

Economic Indicator — December 9, 2025

## Small Business Optimism Ticks Higher in November

### Stronger Sales Expectations Boost Sentiment Despite Cost Pressures

#### Summary

The NFIB Small Business Optimism Index surprised to the upside and edged up to 99 in November. The monthly gain largely was the result of an increase in the share of small firms reporting stronger sales expectations and a rise in hiring intentions. Cost pressures are still evident, with a sharp increase in businesses reporting that they recently raised selling prices and are planning to raise compensation.

We note that this month's survey looks to be surrounded by an extra degree of noise on account of an unusually low count of responses, a disproportionate share of which were from businesses with fewer than 10 employees and in the service and retail industries.

That noted, the overall gain in small business sentiment is consistent with our view that economic activity is still expanding, a modest amount of price pressure is still making its way through supply chains and the labor market has neither improved nor deteriorated meaningfully in recent months.

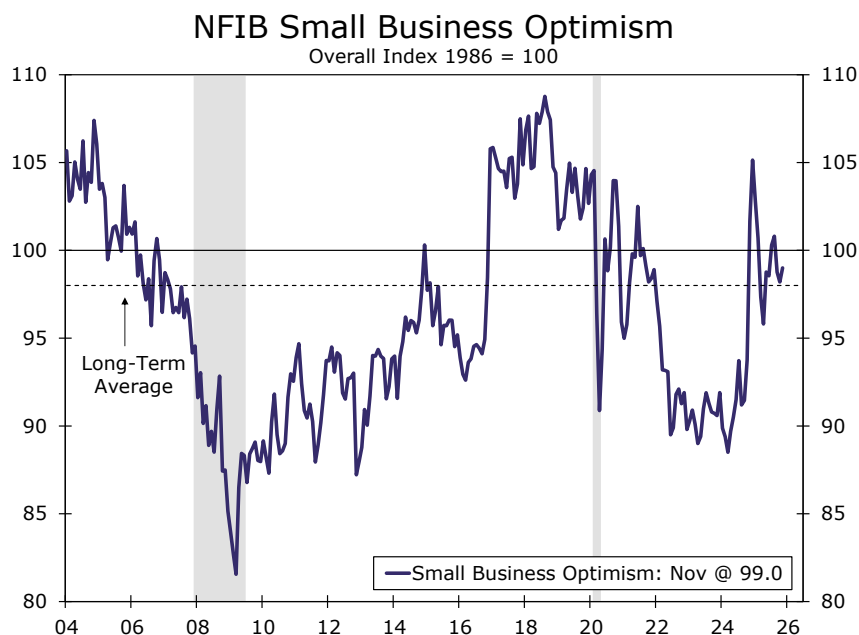
Economist(s)

**Charlie Dougherty**

Senior Economist | Wells Fargo Economics  
Charles.Dougherty@wellsfargo.com | 212-214-8984

**Jackie Benson**

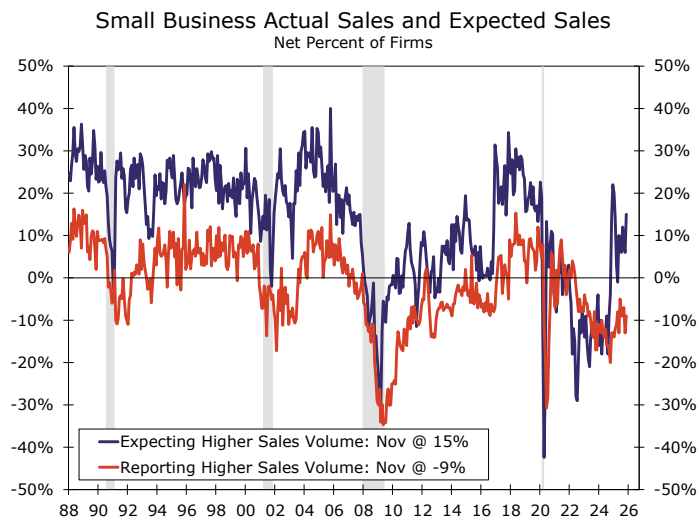
Economist | Wells Fargo Economics  
Jackie.Benson@wellsfargo.com | 704-410-4468



Source: NFIB and Wells Fargo Economics

## Sales Expectations Pick Up Ahead of the Holidays

Brighter sales expectations lifted small business optimism in November. Sales expectations and reports of actual sales each rose meaningfully in November, although there is still a noteworthy discrepancy between the two. A disproportionate share of NFIB respondents were in the retail or services industries, suggesting that anticipation for greater holiday sales may have boosted outlooks.



