

Small Businesses More Optimistic but Can't Find Qualified Workers for Jobs

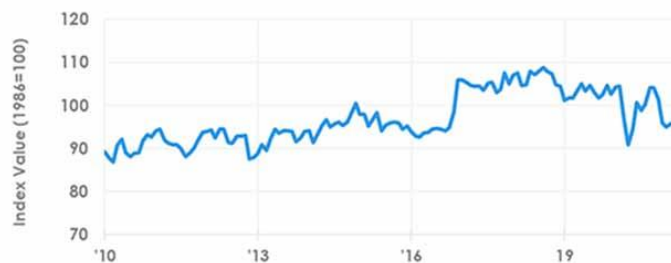
The National Federation of Independent Business was founded in 1943 and is the largest small business association in the U.S. The NFIB collects data from small and independent businesses and publishes their Small Business Economic Trends data on the second Tuesday of each month. The Index is a composite 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 April 13th reported:

“The NFIB Small Business Optimism Index rose 2.4 points in March to 98.2. March’s reading is the first return to the average historical reading since last November. The NFIB Uncertainty Index increased six points to 81, which was primarily driven by owners being more uncertain about whether it is a good time to expand their business and make capital expenditures in the coming months.”

Small Business Optimism Index at 98.2

Based on 10 survey indicators, seasonally adjusted, Jan. '10 – Mar. '21



“Other key findings include:

- Seven of the 10 Index components improved and three declined.
- Sales expectations over the next three months improved eight points to a net 0% of owners, a historically low level.
- Earnings trends over the past three months declined four points to a net negative 15%.”

Further, the NFIB reported that:

“42% of owners reported job openings that could not be filled, a record high reading. Owners continue to have difficulty finding qualified workers to fill jobs as they compete with increased unemployment benefits and the pandemic keeping some workers out of the labor force.

A net 28% of owners reported raising compensation (up three points) and the highest level in the past 12 months. A net 17% plan to raise compensation in the next three months, down two points.

Seven percent of owners cited labor costs as their top business problem and 24% said that labor quality was their top business problem. Finding eligible workers to fill open positions will become increasingly difficult for small business owners.”

Small Business Optimism

Index Component	Net %	Change From Feb.
Plans to Increase Employment	22%	▲ 4
Plans to Make Capital Outlays	20%	▼ -3
Plans to Increase Inventories	4%	▲ 2
Expect Economy to Improve	-8%	▲ 11
Expect Real Sales Higher	0%	▲ 8
Current Inventory	3%	▼ -2
Current Job Openings	42%	▲ 2
Expected Credit Conditions	-3%	▼ 3
Now a Good Time to Expand	11%	▲ 5
Earnings Trends	-15%	▼ -4

More Data Later This Week

More economic data will be released later this week, including Import and Export Prices on Wednesday; Retail Sales on Thursday; and Consumer Sentiment on Friday.

Source : nfib.com