



# Economics Group

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## Small Business Optimism Remains Elevated

*Small Business Optimism rose 0.1 points to 104.8 in April, remaining near its cycle high hit in February. Labor shortages remain a top concern, as small businesses strive to meet demand. Wages and prices are rising.*

### Business is Booming on Main Street

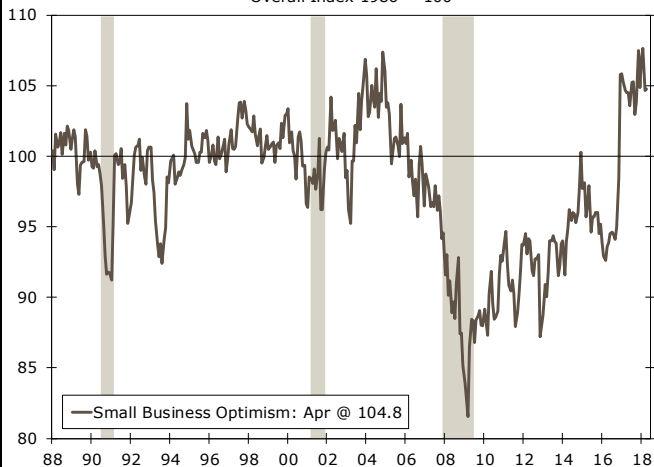
- The National Federation of Independent Business (NFIB) Small Business Optimism Index rose slightly in April to 104.8 and remains at a very strong level. The net share of firms reporting rising earnings is at its highest level of the survey.
- With the economy growing solidly, business owners have more pricing power. The survey's gauge of price increases edged down in April but remain at its second highest this cycle. One third of firms increased compensation, which is the highest since 2000.

### Help is Wanted

- The share of small business owners stating that finding skilled workers is the top business concern rose to match the cycle high of 22 percent from 21 percent last month. The share of small businesses with job openings they were unable to fill held steady at its cycle high of 35 percent.
- With competition for workers heating up, more small business owners are boosting compensation to attract and retain workers. With sales and earnings up, this trend will likely intensify.

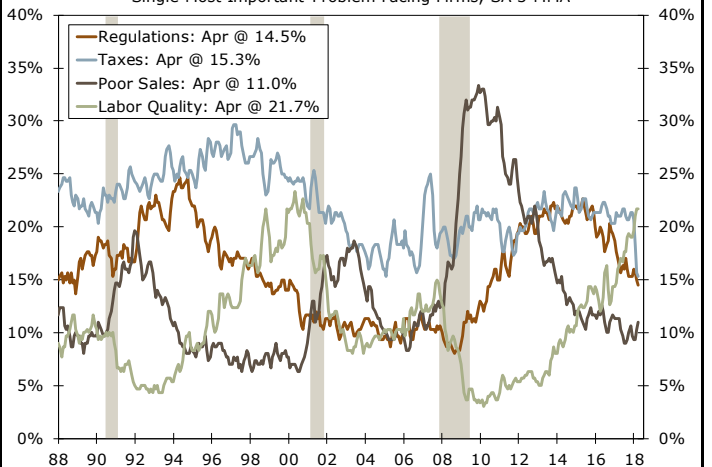
NFIB Small Business Optimism

Overall Index 1986 = 100



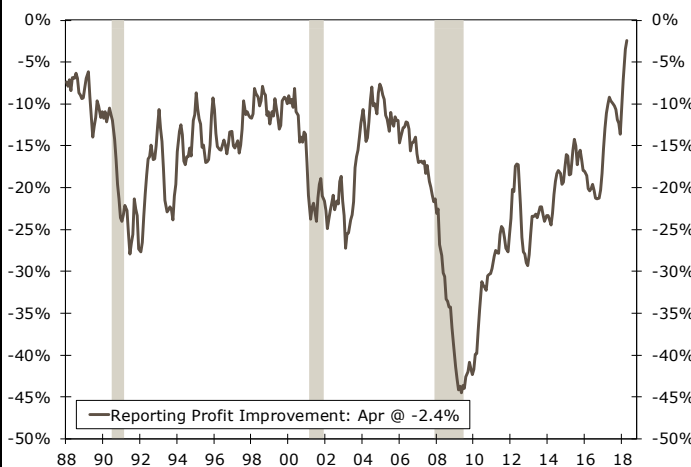
Small Business Important Problems

Single Most Important Problem Facing Firms, SA 3-MMA



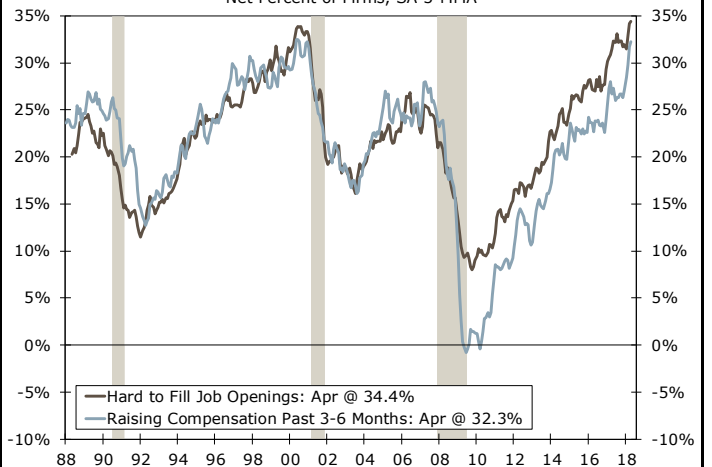
Small Businesses with Improving Profits

Net Percent of Firms With Improving Profits Past 3 Months, SA 3-MMA



Small Business Hiring & Wages

Net Percent of Firms, SA 3-MMA



Source: National Federation of Independent Business, Institute for Supply Management and Wells Fargo Securities

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