Source: NFIB and Wells Fargo Economics

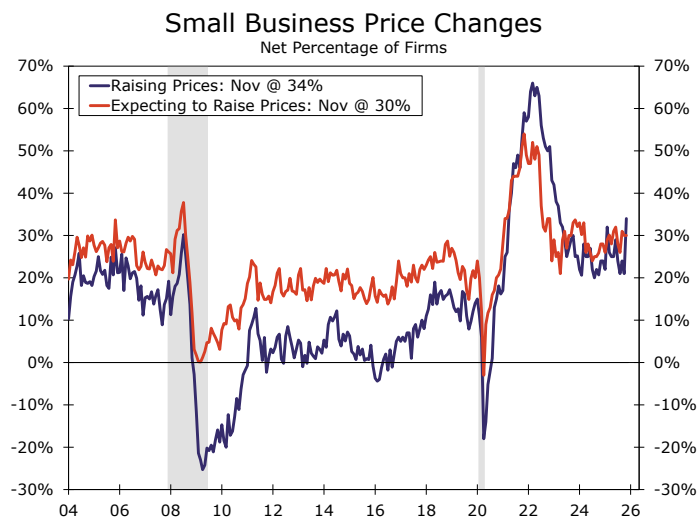
## Greater Optimism Lifts Hiring Plans

Improved optimism brought with it an uptick in intentions to expand payrolls. Hiring plans shot up four points in November to 19%, its highest level in 11 months. Although this may be tied to seasonal hiring intentions, it also coincided with an increase in job openings and a notable decline in the share of firms citing “labor quality” as their top problem.



## Cost-Push Inflation Pressures Bubbling

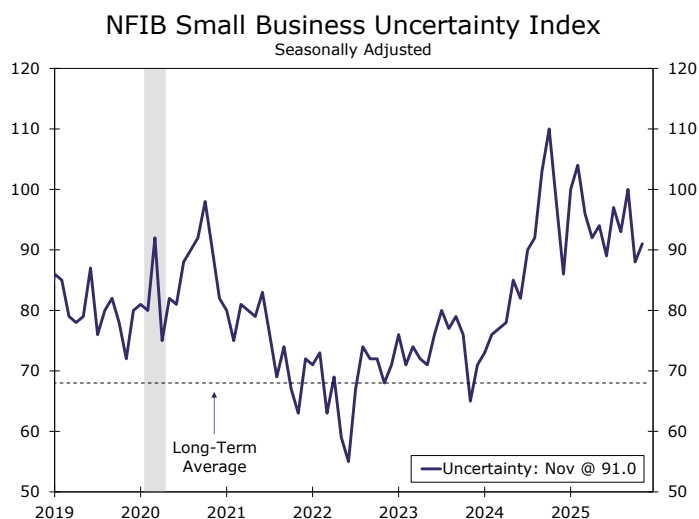
A net 34% of small firms reported raising their prices over the past three months, 13 points higher than in last month's survey and the greatest share since March 2023. Comments by NFIB members highlight greater costs for intermediate goods and supplies, which may be playing a role. However, a similar increase was not evident in plans to raise prices, suggesting that any price increases may be one-time in nature.



Source: NFIB and Wells Fargo Economics

## Uncertainty Elevated

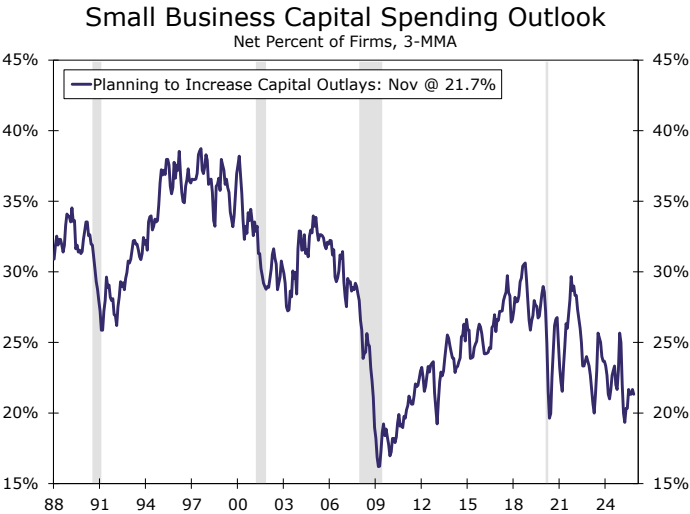
Despite an end to the government shutdown, the uncertainty index increased three points in November to 91. This uptick was largely a product of greater small business uncertainty surrounding near-term capex plans likely due to still-low visibility on trade policy changes. The uncertainty index has averaged 94.9 so far this year, well above its long-term trend and higher than the more recent average of 79.0 from 2015 to 2019.



