

Economics Group

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NFIB Small Business Optimism Slips in September

Small business optimism slipped another 0.2 points to 93.9 in September. Business owners remain concerned about the sluggish sales environment, even though slightly more firms said they believe sales will improve.

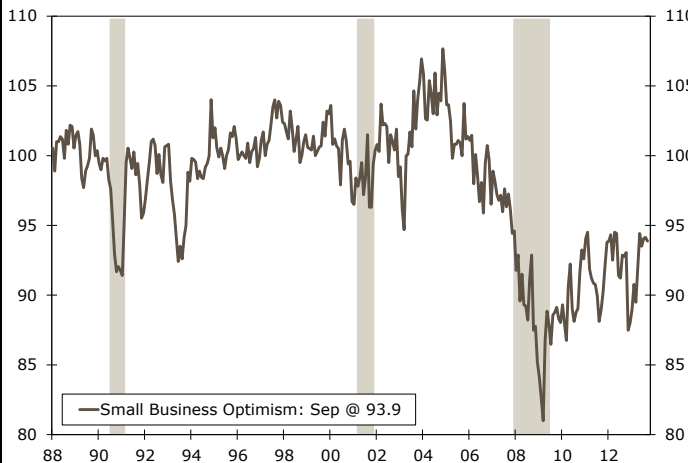
The Big Issues Continue to Weigh on Small Business

- Small business' confidence continues to be weighed down by big picture issues, including the repeated showdowns over fiscal policy, the impending wind down of the Fed's securities purchases and the rollout of the Affordable Care Act.
- Macro issue worries led to an 8-point drop in expectations for future business conditions. Earnings also remain under pressure, squeezed by higher costs and sluggish sales growth.

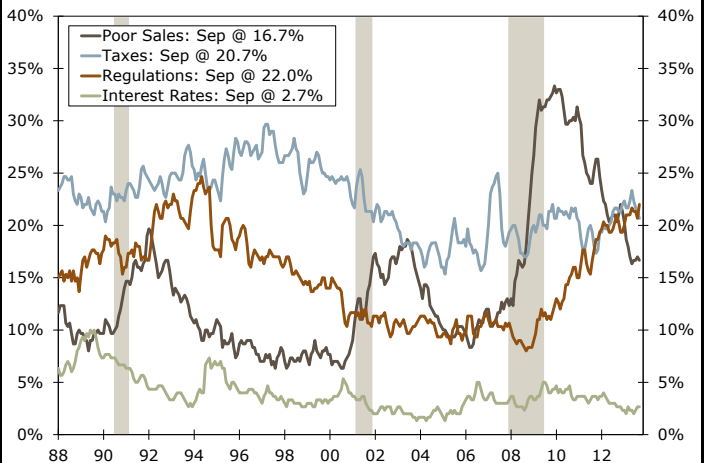
Regulatory Red Tape Remain Businesses' Top Concern

- Given the kickoff of the Affordable Care Act and impending showdown over the federal budget, it is not surprising that frustrations over regulations and red tape increased in Sept.
- Despite all the worries about the broader economy and current sales, business owners remain optimistic about future sales. The recent divergence in these two series is notable when looking back at recent years. Both series remain low, however.

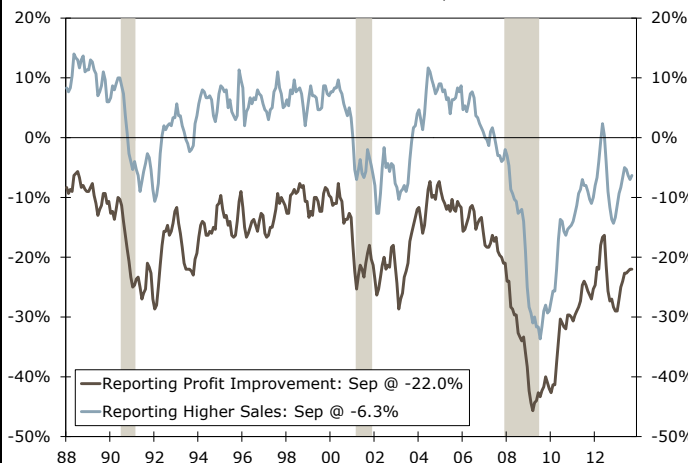
NFIB Small Business Optimism
 Overall Index 1986 = 100



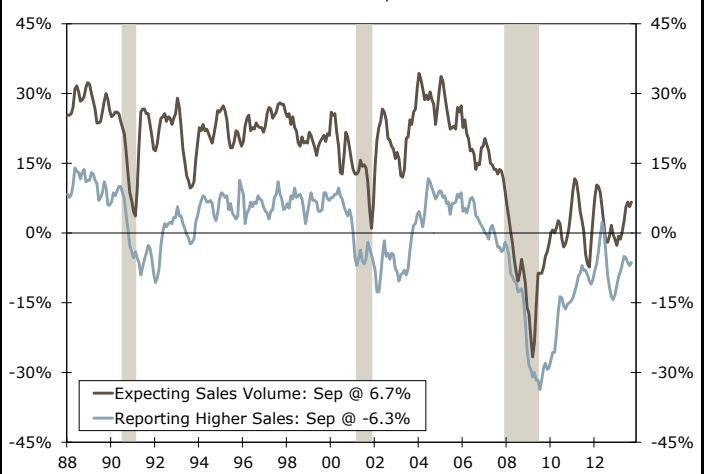
Small Business Important Problems
 Single Most Important Problem Facing Firms, SA 3-MMA



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



Small Business Actual Sales and Expected Sales
 Net Percent of Firms, SA 3-MMA



Source: NFIB, Moody's Analytics and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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