



Economics Group

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NFIB Small Business Optimism Improves

The NFIB Small Business Optimism Index jumped to 100.4 in December, its strongest reading since October 2006. All but two index components increased from the previous month.

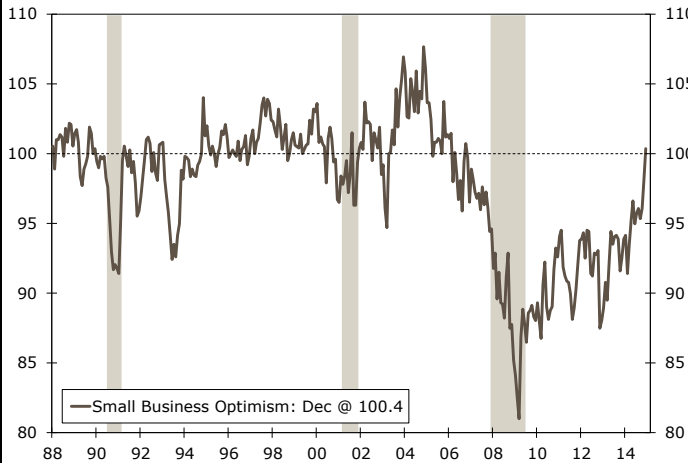
Wage Picture Looking Brighter

- The number of firms planning to increase employment jumped four points from November, while job openings and hard-to-fill positions also increased. Such labor market tightening should lift wages, although this has been absent in other surveys.
- In the NFIB, significantly more firms reported that they raised compensation in December, while more plan to raise compensation in the coming months.

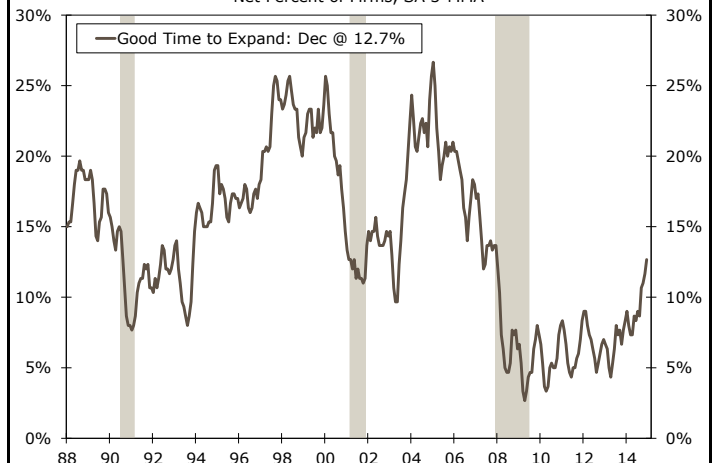
No Time Like the Present

- The most dramatic improvement in the survey was seen in more respondents expecting real sales to be higher and more reporting that now is a good time to expand. The small decline in the net percent reporting that they expect a better economy is not at odds with those gains. December's one point decline comes after a huge 16 point surge in November, keeping economic expectations firmly positive.

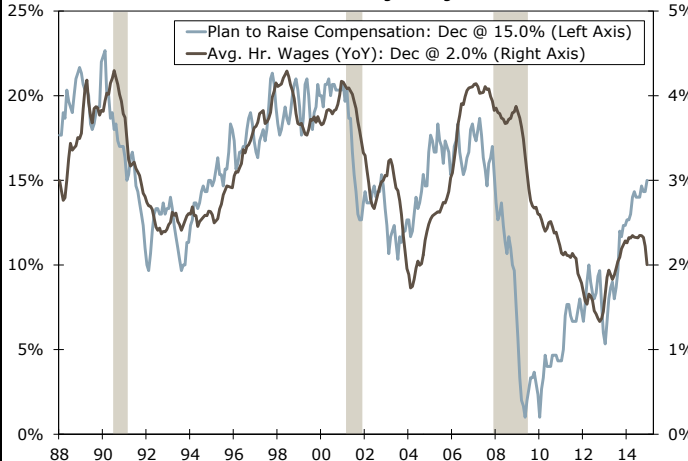
NFIB Small Business Optimism
Overall Index 1986 = 100



Small Business "Good Time to Expand"
Net Percent of Firms, SA 3-MMA

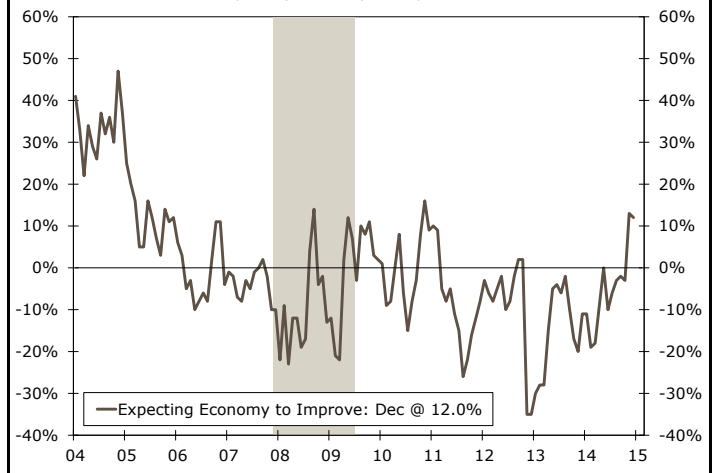


Average Hourly Wages
Three-Month Moving Averages



Firms Expecting Economy to Improve

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



Source: National Federation of Independent Businesses, U.S. Department of Labor and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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