

JUNE

2022

NFIB

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

William C. Dunkelberg  
Holly Wade

SMALL BUSINESS OPTIMISM INDEX COMPONENTS

Index Component	Seasonally Adjusted Level	Change from Last Month	Contribution to Index Change
Plans to Increase Employment	19%	-7	*
Plans to Make Capital Outlays	23%	-2	*
Plans to Increase Inventories	-2%	-3	*
Expect Economy to Improve	-61%	-7	*
Expect Real Sales Higher	-28%	-13	*
Current Inventory (too low)	5%	-3	*
Current Job Openings	50%	-1	*
Expected Credit Conditions	-5%	-1	*
Now a Good Time to Expand	3%	-3	*
Earnings Trends	-25%	-1	*
Total Change		-41	

Based on a Survey of Small and Independent Business Owners

# **NFIB SMALL BUSINESS ECONOMIC TRENDS**

---

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

## **IN THIS ISSUE**

---

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

# SUMMARY

---

## OPTIMISM INDEX

The Optimism Index fell 3.6 points in June to 89.5. This is the sixth consecutive month below the 48-year average of 98. The Index has declined every month this year through June. All 10 Index components declined. Thirty-four percent of owners reported that inflation was their single most important problem in operating their business, an increase of 6 points from May and the highest level since 1980 Q4. Owners expecting better business conditions over the next six months decreased 7 points to a net negative 61 percent, the lowest level recorded in the 48-year survey. Expectations for better business conditions have deteriorated every month since January. Fifty percent of owners reported job openings that could not be filled, down 1 point from May, but historically very high. The net percent of owners raising average selling prices decreased 3 points to a net 69 percent seasonally adjusted, following May's record high reading in the 48-year-history of the survey. The net percent of owners who expect real sales to be higher decreased 13 points from May to a net negative 28 percent, a severe decline.

## LABOR MARKETS

Fifty percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 1 point from last month's 48-year record high (also in September). Forty-two percent have openings for skilled workers (unchanged) and 22 percent have openings for unskilled labor (down 3 points). The difficulty in filling open positions is particularly acute in the construction, manufacturing, services, and retail sectors. Openings are lowest in the finance and agriculture sectors. Overall, however, the current level of openings is over 20 percentage points higher than the historical average. Owners' plans to fill open positions remain elevated, with a seasonally adjusted net 19 percent planning to create new jobs in the next three months, but down 7 points from May. Sixty percent (94 percent of those hiring or trying to hire) of owners reported few or no qualified applicants for the positions they were trying to fill (down 1 point). Thirty-three percent of owners reported few qualified applicants for their open positions (unchanged) and 27 percent reported none (down 1 point, but just 2 points shy of the 48-year record high).

## CAPITAL SPENDING

Fifty-one percent reported capital outlays in the last six months, down 2 points from May. A recovery in investment will be needed to spark an improvement in productivity, but this is unlikely to occur while owners remain pessimistic about future business conditions. Of those making expenditures, 37 percent reported spending on new equipment (up 1 point), 23 percent acquired vehicles (up 2 points), and 14 percent improved or expanded facilities (down 1 point). Five percent acquired new buildings or land for expansion (down 1 point) and 13 percent spent money for new fixtures and furniture (up 1 point). Twenty-three percent plan capital outlays in the next few months, down 2 points from May.

## **SALES AND INVENTORIES**

A net negative two percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down 3 points from May. The net percent of owners expecting higher real sales volumes decreased 13 points to a net negative 28 percent. The net percent of owners reporting inventory increases fell 3 points to a net negative 4 percent. Not seasonally adjusted, 18 percent reported increases in stocks and 18 percent reported reductions. Thirty-nine percent of owners recently reported that supply chain disruptions have had a significant impact on their business. Another 30 percent report a moderate impact and 23 percent report a mild impact. Only 6 percent report no impact from recent supply chain disruptions. A net 5 percent of owners viewed current inventory stocks as “too low” in June, down 3 points from May. A net negative 2 percent of owners plan inventory investment in the coming months down 3 points from May.

## **COMPENSATION AND EARNINGS**

Seasonally adjusted, a net 48 percent reported raising compensation, down 1 point from May. A net 28 percent plan to raise compensation in the next three months, up 3 points from May. Eight percent cited labor costs as their top business problem, down 3 points from May, and 23 percent said that labor quality was their top business problem (unchanged). Labor quality remains in second place behind “inflation.” The frequency of reports of positive profit trends was a net negative 25 percent, down 1 point from May. Among owners reporting lower profits, 30 percent blamed the rise in the cost of materials, 16 percent blamed weaker sales, 14 percent cited labor costs, 14 percent cited lower prices, 7 percent cited the usual seasonal change, and 2 percent cited higher taxes or regulatory costs. For owners reporting higher profits, 51 percent credited sales volumes, 19 percent cited higher prices, and 17 percent cited usual seasonal change.

## **CREDIT MARKETS**

One percent of owners reported that all their borrowing needs were not satisfied (down 1 point). Twenty-seven percent reported all credit needs met (up 5 points) and 61 percent said they were not interested in a loan (down 4 points). A net 3 percent reported their last loan was harder to get than in previous attempts (down 1 point). One percent reported that financing was their top business problem (unchanged). A net 16 percent of owners reported paying a higher rate on their most recent loan, up 2 points from May. The average rate paid on short maturity loans was 5.3 percent. Twenty-five percent of all owners reported borrowing on a regular basis (up 2 points).

## **INFLATION**

The net percent of owners raising average selling prices decreased 3 points from May to a net 69 percent seasonally adjusted. Unadjusted, 4 percent (up 1 point) reported lower average selling prices and 69 percent (down 2 points) reported higher average prices. Price hikes were most frequent in retail trades (80 percent higher, 3 percent lower), transportation (78 percent higher, 0 percent lower), construction (75 percent higher, 4 percent lower), and wholesale (69 percent higher, 7 percent lower). Seasonally adjusted, a net 44 percent plan price hikes (down 3 points).

# COMMENTARY

---

A recession is the period of time between a peak in economic activity and the resumption of real growth after a period of decline. Because data are available only after an event, a recession can't be identified with acceptable precision until after it has occurred. A group of economists at the National Bureau of Economic Research (NBER) meet regularly to make such assessments, using available data. Some observers feel that the economy is already in a recession. We won't know officially until the facts are all in unless the economy makes a hard decline, and the economic situation becomes obvious.

