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	2114	799	948	2176	823	804	2029	874	849	1910	807	804
2011	2144	774	811	1985	733	766	1817	926	729	2077	781	735
2012	2155	819	757	1817	681	740	1803	736	691	2029	733	648
2013	2033	870	759	1873	715	662	1615	782	773	1940	762	635
2014	1864	792	685	1699	678	672	1645	598	608	1502	615	568
2015	1663	716	575	1500	616							

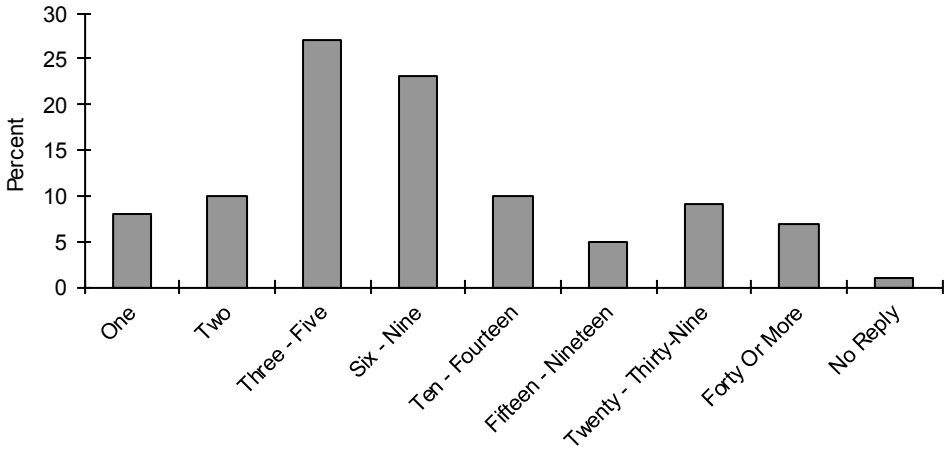
NFIB OWNER/MEMBERS PARTICIPATING
IN ECONOMIC SURVEY

Industry of Small Business



NFIB OWNER/MEMBERS PARTICIPATING
IN ECONOMIC SURVEY

Number of Full and Part-Time Employees



NFIB Research Foundation 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