



Economics Group

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Small Business Optimism Remains Near An All-Time High

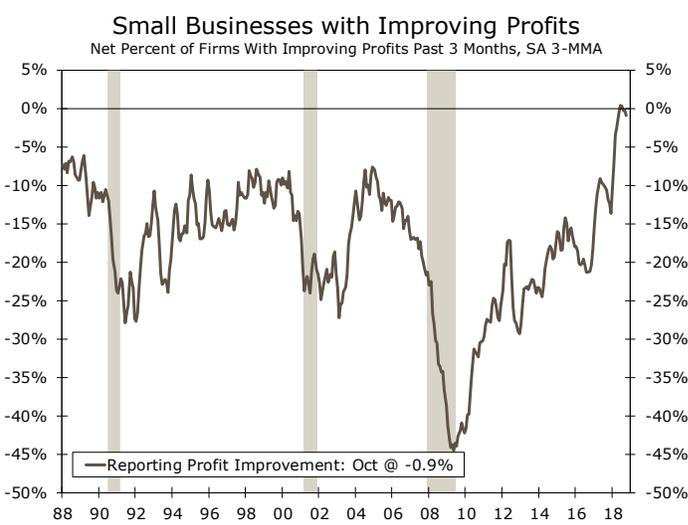
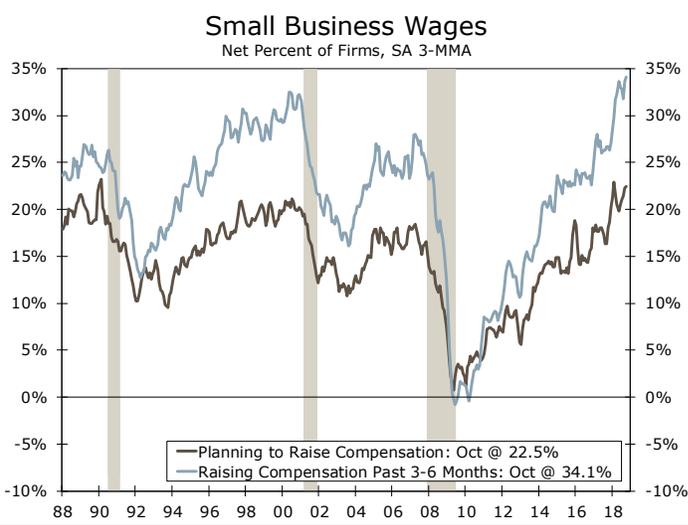
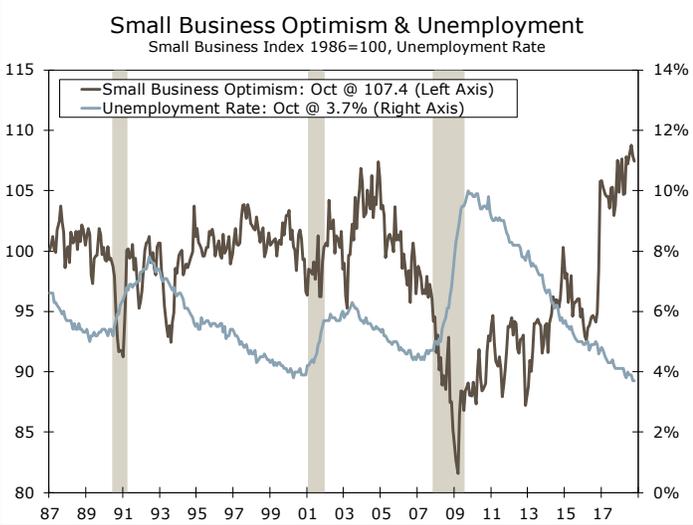
The NFIB Small Business Optimism Index fell 0.5 points to 107.4 in October. Confidence remains high and businesses are still inclined to expand their operations if they can find the workers they need.

Optimism Remains Near An All-time High

- Small business owners feel optimistic about the economy and the operating environment for their business. October's slight dip in confidence may be due to some uncertainty surrounding the mid-term elections. At the current level, small business optimism is consistent with at least 3% real GDP growth.
- Hiring intentions remain elevated, with 60% of small business owners stating they are trying to hire at least one worker.

Wages Are Being Pulled Higher

- The persistently tight labor market is pulling compensation costs higher. Of the 60% of small business owners looking to hire, 53% reported they had few or no qualified applicants for the open positions. The difficulty finding qualified workers is the number one challenge for business owners.
- The share of small business owners reporting improving profit margins edged lower but remains near an all-time high.



Source: NFIB, U.S. Department of Labor and Wells Fargo Securities

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