It's a mixed picture on Main Street. Housing is still booming (but slowing) and restaurant sales continue to trend higher. Owners can't find enough workers, not characteristic of a recession where unemployment is high, not low. Job openings and hiring plans are at record levels. The percent of owners raising compensation is high too. The percent of owners raising selling prices is historically high. Doesn't sound like a recession, at least from the employment side.

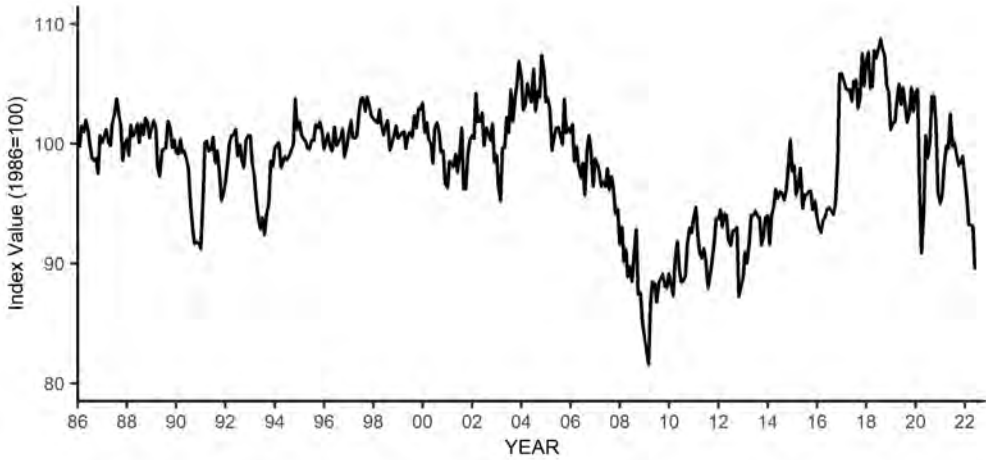
From the production (output, sales) side, the picture is different. More firms are reporting sales declines than increases, and they expect sales to keep falling. More firms plan to reduce inventory rather than build it. Of course, recessions don't just suddenly appear unless, like in 2020, when the economy is forced to shut down. That produced the shortest recession on record, just two months from peak to trough, then recovery. There are always warning signs, indicators that consistently anticipate the declines of sales and employment in a recession, generally termed leading indicators. Declines in the net percent expecting better business conditions have always preceded downturns in economic activity. At a net -61%, the lowest in 48 years, it is strongly indicating bad times for the economy to come. In concurrence, those expecting real sales growth is also historically low, expected better credit conditions has deteriorated and only 3% of small business owners think the current period is a good time to expand their business. And inflation and the percent of owners raising prices are at levels not seen since the recessions of the early 1980s.

These indicators make a very strong case for a decline in economic activity. How long and how severe is now the question. It appears that real GDP growth was negative in the first two quarters of the year, some say that is a recession. But employment has yet to yield to the forces of decline, a good sign. However this plays out, small business owners are bracing for challenging times ahead.

# OVERVIEW - SMALL BUSINESS OPTIMISM

## OPTIMISM INDEX

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



## OPTIMISM INDEX

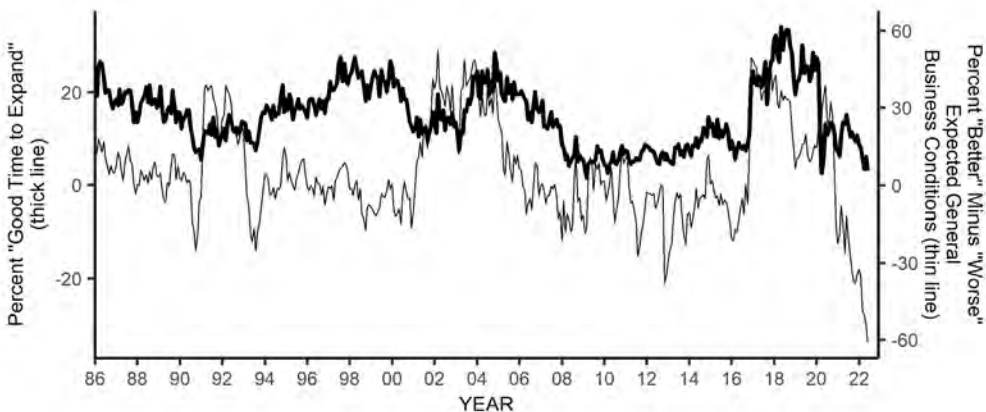
Based on Ten Survey Indicators  
(Seasonally Adjusted 1986=100)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	105.9	105.3	104.7	104.5	104.5	103.6	105.2	105.3	103.0	103.8	107.5	104.9
<b>2018</b>	106.9	107.6	104.7	104.8	107.8	107.2	107.9	108.8	107.9	107.4	104.8	104.4
<b>2019</b>	101.2	101.7	101.8	103.5	105.0	103.3	104.7	103.1	101.8	102.4	104.7	102.7
<b>2020</b>	104.3	104.5	96.4	90.9	94.4	100.6	98.8	100.2	104.0	104.0	101.4	95.9
<b>2021</b>	95.0	95.8	98.2	99.8	99.6	102.5	99.7	100.1	99.1	98.2	98.4	98.9
<b>2022</b>	97.1	95.7	93.2	93.2	93.1	89.5						

## SMALL BUSINESS OUTLOOK

### OUTLOOK

Good Time to Expand and Expected General Business Conditions  
January 1986 to June 2022  
(Seasonally Adjusted)



## SMALL BUSINESS OUTLOOK (CONTINUED)

### OUTLOOK FOR EXPANSION

Percent Next Three Months "Good Time to Expand"  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	25	22	22	24	23	21	23	27	17	23	27	27
<b>2018</b>	32	32	28	27	34	29	32	34	33	30	29	24
<b>2019</b>	20	22	23	25	30	24	26	26	22	23	29	25
<b>2020</b>	28	26	13	3	5	13	11	12	13	13	12	8
<b>2021</b>	8	6	11	14	13	15	13	11	11	10	10	11
<b>2022</b>	9	8	6	4	6	3						

