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Optimism of American Small Business Owners Soars, National Group Says

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Small business owners are more optimistic about the prospects of their enterprises than they've been for 35 years, according to a regular survey by the National Federation of Independent Businesses.

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etail businesses made up about 24 percent of the total enterprises in the survey, according to the NFIB's August report showing the survey results. (You can download the report by [clicking here](#).)

<https://darienite.com> Optimism Index soared to 108.8 in August, a new record in the survey's 45-year history, topping the July 1983 highwater mark of 108," the NFIB said on its website.

Here's the news release issued Tuesday about the report, along with tables and charts in the full report:

The [NFIB Small Business Optimism Index](#) soared to 108.8 in August, a new record in the survey's 45-year history, topping the July 1983 highwater mark of 108. The record-breaking figure is driven by small business owners executing on the plans they've put in place due to dramatic changes in the nation's economic policy.

The August survey showed:

- Job creation plans and unfilled job openings both set new records.
- The percentage of small business owners saying it is a good time to expand tied the May 2018 all-time high.
- Inventory investment plans were the strongest since 2005 and capital spending plans the highest since 2007.

"Today's groundbreaking numbers are demonstrative of what I'm hearing every day from small business owners – that business is booming. As the tax and regulatory landscape changed, so did small business expectations and plans," said NFIB President and CEO Juanita D. Duggan.

"We're now seeing the tangible results of those plans as small businesses report historically high, some

record-breaking, levels of increased sales, investment, earnings, and hiring.”

A net 10 percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months compared to the prior three months, up two points. August is the ninth consecutive strong month of reported sales gains after years of low or negative numbers.

The net percent of owners planning to build inventories rose six points to a record net 10 percent, the 14th positive reading in the past 22 months. The frequency of reports of positive profit trends rose two points to a net one percent reporting quarter on quarter profit improvements, the second highest reading in the survey’s 45-year history.

“At the beginning of this historic run, Index gains were dominated by expectations: good time to expand, expected real sales, inventory satisfaction, expected credit conditions, and expected business conditions,” said NFIB Chief Economist Bill Dunkelberg.

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“Now the Index is dominated by real business activity that makes GDP grow: job creation plans, job openings, strong capital spending plans, record inventory investment plans, and earnings. Small business is clearly helping to drive that four percent growth in the domestic economy.”

As reported in last week’s [NFIB’s monthly jobs report](#), a seasonally adjusted net 26 percent of owners plan to create new jobs and 38 percent of owners reported job openings they could not fill in the current period, both survey highs.

Sixty-two percent of owners reported trying to hire, with 89 percent of those owners reporting few or no qualified applications for their open positions. A record 25 percent of owners cited the difficulty of finding qualified workers as their *Single Most Important Business Problem*, up two points from last month.

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The report concludes, “As a leading indicator of economic activity, the Index turned up sharply late in November 2016 and headed to readings in the top 5 percent of the Index history in December, never looking back.

Three months later, economic activity soared, rising from 1.5 percent GDP growth to over 3 percent. Profits are driving the stock indices for ‘small’ firms to record levels, mirroring the record levels of profit gains for NFIB firms.”

[Click here to view the NFIB Small Business Economic Trends Survey.](#)

About the Small Business Economic Trends

The NFIB Research Center has collected Small Business Economic Trends data with quarterly surveys since the 4th quarter of 1973 and monthly surveys since 1986.

Survey respondents are drawn from a random sample of NFIB’s membership. The report is released on the second Tuesday of each month. This survey was conducted in July 2018. For more information about NFIB, please visit nfib.com.

