



# Economics Group

**Mark Vitner, Senior Economist**  
[mark.vitner@wellsfargo.com](mailto:mark.vitner@wellsfargo.com) • (704) 410-3277  
**Michael Wolf, Economist**  
[michael.t.wolf@wellsfargo.com](mailto:michael.t.wolf@wellsfargo.com) • (704) 410-3286

## NFIB Small Business Optimism Index Slips Back

*With only one component increasing over the month, the Small Business Optimism Index fell to 91.4 in February, reversing three months of consecutive gains.*

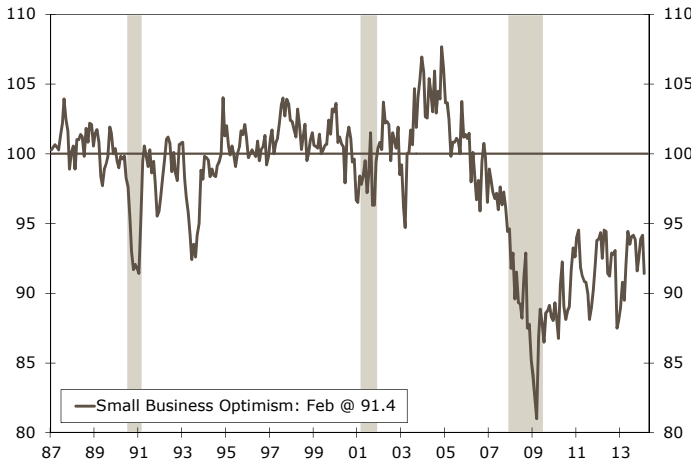
### Optimism Eludes Most Components

- The NFIB index fell to 91.4 in February, as six components decline and only plans to make capital outlays increased.
- Expectations of higher sales fell the most, but still remains barely in positive territory. However, expectations for the economy and credit conditions were firmly negative. Pessimism is most evident in the earnings trends component where a net 27 percent of firms reported lower earnings.

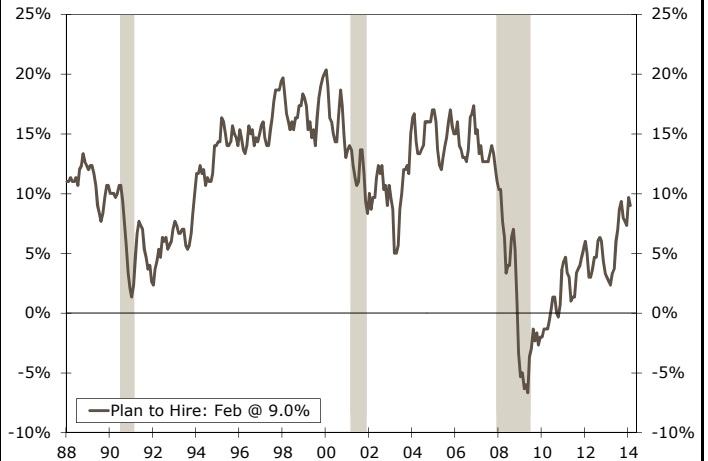
### Labor Market Stumbles But Does Not Fall

- Although plans to increase employment have fallen since January, 47 percent of small business owners hired or attempted to hire workers in the past three months. Also, a net 14 percent of respondents plan to increase employee compensation, up from 11 percent in January.
- However, 22 percent of owners could not fill open positions, while 40 percent saw few or no qualified applicants.

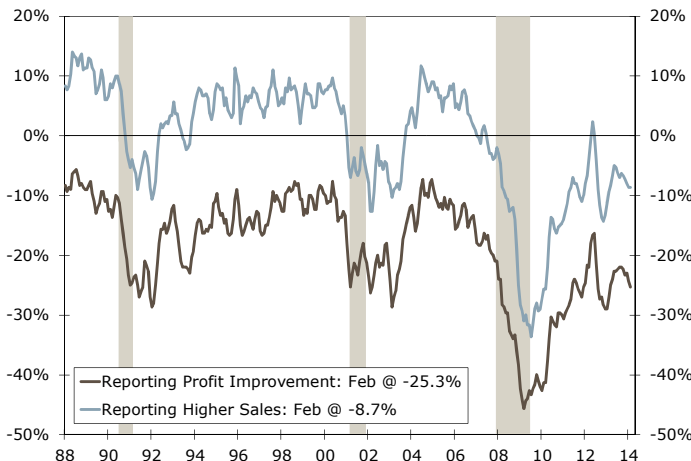
**NFIB Small Business Optimism**  
Overall Index 1986 = 100



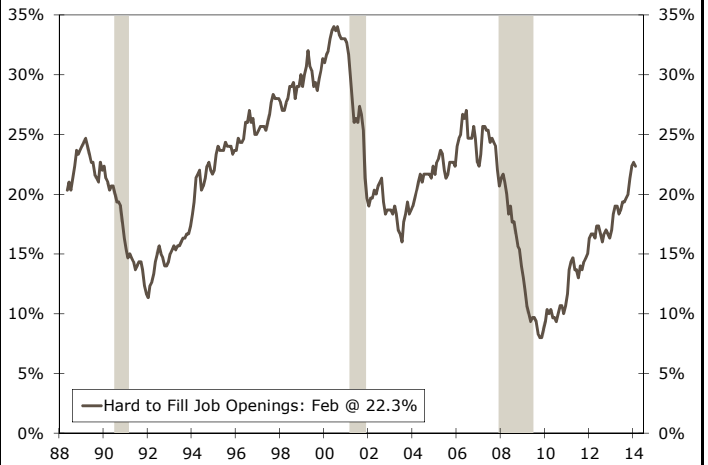
**Small Business Hiring Plans**  
Net Percent of Firms Who Plan to Hire in Next 3 Months, SA 3-MMA



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



**Small Business Hiring**  
Firms With a Job Opening Hard To Fill, SA 3-MMA



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

## 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
Eric Viloría, CFA	Currency Strategist	(212) 214-5637	eric.viloria@wellsfargo.com
Michael A. Brown	Economist	(704) 410-3278	michael.a.brown@wellsfargo.com
Sarah Watt House	Economist	(704) 410-3282	sarah.house@wellsfargo.com
Michael T. Wolf	Economist	(704) 410-3286	michael.t.wolf@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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