### MOST IMPORTANT REASON FOR EXPANSION OUTLOOK

Reason Percent by Expansion Outlook  
June 2022

Reason	Good Time	Not Good Time	Uncertain
<b>Economic Conditions</b>	1	50	14
<b>Sales Prospects</b>	3	2	1
<b>Fin. &amp; Interest Rates</b>	0	3	0
<b>Cost of Expansion</b>	0	4	1
<b>Political Climate</b>	0	10	6
<b>Other / Not Available</b>	0	2	1

### OUTLOOK FOR GENERAL BUSINESS CONDITIONS

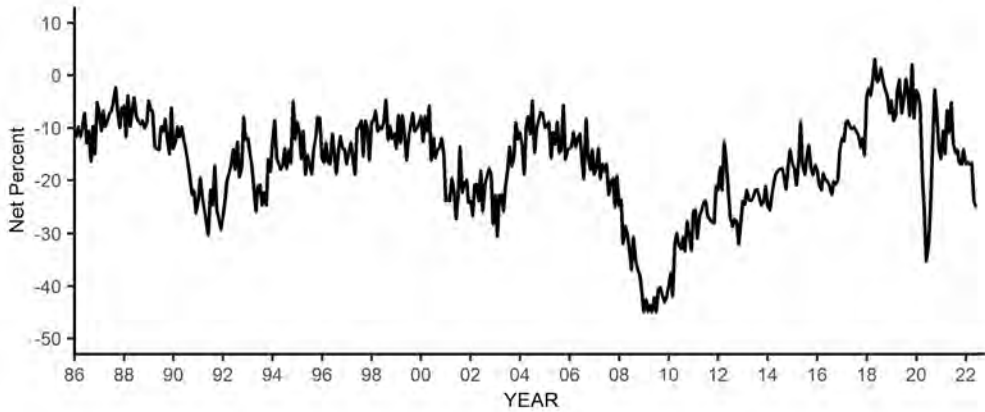
Net Percent ("Better" Minus "Worse") Six Months From Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	48	47	46	38	39	33	37	37	31	32	48	37
<b>2018</b>	41	43	32	30	37	33	35	34	33	33	22	16
<b>2019</b>	6	11	11	13	16	16	20	12	9	10	13	16
<b>2020</b>	14	22	5	29	34	39	25	24	32	27	8	-16
<b>2021</b>	-23	-19	-8	-15	-26	-12	-20	-28	-33	-37	-38	-35
<b>2022</b>	-33	-35	-49	-50	-54	-61						

# SMALL BUSINESS EARNINGS

## EARNINGS

Actual Last Three Months  
January 1986 to June 2022  
(Seasonally Adjusted)



## ACTUAL EARNINGS CHANGES

Net Percent ("Higher" Minus "Lower") Last Three Months  
Compared to Prior Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	-12	-13	-9	-9	-10	-10	-10	-11	-11	-14	-12	-15
<b>2018</b>	-4	-3	-4	-1	3	-1	-1	1	-1	-3	-4	-7
<b>2019</b>	-5	-9	-8	-3	-1	-7	-5	-1	-3	-8	2	-8
<b>2020</b>	-3	-4	-6	-20	-26	-35	-32	-25	-12	-3	-7	-14
<b>2021</b>	-16	-11	-15	-7	-11	-5	-13	-15	-14	-17	-17	-14
<b>2022</b>	-17	-17	-17	-17	-24	-25						

## MOST IMPORTANT REASON FOR LOWER EARNINGS

Percent Reason  
June 2022

Reason	Current Month	One Year Ago	Two Years Ago
<b>Sales Volume</b>	7	10	31
<b>Increased Costs*</b>	20	13	2
<b>Cut Selling Prices</b>	6	3	3
<b>Usual Seasonal Change</b>	3	2	5
<b>Other</b>	3	1	7

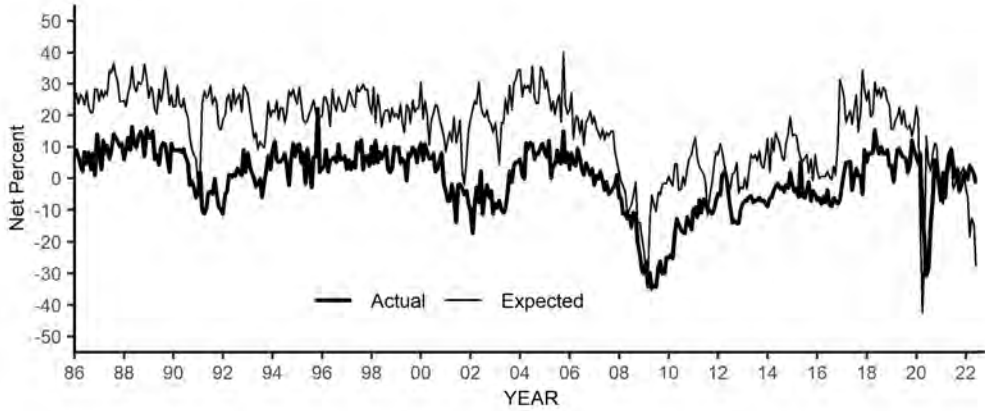
\* Increased costs include labor, materials, finance, taxes, and regulatory costs.



# SMALL BUSINESS SALES

## SALES

Actual (Prior Three Months) and Expected (Next Three Months)  
 January 1986 to June 2022  
 (Seasonally Adjusted)



## ACTUAL SALES CHANGES

Net Percent ("Higher" Minus "Lower") Last Three Months  
 Compared to Prior Three Months  
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	-2	2	5	5	5	-4	0	3	1	1	-5	9
<b>2018</b>	5	8	8	8	15	10	8	10	8	8	9	4
<b>2019</b>	4	-1	5	9	9	7	7	6	2	4	12	9
<b>2020</b>	7	5	8	-11	-19	-31	-28	-15	-6	6	5	-2
<b>2021</b>	-7	2	-6	3	7	9	5	0	3	-4	-2	1
<b>2022</b>	2	0	4	3	1	-2						

