



Economics Group

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NFIB Small Business Optimism Rises in January

NFIB small business optimism rose 0.2 points in January to 94.1, which is the third straight monthly gain. The share of firms planning to hire rose on the month, while the outlook on the economy remained lackluster.

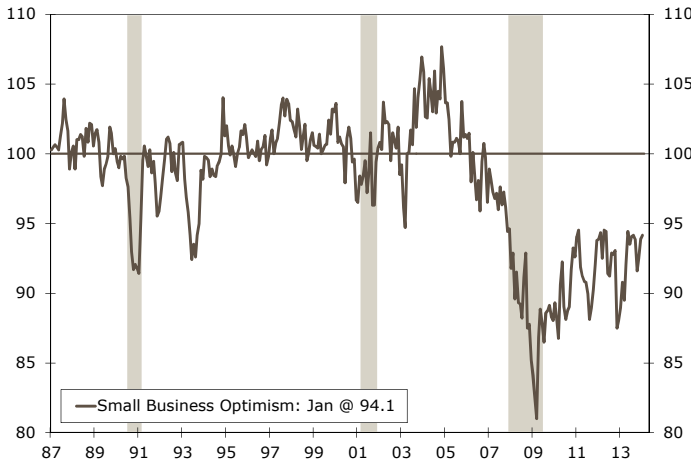
Plans to Hire Gain Traction

- Small business owners gave a more upbeat assessment of the business climate in January, with the optimism index reaching its highest level in five months.
- Firms expecting higher sales jumped 7 points to 15, which was the highest level since May 2007. The boost in future sales may have also driven the increase in hiring plans. Plans to increase employment rose 4 points to 12, the highest level since 2007.

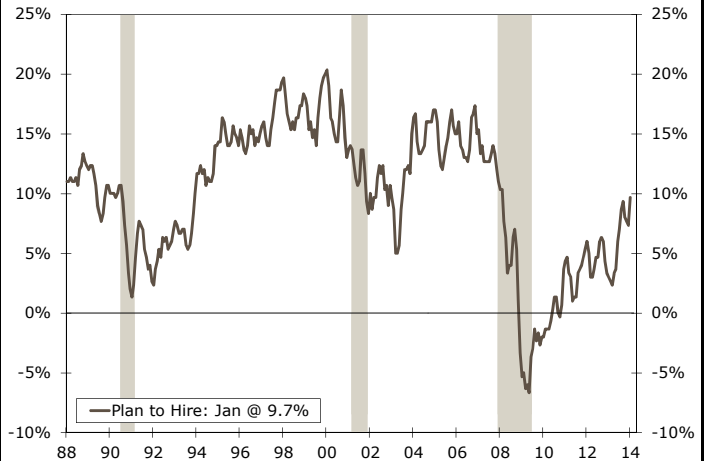
Economy Expected to Muddle Along

- Despite businesses' positive outlook for sales and hiring, firms continue to expect economic conditions to remain weak. The net share of businesses expecting the economy to improve remained unchanged at -11. Small businesses continued to point to higher taxes and the regulatory environment as key issues.
- Inventory satisfaction also remained sluggish, but improved on the month to -2 from -5 in December.

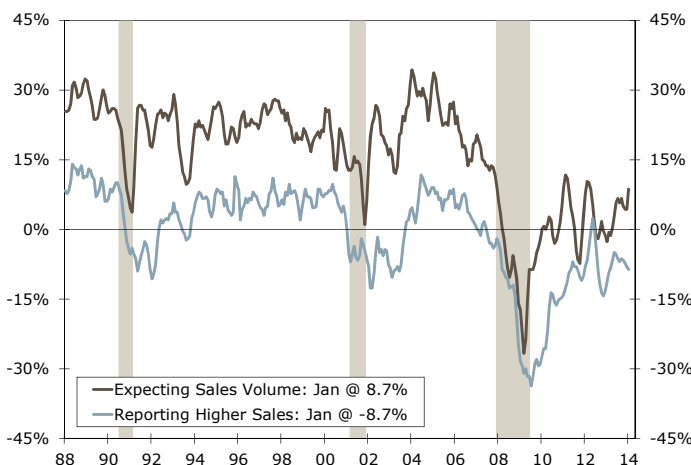
NFIB Small Business Optimism
Overall Index 1986 = 100



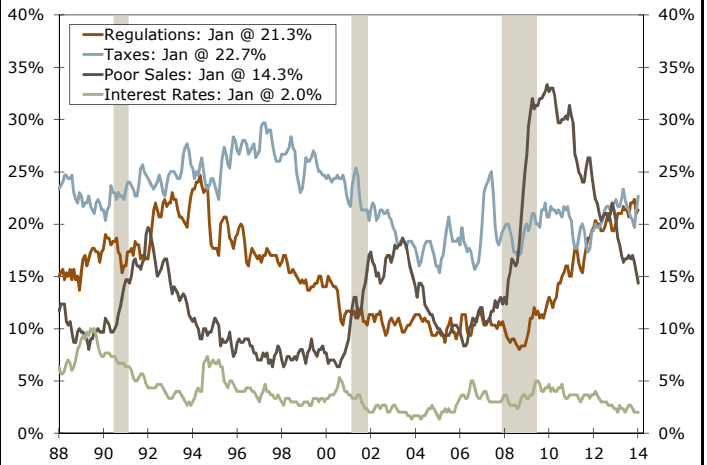
Small Business Hiring Plans
Net Percent of Firms Who Plan to Hire in Next 3 Months, SA 3-MMA



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



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



Source: National Federation of Independent Business and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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