

## Economics Group

Mark Vitner, Senior Economist  
[mark.vitner@wellsfargo.com](mailto:mark.vitner@wellsfargo.com) • (704) 410-3277

### NFIB Falls Slightly in June But Remains Up for the Quarter

*The NFIB Small Business Optimism Survey fell 0.9 points. Despite the drop, the index has improved modestly this year, reflecting less pessimism about the broader economy and improving sales.*

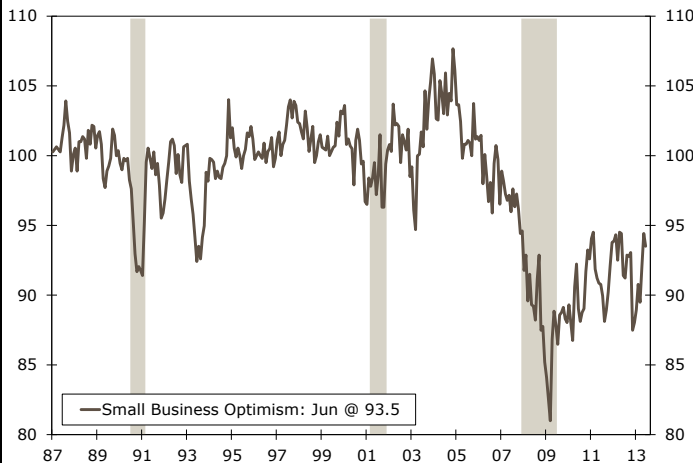
#### Businesses See Fewer Negatives But Few Positives

- Weakening sales and rising inventories helped pull the NFIB Small Business Optimism Index lower in June.
- Despite the overall drop, business owners are clearly less pessimistic about the broader economic outlook. The net share of business owners expecting economic conditions to improve during the next six months rose 1 point in June and is up 31 points over the past six months.

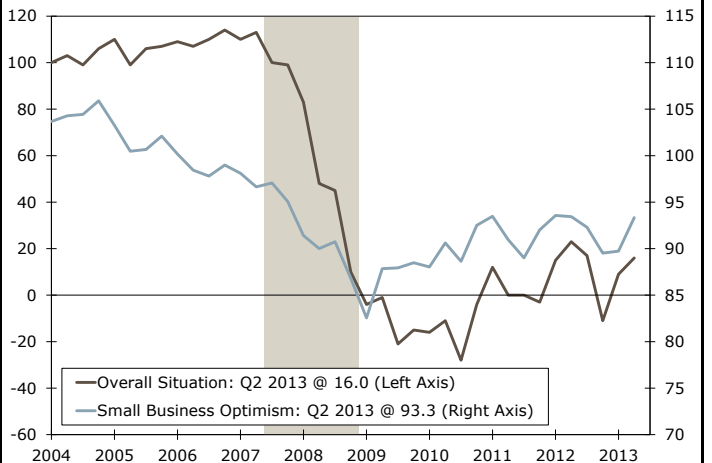
#### Recent Trends Show No Apparent Breakout

- The NFIB Survey tracks our own Wells Fargo Small Business Survey index. Both series show small businesses generally trailing the broader economy, with few signs of a significant pick up.
- Sales and earnings trends remain in negative territory. Investment and hiring plans generally do not turn solidly positive until sales and sales expectations move back into positive territory.

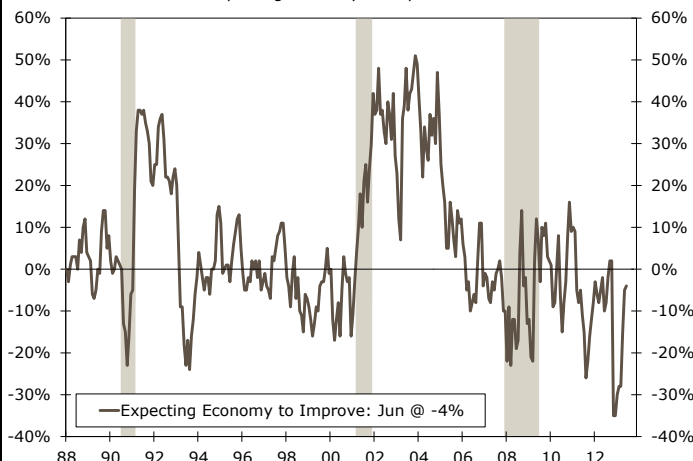
**NFIB Small Business Optimism**  
 Overall Index 1986 = 100



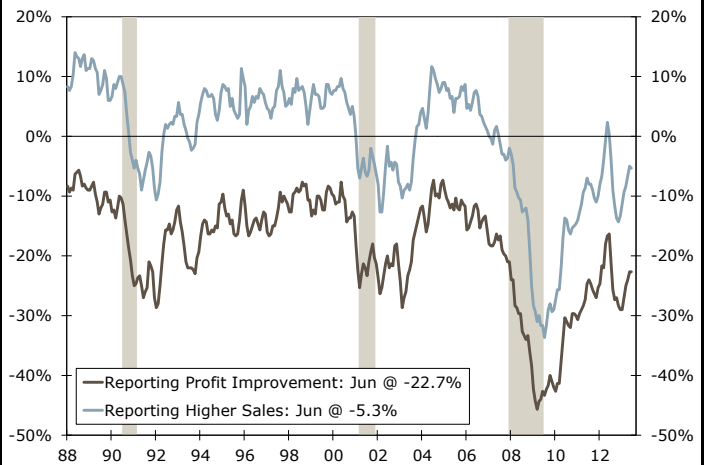
**Wells Fargo Small Business Survey & NFIB**  
 Overall Situation, NFIB Small Business Optimism 1986=100



**Firms Expecting Economy to Improve**  
 Net % of Firms Expecting Economy to Improve Over the Next 6 mo.



**Small Business Profits and Sales**  
 Net Percent of Firms Past 3 Months, SA 3-MMA



## Wells Fargo Securities, LLC Economics Group

Diane Schumaker-Krieg	Global Head of Research, Economics & Strategy	(704) 410-1801 (212) 214-5070	diane.schumaker@wellsfargo.com
John E. Silvia, Ph.D.	Chief Economist	(704) 410-3275	john.silvia@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Jay Bryson, Ph.D.	Global Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	Currency Strategist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Eugenio Aleman, Ph.D.	Senior Economist	(704) 410-3273	eugenio.j.aleman@wellsfargo.com
Anika Khan	Senior Economist	(704) 410-3271	anika.khan@wellsfargo.com
Azhar Iqbal	Econometrician	(704) 410-3270	azhar.iqbal@wellsfargo.com
Tim Quinlan	Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Michael A. Brown	Economist	(704) 410-3278	michael.a.brown@wellsfargo.com
Sarah Watt	Economist	(704) 410-3282	sarah.watt@wellsfargo.com
Michael T. Wolf	Economist	(704) 410-3286	michael.t.wolf@wellsfargo.com
Sara Silverman	Economic Analyst	(704) 410-3281	sara.silverman@wellsfargo.com
Zachary Griffiths	Economic Analyst	(704) 410-3284	zachary.griffiths@wellsfargo.com
Peg Gavin	Executive Assistant	(704) 410-3279	peg.gavin@wellsfargo.com
Cyndi Burris	Administrative Assistant	(704) 410-3272	cyndi.burris@wellsfargo.com

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