



Economics Group

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NFIB Small Business Optimism Perks Up to 96.1

Small business sentiment improved in October, with the index rebounding to 96.1, up from 95.3 in September. Employment appears to be rising along with wages, though overall sentiment remains below past norms.

Stronger Labor Market Conditions

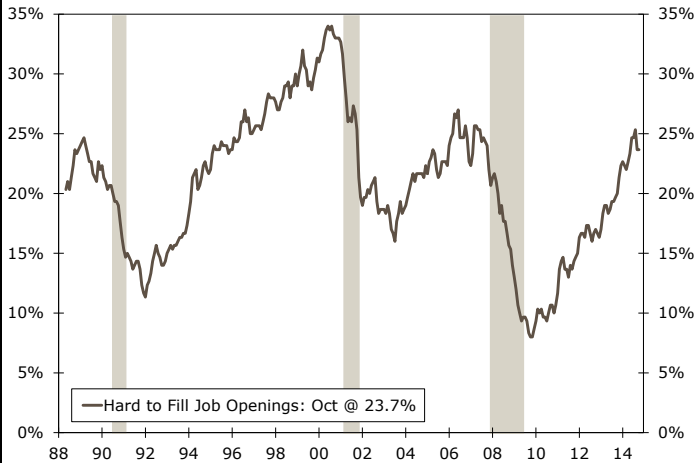
- Small business optimism improved in October, with some of the largest gains seen in higher expected real sales, current job openings and in the number reporting 'hard to fill' positions.
- Worker compensation improved, with a seasonally adjusted net 19 percent of businesses raising compensation. A smaller net 13 percent plan to raise compensation, however, which is down two points from last month.

Overall Optimism Remains Scarce

- Despite improvement, small businesses remain fairly cautious, as the index remains below its long-run average of 98.
- A net -3 percent of firms expect the economy to improve, while only a net 11 percent think now is a good time to expand, down two points from last month. Fortunately, small business investment may not be as adversely affected as these two numbers indicate, given the rise in plans to make capital outlays.

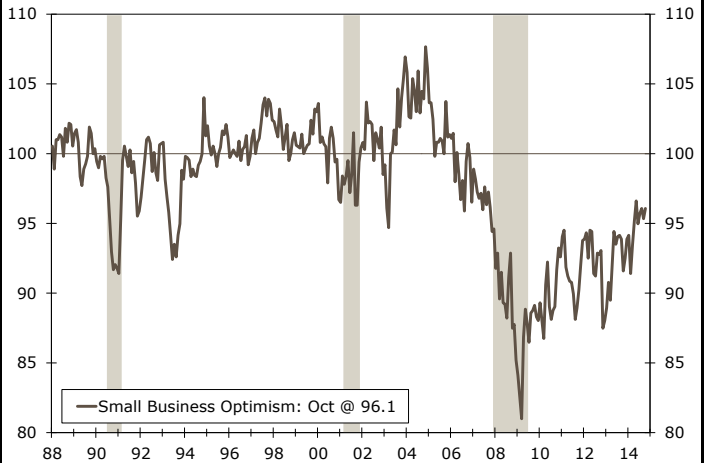
Small Business Hiring

Firms With a Job Opening Hard To Fill, SA 3-MMA



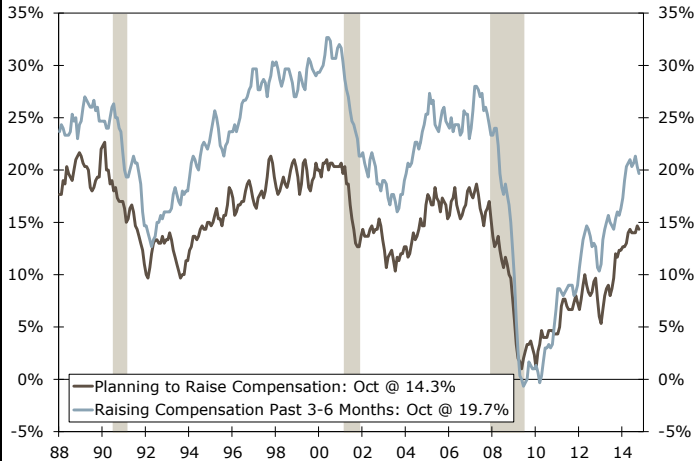
NFIB Small Business Optimism

Overall Index 1986 = 100



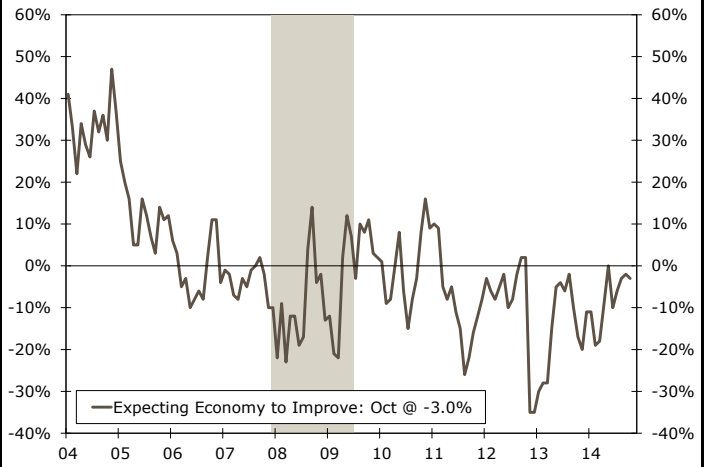
Small Business Wages

Net Percent of Firms, SA 3-MMA



Firms Expecting Economy to Improve

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



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