Source: NFIB and Wells Fargo Economics

### CapEx Muted

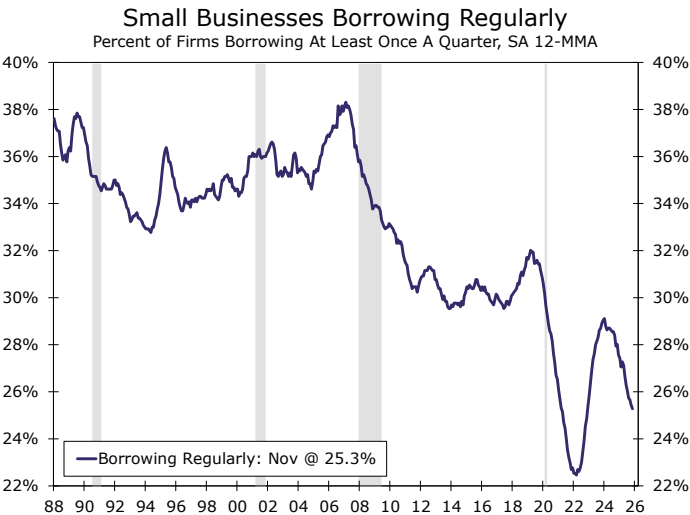
The net share of firms planning capital expenditures over the next three to six months fell three points in November to 20%, below the 28% share one year ago. Although above Great Recession levels, capex plans remain muted compared to historical norms.



Source: NFIB and Wells Fargo Economics

### Borrowing Still Low, but Costs Subsiding

Recent Federal Reserve interest rate cuts appear to have delivered some relief to small business borrowing costs. The average short-term interest rate paid by small firms fell to 7.9% in November, the lowest since May 2023. That said, the share of firms participating in “regular borrowing” remained depressed at 23%.



Source: NFIB and Wells Fargo Economics

**Subscription Information**

To subscribe please visit: [www.wellsfargo.com/economicsemail](http://www.wellsfargo.com/economicsemail)

Via The Bloomberg Professional Services at WFRE

**Economics Group**

Tom Porcelli	Chief Economist	212-214-6422	Tom.Porcelli@wellsfargo.com
Tim Quinlan	Senior Economist	704-410-3283	Tim.Quinlan@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Charlie Dougherty	Senior Economist	212-214-8984	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Senior Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Brendan McKenna	International Economist	212-214-5637	Brendan.Mckenna@wellsfargo.com
Jackie Benson	Economist	704-410-4468	Jackie.Benson@wellsfargo.com
Shannon Grein	Economist	704-410-0369	Shannon.Grein@wellsfargo.com
Nicole Cervi	Economist	704-410-3059	Nicole.Cervi@wellsfargo.com
Delaney Conner	Economic Analyst	704-374-2150	Delaney.Conner@wellsfargo.com
Ali Hajibeigi	Economic Analyst	212-214-8253	Ali.Hajibeigi@wellsfargo.com
Azhin Abdulkarim	Economic Analyst	212-214-5154	Azhin.Abdulkarim@wellsfargo.com
Anagha Sridharan	Economic Analyst	704-410-6212	Anagha.Sridharan@wellsfargo.com
Andrew Thompson	Economic Analyst	704-410-2911	Andrew.L.Thompson@wellsfargo.com