## SALES EXPECTATIONS

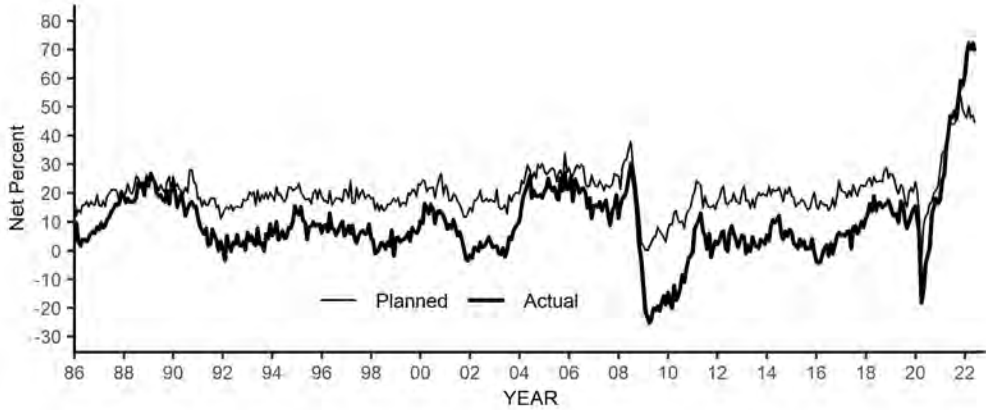
Net Percent ("Higher" Minus "Lower") During Next Three Months  
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	29	26	18	20	22	17	22	27	15	21	34	28
<b>2018</b>	25	28	20	21	31	26	29	26	29	28	24	23
<b>2019</b>	16	16	19	20	23	17	22	17	16	17	13	16
<b>2020</b>	23	19	-12	-42	-24	13	5	3	8	11	10	-4
<b>2021</b>	-6	-8	0	1	3	7	-4	-2	2	0	2	3
<b>2022</b>	-3	-6	-18	-12	-15	-28						

# SMALL BUSINESS PRICES

## PRICES

Actual Last Three Months and Planned Next Three Months  
 January 1986 to June 2022  
 (Seasonally Adjusted)



## ACTUAL PRICE CHANGES

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	5	6	5	7	7	1	8	9	6	8	10	8
<b>2018</b>	11	13	16	14	19	14	16	17	15	16	16	17
<b>2019</b>	15	13	12	13	10	17	16	11	8	10	12	14
<b>2020</b>	15	11	6	-18	-14	-5	-2	1	13	15	18	16
<b>2021</b>	17	25	26	36	40	47	46	49	46	53	59	57
<b>2022</b>	61	68	72	70	72	69						

## PRICE PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	21	20	20	18	21	19	23	20	19	22	23	22
<b>2018</b>	23	24	25	22	26	24	24	24	24	28	29	25
<b>2019</b>	27	26	24	21	20	23	22	17	15	20	22	20
<b>2020</b>	24	20	12	-3	9	12	13	16	17	20	21	22
<b>2021</b>	28	34	34	36	43	44	44	44	46	51	54	49
<b>2022</b>	47	46	50	46	47	44						

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

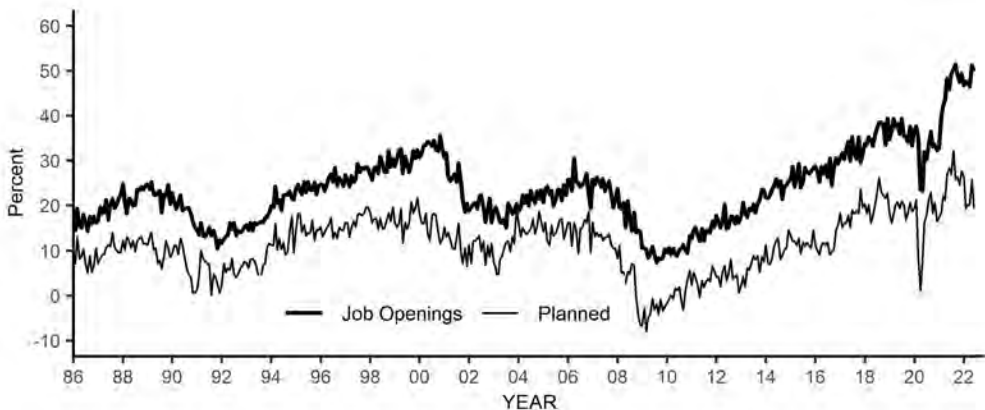
## QUALIFIED APPLICANTS FOR JOB OPENINGS

Percent Few or No Qualified Applicants

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

## EMPLOYMENT

Planned Next Three Months and Current Job Openings  
January 1986 to June 2022  
(Seasonally Adjusted)



## SMALL BUSINESS EMPLOYMENT (CONTINUED)

### JOB OPENINGS

Percent With Positions Not Able to Fill Right Now  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	31	32	30	33	34	30	35	31	30	35	30	31
2018	34	34	35	35	33	36	37	38	38	38	34	39
2019	35	37	39	38	38	36	39	35	35	34	38	33
2020	37	38	35	24	23	32	30	33	36	33	34	32
2021	33	40	42	44	48	46	49	50	51	49	48	49
2022	47	48	47	47	51	50						

### HIRING PLANS

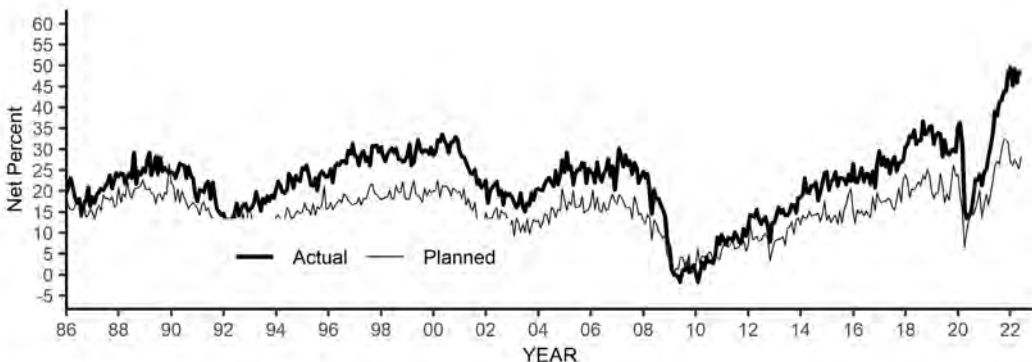
Net Percent ("Increase" Minus "Decrease") in the Next Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	18	15	16	16	18	15	19	18	19	18	24	20
2018	20	18	20	16	18	20	23	26	23	22	22	23
2019	18	16	18	20	21	19	21	20	17	18	21	19
2020	19	21	9	1	8	16	18	21	23	18	21	17
2021	17	18	22	21	27	28	27	32	26	26	25	28
2022	26	19	20	20	26	19						

