

## *Small business optimism declines while finding qualified employees remains as the #1 problem*

### Small Businesses More Optimistic

The National Federation of Independent Business was founded in 1943 and is the largest small business association in the U.S. The NFIB collects data from small and independent businesses and publishes their Small Business Economic Trends data on the second Tuesday of each month.

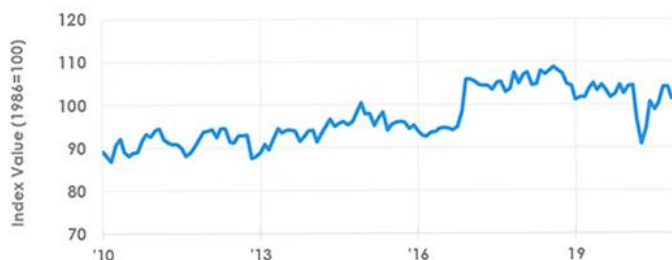
The Index is a composite of 10 components based on expectations for: employment, capital outlays, inventories, the economy, sales, inventory, job openings, credit, growth and earnings.

Here is what the Small Business Economic Trends data released on December 8<sup>th</sup> reported:

“The NFIB Small Business Optimism Index declined 2.6 points in November to 101.4 but remain well above the 47-year historical average reading of 98. Six of the 10 Index components declined and four increased. The NFIB Uncertainty Index decreased 8 points to 90, still a historically high reading. Owners expecting better business conditions over the next 6 months declined 19 points to a net 8%.”

#### Small Business Optimism Index at 101.4

Based on 10 survey indicators, seasonally adjusted, Jan. '10 – Nov. '20



Source: [NFIB Research Foundation](#)

### Key Findings

- Earnings trends over the past 3 months declined 4 points to a net negative 7% reporting higher earnings quarter over quarter
- Inventory investment plans for the next 3 to 6 months decreased 7 points from a 48-year record high of a net 12% in October to a net 5% in November

### Small Businesses Struggling to Hire

As reported in the most recent NFIB November Jobs Report, “finding qualified employees remains a problem for small business owners with 89% of those hiring or trying to hire reporting few or no ‘qualified’ applicants for the positions they were trying to fill.”

Further:

- 27% of owners reported few qualified applicants for their open positions
- 20% reported none
- 6% of owners cited labor costs as their top business problem (down 2 points)
- 24% said that labor quality was their top business problem (up 2 points), exceeding the percentages that selected taxes, regulations, and weak sales as their top problem

### More Data Later This Week

More economic data will be released later this week, including MBA Mortgage Applications and the JOLTS Report on Wednesday; CPI data and Jobless Claims on Thursday and Consumer Sentiment on Friday.

Sources: [nfib.org](#)