## Required Disclosures

This report is produced by the Economics Group of Wells Fargo Bank, N.A. ("WFBNA"). This report is not a product of Wells Fargo Global Research and the information contained in this report is not financial research. WFBNA distributes this report directly and through affiliates including, but not limited to, Wells Fargo Securities, LLC, Wells Fargo & Company, Wells Fargo Clearing Services, LLC, Wells Fargo Securities International Limited, Wells Fargo Securities Europe S.A., and Wells Fargo Securities Canada, Ltd. Wells Fargo Securities, LLC is registered with the Commodity Futures Trading Commission as a futures commission merchant and is a member in good standing of the National Futures Association. WFBNA is registered with the Commodity Futures Trading Commission as a swap dealer and is a member in good standing of the National Futures Association. Wells Fargo Securities, LLC and WFBNA are generally engaged in the trading of futures and derivative products, any of which may be discussed within this report. All reports published by the Economics Group are disseminated and available to all clients simultaneously through electronic publication to our public website. Clients may also receive our reports via third party vendors. We are not responsible for the redistribution of our reports by third-party aggregators. Any external website links included in this report are not maintained, controlled or operated by WFBNA. WFBNA does not provide the products and services on these websites and the views expressed on these websites do not necessarily represent those of WFBNA.

This publication has been prepared for informational purposes only and is not intended as a recommendation, offer or solicitation with respect to the purchase or sale of any security or other financial product, nor does it constitute professional advice. The information in this report has been obtained or derived from sources believed by WFBNA to be reliable, but has not been independently verified by WFBNA, may not be current, and WFBNA has no obligation to provide any updates or changes. All price references and market forecasts are as of the date of the report or such earlier date as may be indicated for a particular price or forecast. The views and opinions expressed in this report are those of its named author(s) or, where no author is indicated, the Economics Group; such views and opinions are not necessarily those of WFBNA and may differ from the views and opinions of other departments or divisions of WFBNA and its affiliates. WFBNA is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this report. Neither WFBNA nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this report, and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. WFBNA is a separate legal entity and distinct from affiliated banks, and is a wholly-owned subsidiary of Wells Fargo & Company.

You are permitted to store, display, analyze, modify, reformat, copy, duplicate and reproduce this report and the information contained within it for your own use and for no other purpose. Without the prior written consent of WFBNA, no part of this report may be copied, duplicated or reproduced in any form by any other means. In addition, this report and its contents may not be redistributed or transmitted to any other party in whole or in part, directly or indirectly, including by means of any AI Technologies (defined below) through which this report or any portion thereof may be accessible by any third-party. "AI Technologies" means any deep learning, machine learning, and other artificial intelligence technologies, including without limitation any and all (a) proprietary algorithms, software, or systems that make use of or employ neural networks, statistical learning algorithms (such as linear and logistic regression, support vector machines, random forests or k-means clustering) or reinforcement learning, or curated data sets accessible by any of the foregoing or (b) proprietary embodied artificial intelligence and related hardware or equipment. In addition, certain text, images, graphics, screenshots and audio or video clips included in this report are protected by copyright law and owned by WFBNA, its affiliates or one or more third parties (collectively, "Protected Content"). Protected Content is made available to clients by Wells Fargo under license or otherwise in accordance with applicable law. Any use or publication of Protected Content included in this report for purposes other than fair use requires permission from WFBNA or, in the case of content attributed to any third party, the third-party copyright owner. You may not alter, obscure, or remove any copyright, trademark or any other notices attached to or contained within this report. All rights not expressly granted herein are reserved by WFBNA or the third-party providers from whom WFBNA has obtained the applicable information. © 2025 Wells Fargo Bank, N.A.

### Important Information for Non-U.S. Recipients

For recipients in the United Kingdom, this report is distributed by Wells Fargo Securities International Limited ("WFSIL"). WFSIL is a U.K. incorporated investment firm authorized and regulated by the Financial Conduct Authority ("FCA"). For the purposes of Section 21 of the UK Financial Services and Markets Act 2000 (the "Act"), the content of this report has been approved by WFSIL, an authorized person under the Act. WFSIL does not deal with retail clients as defined in the Directive 2014/65/EU ("MiFID2"). The FCA rules made under the Act for the protection of retail clients will therefore not apply, nor will the Financial Services Compensation Scheme be available. For recipients in the EFTA, this report is distributed by WFSIL. For recipients in the EU, it is distributed by Wells Fargo Securities Europe S.A. ("WFSE"). WFSE is a French incorporated investment firm authorized and regulated by the Autorité de contrôle prudentiel et de résolution and the Autorité des marchés financiers. WFSE does not deal with retail clients as defined in MiFID2. This report is not intended for, and should not be relied upon by, retail clients.

SECURITIES: NOT FDIC-INSURED - MAY LOSE VALUE - NO BANK GUARANTEE