## SMALL BUSINESS COMPENSATION

### COMPENSATION

Actual Last Three Months and Planned Next Three Months  
January 1986 to June 2022  
(Seasonally Adjusted)



## SMALL BUSINESS COMPENSATION (CONTINUED)

### ACTUAL COMPENSATION CHANGES

Net Percent ("Increase" Minus "Decrease") During Last Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	30	26	28	26	28	24	27	28	25	27	27	27
<b>2018</b>	31	31	33	33	35	31	32	32	37	34	34	35
<b>2019</b>	36	31	33	34	34	28	32	29	29	30	30	29
<b>2020</b>	36	36	31	16	14	14	15	18	23	23	24	21
<b>2021</b>	25	25	28	31	34	39	38	41	42	44	44	48
<b>2022</b>	50	45	49	46	49	48						

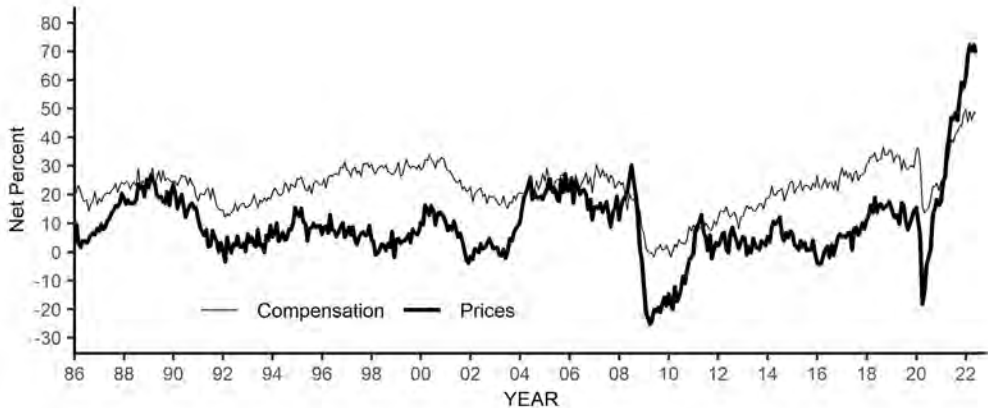
### COMPENSATION PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	18	17	18	18	18	18	16	15	18	21	17	23
<b>2018</b>	24	22	19	21	20	21	22	21	24	23	25	24
<b>2019</b>	20	18	20	20	24	21	17	19	18	22	26	24
<b>2020</b>	24	19	16	7	10	13	14	14	16	18	20	14
<b>2021</b>	17	19	17	20	22	26	27	26	30	32	32	32
<b>2022</b>	27	26	28	27	25	28						

### PRICES AND LABOR COMPENSATION

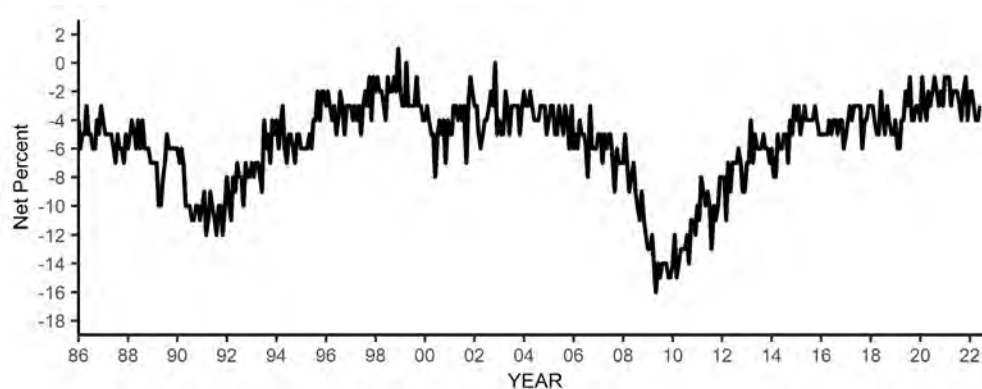
Net Percent Price Increase and Net Percent Compensation  
(Seasonally Adjusted)



# SMALL BUSINESS CREDIT CONDITIONS

## CREDIT CONDITIONS

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



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

## REGULAR BORROWERS

Percent Borrowing at Least Once Every Three Months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	30	31	30	31	28	27	30	31	29	30	30	34
<b>2018</b>	31	31	32	31	34	28	32	32	29	32	32	35
<b>2019</b>	33	33	34	31	31	28	28	33	30	29	28	29
<b>2020</b>	31	28	26	29	26	27	26	24	26	25	22	26
<b>2021</b>	23	26	23	24	23	21	21	20	20	23	21	23
<b>2022</b>	23	23	25	26	23	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>2017</b>	-5	-4	-3	-4	-3	-3	-3	-3	-6	-4	-4	-3
<b>2018</b>	-3	-3	-4	-5	-5	-2	-4	-5	-3	-4	-5	-5
<b>2019</b>	-4	-6	-6	-4	-4	-2	-3	-1	-4	-4	-3	-3
<b>2020</b>	-4	-1	-3	-4	-2	-3	-2	-1	-2	-3	-2	-3
<b>2021</b>	-1	-1	-1	-3	-2	-2	-2	-3	-4	-2	-1	-4
<b>2022</b>	-2	-2	-3	-4	-4	-3						

# SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

## BORROWING NEEDS SATISFIED

Percent of All Businesses Last Three Months Satisfied/  
Percent of All Businesses Last Three Months Not Satisfied  
(All Borrowers)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	31/4	30/3	32/4	32/3	31/3	27/4	31/3	34/3	33/2	29/4	32/4	32/3
<b>2018</b>	31/3	32/2	31/4	32/4	37/4	30/3	32/3	33/3	27/3	30/3	32/3	32/4
<b>2019</b>	33/3	34/3	33/3	32/4	34/3	29/3	28/3	31/4	30/2	29/3	28/3	29/3
<b>2020</b>	30/3	32/2	29/3	29/5	33/3	34/3	35/3	31/3	33/2	29/3	25/2	26/3
<b>2021</b>	24/2	28/2	27/2	26/2	23/3	25/3	23/2	22/2	20/2	23/2	23/2	26/2
<b>2022</b>	25/3	25/2	26/4	26/2	22/2	27/1						

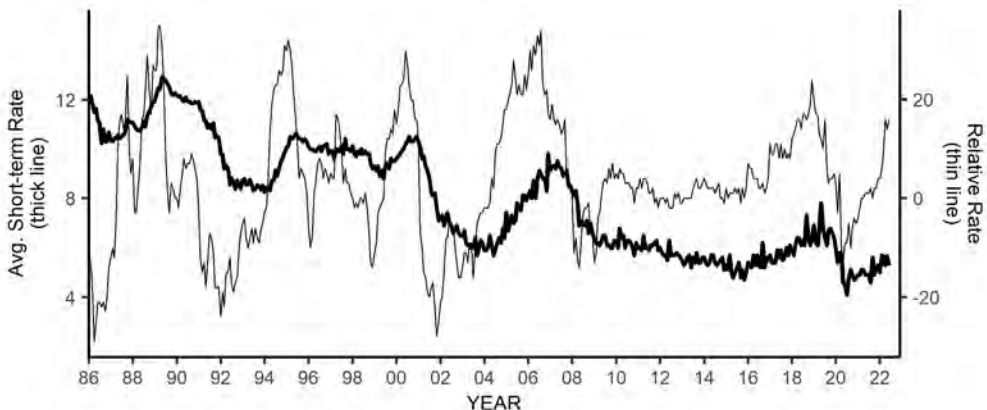
## EXPECT EASIER CREDIT CONDITIONS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	-3	-3	-3	-4	-4	-3	-4	-3	-4	-5	-4	-4
<b>2018</b>	-4	-3	-6	-6	-5	-4	-4	-6	-5	-5	-5	-6
<b>2019</b>	-5	-5	-7	-4	-5	-3	-4	-2	-4	-3	-3	-3
<b>2020</b>	-4	-1	-4	-6	-4	-6	-5	-4	-5	-4	-3	-5
<b>2021</b>	-3	-6	-3	-3	-3	-4	-4	-4	-4	-4	-3	-4
<b>2022</b>	-4	-4	-4	-5	-4	-5						

## INTEREST RATES

Relative Rates and Actual Rates Last Three Months  
January 1986 to June 2022



## SMALL BUSINESS CREDIT CONDITIONS (CONTINUED)

### RELATIVE INTEREST RATE PAID BY REGULAR BORROWERS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	7	6	6	4	4	4	2	2	3	1	2	4
2017	11	9	9	11	11	8	11	8	10	8	9	8
2018	12	13	14	16	16	14	17	17	16	17	19	24
2019	20	17	17	13	12	10	16	6	3	4	4	5
2020	3	-3	5	-11	-13	-9	-9	-5	-10	-6	-4	-5
2021	-4	-2	0	0	1	1	1	2	0	2	2	4
2022	4	6	9	16	14	16						

*Borrowing at Least Once Every Three Months.*

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

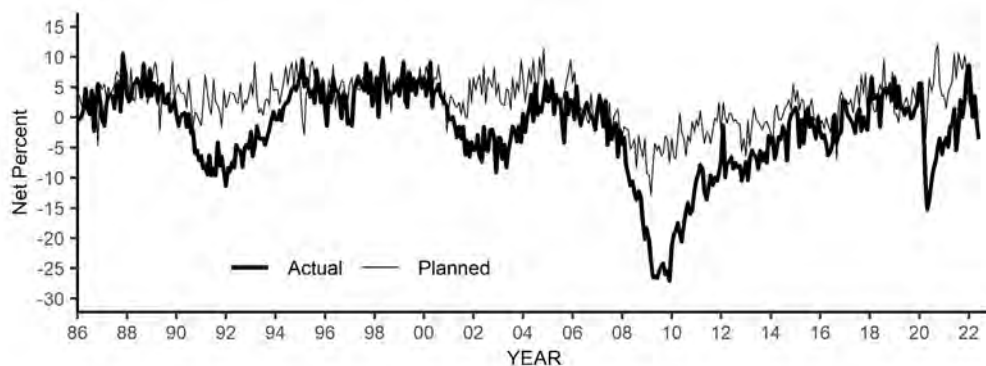
Average Interest Rate Paid

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	5.7	5.4	5.4	5.4	5.9	5.6	5.9	5.5	5.6	6.0	5.7	6.1
2018	5.9	5.7	6.1	6.4	6.4	6.1	6.3	6.1	7.3	6.4	6.1	6.4
2019	6.9	6.2	6.1	6.7	7.8	6.8	6.4	6.1	6.7	6.8	6.6	6.4
2020	6.0	5.4	5.8	5.8	4.6	4.5	4.1	4.8	5.1	4.9	4.7	4.8
2021	4.9	4.9	5.1	5.1	4.9	4.9	4.9	4.6	5.6	4.9	5.1	5.3
2022	5.0	5.7	5.7	5.3	5.7	5.3						

## SMALL BUSINESS INVENTORIES

### INVENTORIES

Actual (Last Three Months) and Planned (Next Three Months)  
January 1986 to June 2022  
(Seasonally Adjusted)





## SMALL BUSINESS INVENTORIES (CONTINUED)

### ACTUAL INVENTORY CHANGES

Net Percent ("Increase" Minus "Decrease") During Last Three Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	3	1	0	-1	-1	-3	1	1	-2	0	-2	-2
2018	4	7	3	4	4	-2	4	4	5	4	6	3
2019	7	2	5	2	2	0	2	1	0	0	2	2
2020	6	6	0	-11	-15	-14	-11	-9	-7	-5	-4	-6
2021	-4	-3	-5	-2	-1	1	-6	-2	3	0	3	7
2022	9	5	0	4	-1	-4						

