



Economics Group

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NFIB Index Edges Higher in March

The Small Business Optimism Index rose 0.1 point to 101.8 in March. While the index has fallen from lofty highs of recent years, optimism remains elevated and businesses continue to report plans to expand.

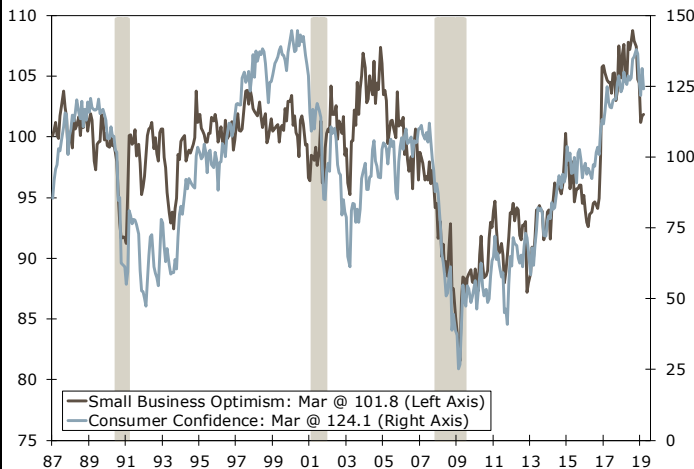
Small Business Optimism Firms

- The 101.8 reading indicates optimism among business owners remains high, although owners have become more guarded. Stronger consumer confidence and less volatile financial markets will likely bring further gains in coming months.
- The proportion of firms expecting the economy to improve was little changed at 10.8%, however those reporting that now was a good time to expand increased to 22.6%.

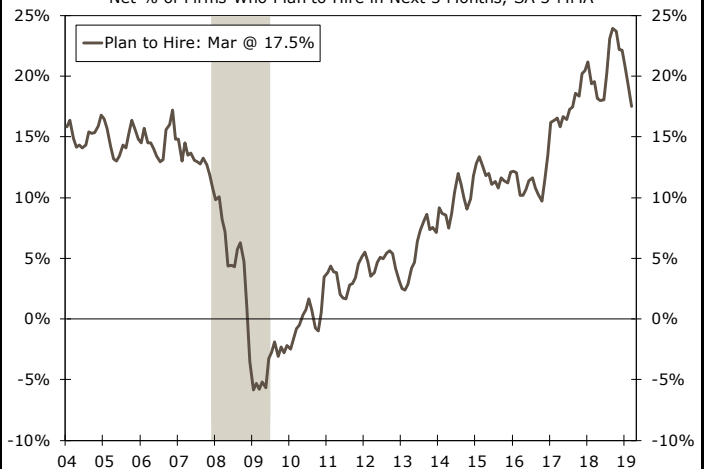
Wages Rising, but Price Pressures Continue to Ease

- Plans to hire improved modestly, although the trend has softened, which is consistent with our expectation for a more moderate pace of hiring this year. Difficulty finding labor was once again a top concern, leading to more firms raising compensation.
- That said, fewer firms reported raising selling prices during March. Firms planning to raise prices also declined, reflecting more modest price pressures in coming months.

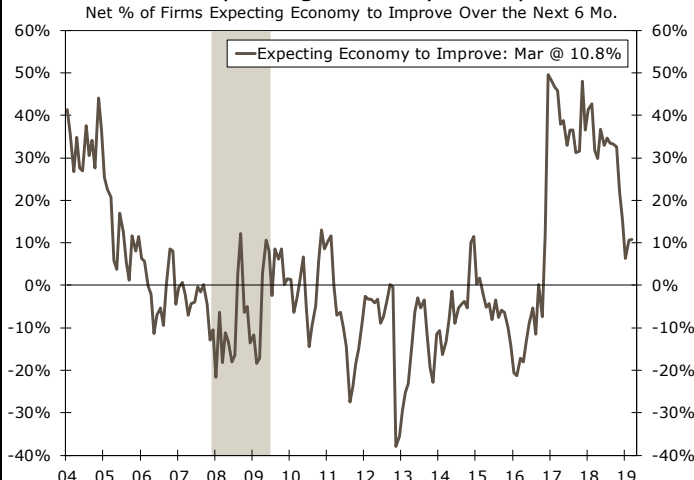
Small Business Optimism & Consumer Confidence
 Small Business Index 1986=100, Consumer Confidence 1985=100



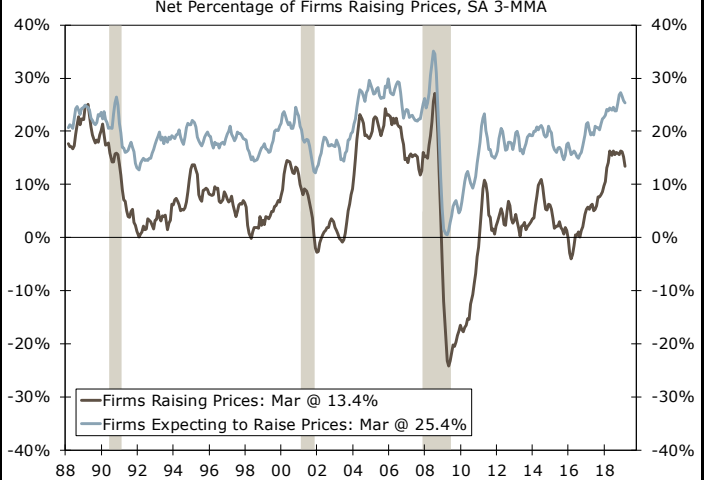
Small Business Hiring Plans
 Net % of Firms Who Plan to Hire in Next 3 Months, SA 3-MMA



Firms Expecting Economy to Improve
 Net % of Firms Expecting Economy to Improve Over the Next 6 Mo.



Small Business Price Changes
 Net Percentage of Firms Raising Prices, SA 3-MMA



Source: National Federation of Independent Business, The Conference Board and Wells Fargo Securities

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