



Economics Group

Mark Vitner, Senior Economist
mark.vitner@wellsfargo.com • (704) 410-3277
Tim Quinlan, Economist
tim.quinlan@wellsfargo.com • (704) 410-3283

NFIB Small Business Confidence Shaken by Shutdown

NFIB small business optimism came in at 91.6 in October, which is down from the prior month and a lower reading than the consensus had expected.

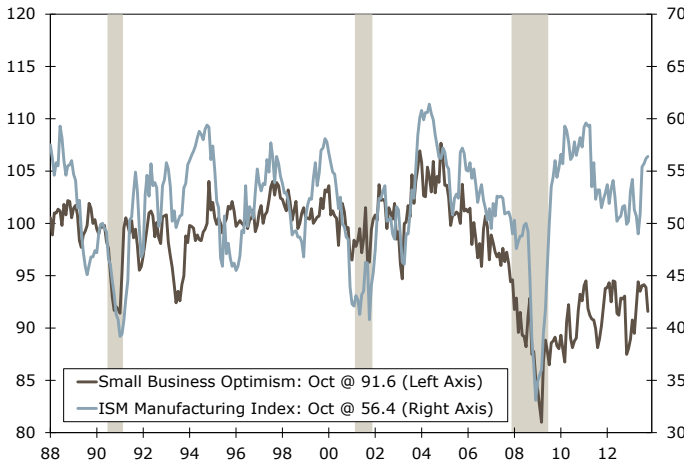
Diminished Expectations Seen More in Small Business

- While measures of large business confidence like the ISM survey have taken the government shutdown in stride, small businesses optimism was rattled in October. Declines were broadly based among the subcomponents, though the largest decline came from falling expectations for a better economy, which slipped 7 points to -17 in October. Business owners' plans to expand took a hit as uncertainty increased.

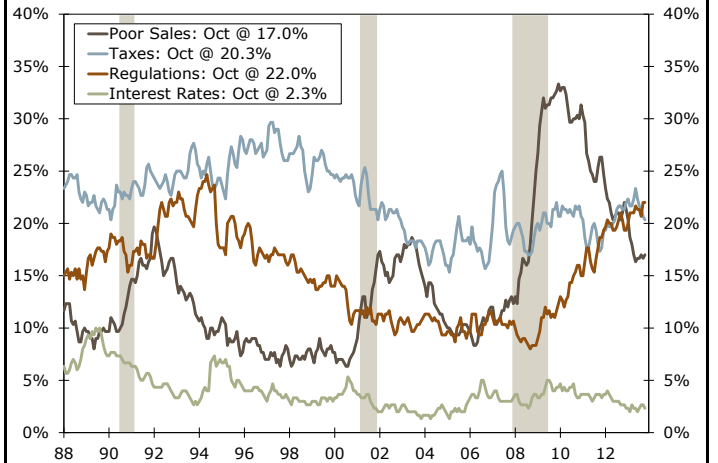
Quality of Labor

- Despite the approaching rollout of the Affordable Care Act, concern about government red tape actually receded during the month, though it remains a top concern for small business.
- Finding qualified labor is becoming a big problem as well. For the third month in a row, there was an increase in positions not able to fill and 8.0 percent of businesses report that finding qualified labor trumps all other concerns.

NFIB Small Business Optimism & ISM Manufacturing
 Overall Index 1986 = 100



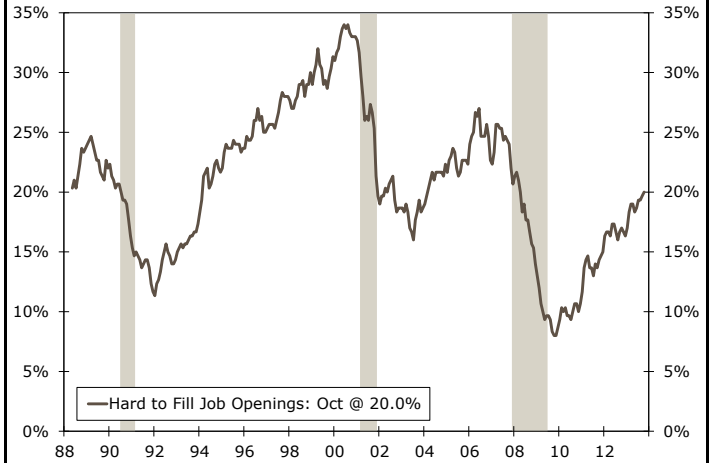
Small Business Important Problems
 Single Most Important Problem Facing Firms, SA 3-MMA



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



Small Business Hiring
 Firms With a Job Opening Hard To Fill, 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 H. 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 J. Alemán, Ph.D.	Senior Economist	(704) 410-3273	eugenio.j.aleman@wellsfargo.com
Anika R. 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
Mackenzie Miller	Economic Analyst	(704) 410-3358	mackenzie.miller@wellsfargo.com
Blaire Zachary	Economic Analyst	(704) 410-3359	blaire.a.zachary@wellsfargo.com
Peg Gavin	Executive Assistant	(704) 410-3279	peg.gavin@wellsfargo.com
Cyndi Burris	Senior Admin. Assistant	(704) 410-3272	cyndi.burris@wellsfargo.com

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