### Current Inventory (too low)

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	-5	-2	-5	-3	-6	-3	-2	-5	-3	-5	-2	-2
2018	-5	-3	-6	-4	-4	0	-3	-3	-1	-2	-5	-1
2019	-3	-2	-6	-4	-4	0	-3	-6	-6	-4	1	-4
2020	-3	-4	-2	-7	-5	1	1	3	5	4	5	7
2021	5	5	3	7	8	11	12	11	10	9	15	9
2022	7	7	9	6	8	5						

### INVENTORY PLANS

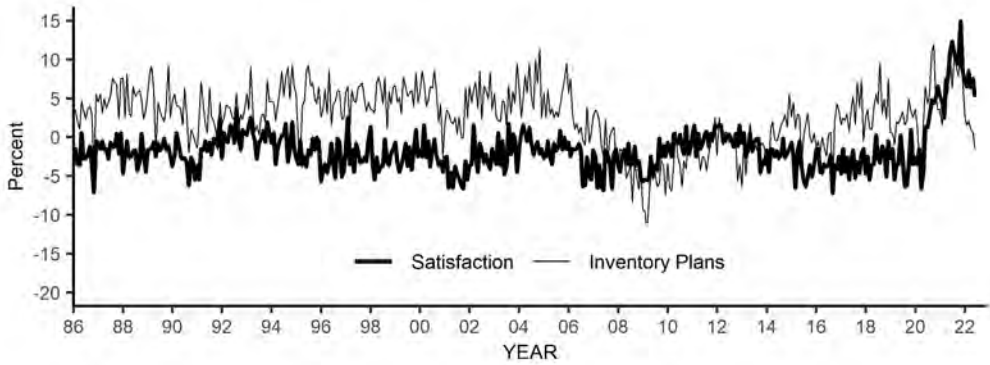
Net Percent ("Increase" Minus "Decrease") in the Next Three to Six Months  
(Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	2	3	2	3	1	4	5	2	7	4	7	-1
2018	3	4	1	1	4	6	4	10	3	5	2	8
2019	1	1	-1	2	2	3	3	2	2	5	3	3
2020	4	2	-3	-4	2	7	4	6	11	12	5	4
2021	4	2	4	5	6	11	6	11	9	8	10	8
2022	3	2	2	1	1	-2						

# SMALL BUSINESS CAPITAL OUTLAYS

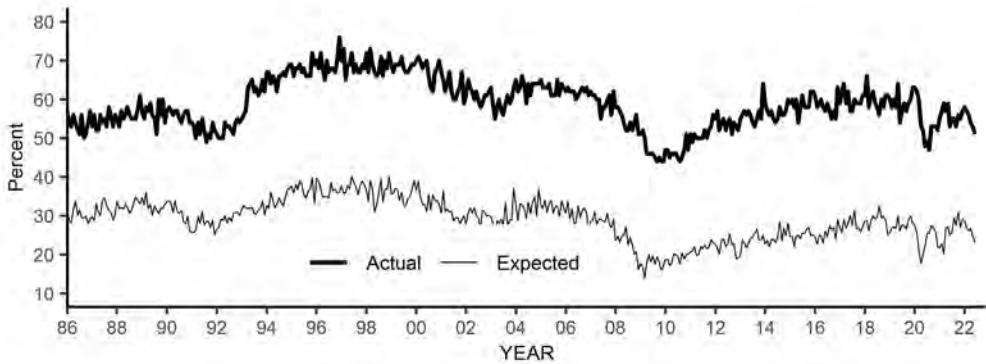
## INVENTORY SATISFACTION AND INVENTORY PLANS

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 June 2022  
*(Seasonally Adjusted)*



## ACTUAL CAPITAL EXPENDITURES

Percent Making a Capital Expenditure During the Last Six Months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	59	62	64	59	62	57	57	60	59	59	59	61
<b>2018</b>	61	66	58	61	62	59	58	56	60	58	61	61
<b>2019</b>	60	58	60	58	64	54	57	59	57	59	60	63
<b>2020</b>	63	62	60	53	52	48	49	47	53	53	53	52
<b>2021</b>	55	57	59	57	59	53	55	55	53	56	55	57
<b>2022</b>	58	57	56	54	53	51						

## 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	18
Equipment	37	36	32
Furniture or Fixtures	13	11	9
Add. Bldgs. or Land	5	6	5
Improved Bldgs. or Land	14	14	14

### 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	1	2	2
\$1,000 to \$4,999	5	6	5
\$5,000 to \$9,999	5	5	6
\$10,000 to \$49,999	15	13	15
\$50,000 to \$99,999	9	10	9
\$100,000 +	15	16	10
No Answer	1	0	1

### CAPITAL EXPENDITURE PLANS

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	27	26	29	27	28	30	28	32	27	27	26	27
2018	29	29	26	29	30	29	30	33	30	30	29	25
2019	26	27	27	27	30	26	28	28	27	29	30	28
2020	28	26	21	18	20	22	26	26	28	27	26	22
2021	22	23	20	27	27	25	26	30	28	31	27	29
2022	29	27	26	27	25	23						

# SINGLE MOST IMPORTANT PROBLEM

## SINGLE MOST IMPORTANT PROBLEM

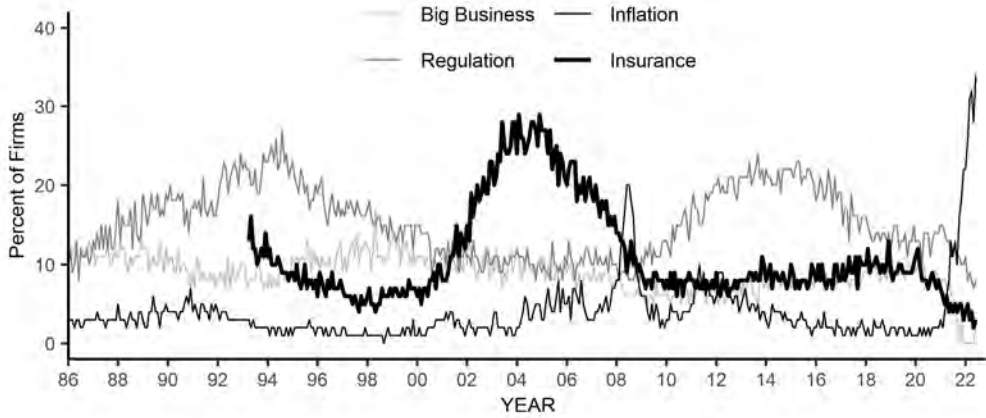
June 2022

Problem	Current	One Year Ago	Survey High	Survey Low
<b>Taxes</b>	11	18	32	8
<b>Inflation</b>	34	13	41	0
<b>Poor Sales</b>	4	7	34	2
<b>Fin. &amp; Interest Rates</b>	1	1	37	0
<b>Cost of Labor</b>	8	8	13	2
<b>Government Regulation</b>	8	11	27	4
<b>Comp. from Large Bus.</b>	3	6	14	0
<b>Quality of Labor</b>	23	26	29	3
<b>Cost/Avail. of Insurance</b>	3	5	29	0
<b>Other</b>	5	5	31	1

