



# Economics Group

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## Small Business Confidence Rises Modestly in August

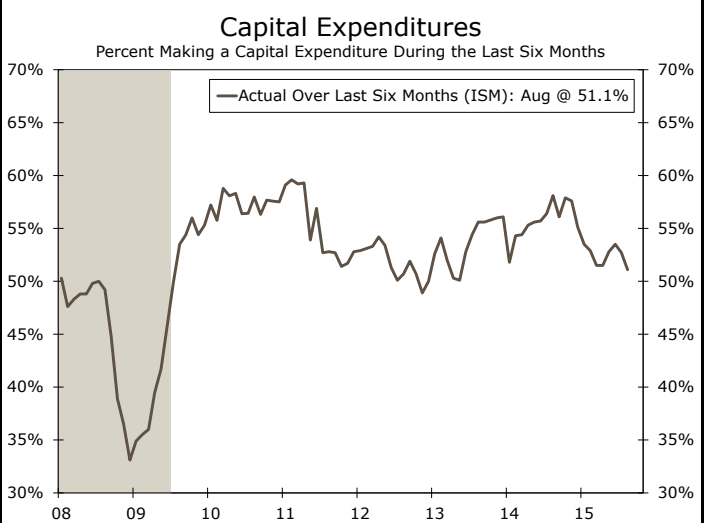
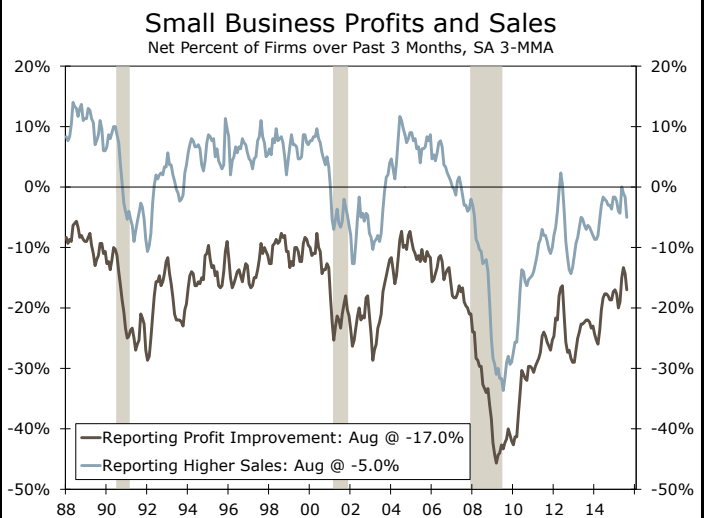
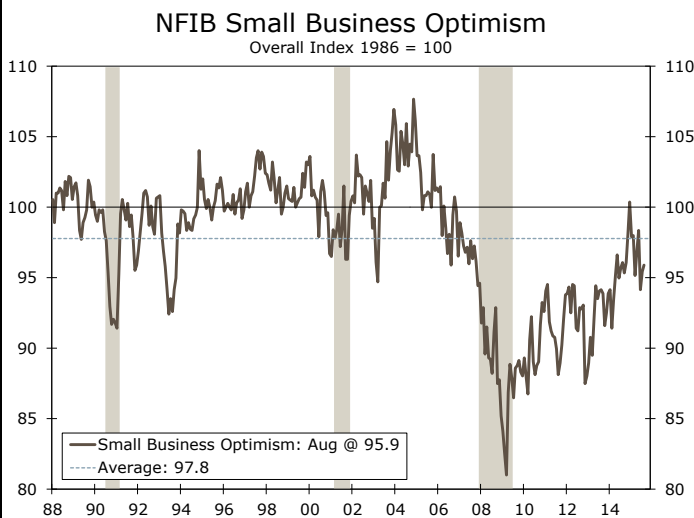
*The National Federation of Independent Businesses' Small Business Optimism Index rose 0.5 points in August to 95.9. Small business owners remain concerned about sluggish revenue growth, but more firms are hiring.*

### Business Owners Remain Cautious

- Small business optimism rose modestly in August, but remains consistent with sluggish growth. Two series, job openings and earnings trends, rose by 4 points during the month. The survey was taken before the turmoil in the financial markets, however.
- Caution is apparent throughout the NFIB survey, with fewer business owners expecting the economy to improve and fewer feeling that now is a good time to expand their business.

### Sales and Profit Outlook Weighs on Capital Spending

- The net proportion of business owners reporting higher sales improved modestly in August but remains in negative territory, signaling that more businesses saw sales fall over the past three months than saw them increase. Business owners note that sluggish sales are the biggest drag on profits.
- With sales and profits still under pressure, fewer firms are boosting capital spending.



Source: National Federation of Independent Businesses, Institute for Supply Management and Wells Fargo Securities, LLC

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