

Small Business Optimism Drops Amidst Huge Opposition to Proposed Nationwide \$15 Minimum Wage Hike

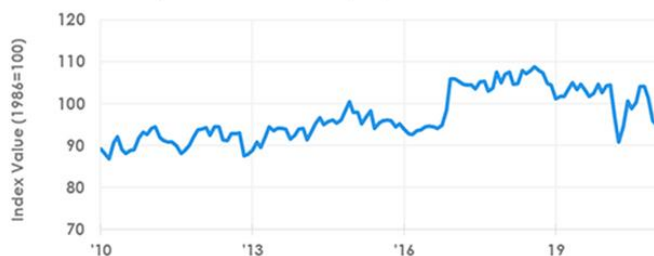
The National Federation of Independent Business was founded in 1943 and is the largest small business association in the U.S. The NFIB collects data from small and independent businesses and publishes their Small Business Economic Trends data on the second Tuesday of each month. The Index is a composite 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 February 9th reported:

“The NFIB Optimism Index declined in January to 95.0, down 0.9 from December and three points below the 47-year average of 98. Owners expecting better business conditions over the next six months declined seven points to a net negative 23%, the lowest level since November 2013. The net percent of owners expecting better business conditions has fallen 55 points over the past four months.”

Small Business Optimism Index at 95.0

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



Small Businesses Looking to Hire

As reported in the NFIB monthly jobs report, small business owners are looking to hire, and reported a very strong two month trend in hiring (December and January).

Firms increased employment by 0.36 workers per firm on average over the past few months, up from 0.30 in December, a good 2-month performance. However, the hiring remains uneven geographically and by industry.

Fifty-one percent of owners reported hiring or trying to hire in January, unchanged from December. Owners have plans to fill open positions, with a seasonally adjusted net 17% planning to create new jobs in the next three months.

92% of Small Businesses Fear \$15 Minimum Wage

According to an NFIB member poll, 92% of small businesses say a \$15 per hour minimum wage would be harmful to Main Street and its job opportunities.

“Companies listed on Wall Street may support a much higher minimum wage because it would give them a competitive advantage, but a hike would make it that much harder for Main Street to even continue to exist.”

Further, [NFIB Research](#) suggests that the \$15 per hour federal minimum wage would cause:

- 6 million jobs lost – 57% at small businesses
- 700,000 jobs lost at the smallest firms
- 165,000 jobs lost in the restaurant industry
- 162,000 jobs lost in the retail trade industry
- 85,000 jobs lost in the administrative and support services industries
- \$2 trillion reduction in real economic output
- Nearly \$1 trillion reduction in real GDP
- \$103 billion reduction in personal disposable income

More Data Later This Week

More economic data will be released later this week, including Jobless Claims on Thursday and Consumer Sentiment on Friday.

Sources: [nfib.com](#)