## SELECTED SINGLE MOST IMPORTANT PROBLEM

Inflation, Big Business, Insurance and Regulation

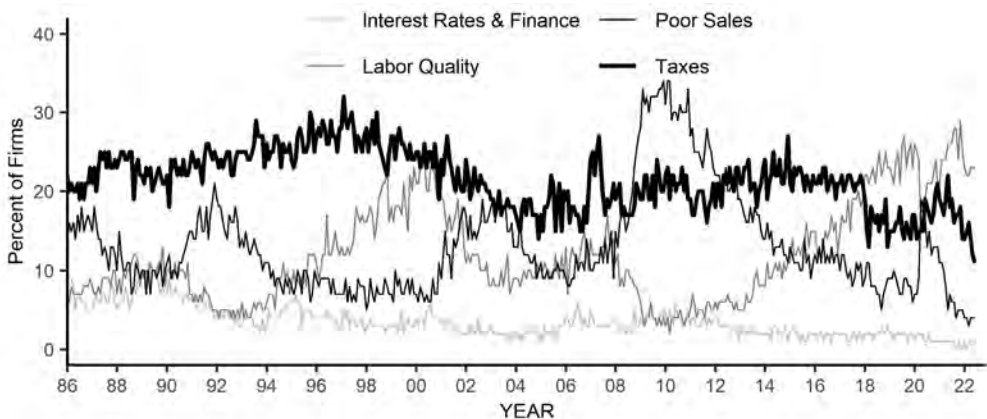
January 1986 to June 2022



## SELECTED SINGLE MOST IMPORTANT PROBLEM

Taxes, Interest Rates, Sales and Labor Quality

January 1986 to June 2022



## SURVEY PROFILE

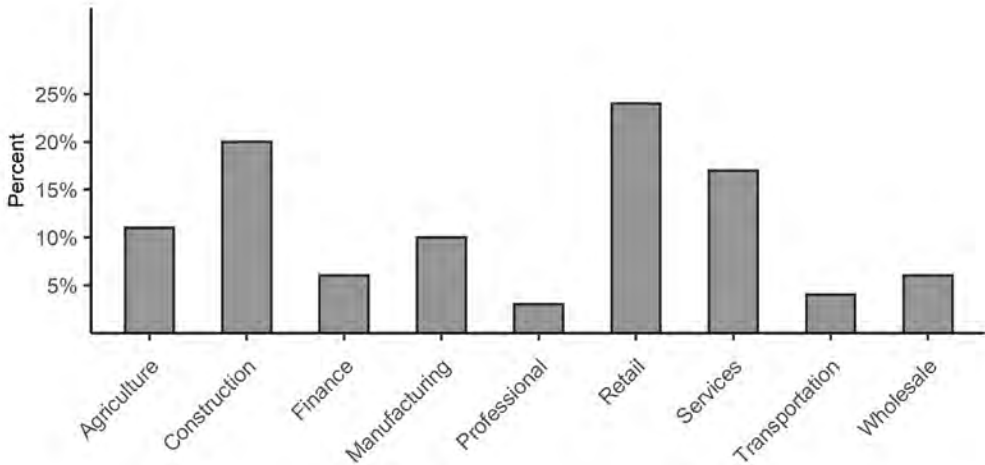
### OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY NFIB

Actual Number of Firms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2017</b>	1873	764	704	1618	699	624	1533	713	629	1513	544	495
<b>2018</b>	1658	642	570	1554	562	665	1718	680	642	1743	700	621
<b>2019</b>	1740	526	643	1735	650	606	1502	680	603	1618	500	488
<b>2020</b>	1692	641	627	1832	814	670	1652	751	604	1719	561	542
<b>2021</b>	1109	678	514	1516	659	592	1440	595	537	1431	613	639
<b>2022</b>	1504	665	560	1457	581	505						

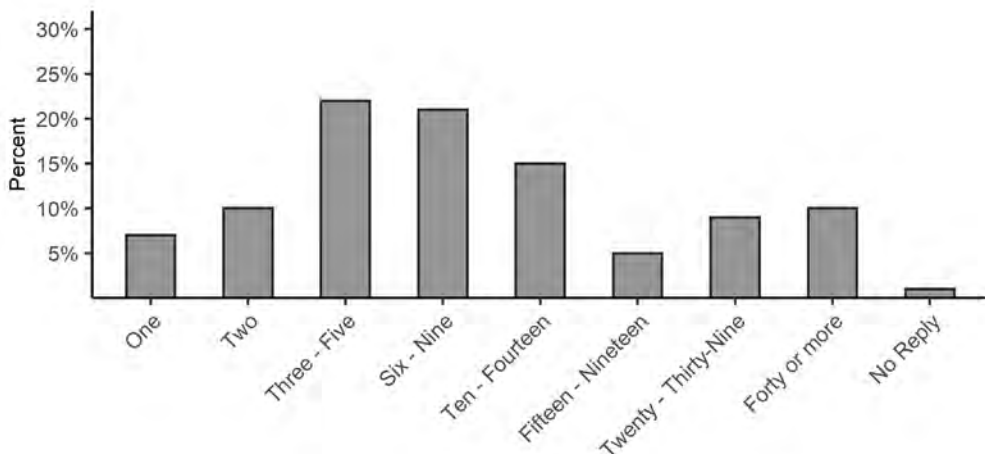
### NFIB OWNER/MEMBERS PARTICIPATING IN ECONOMIC SURVEY

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