



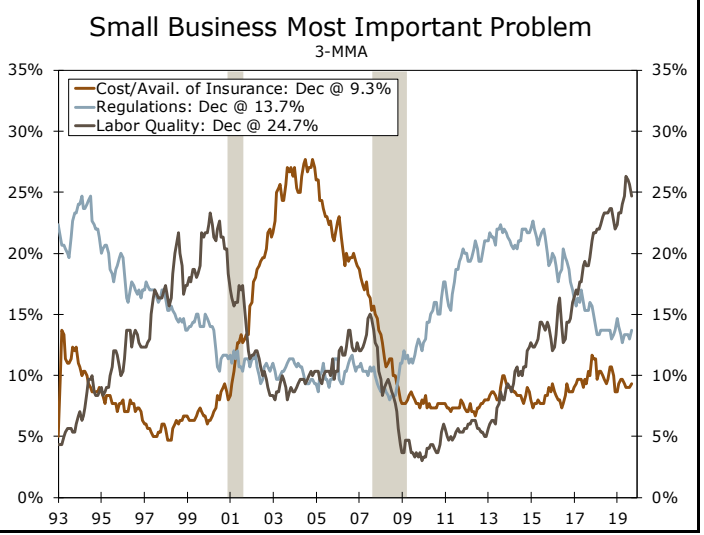
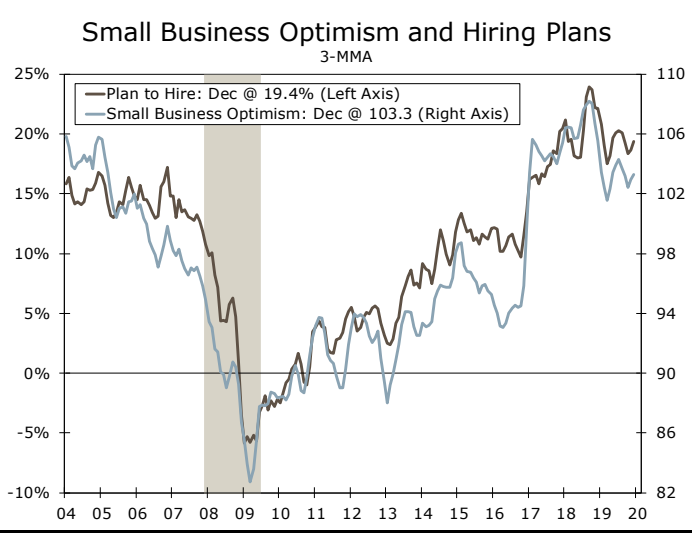
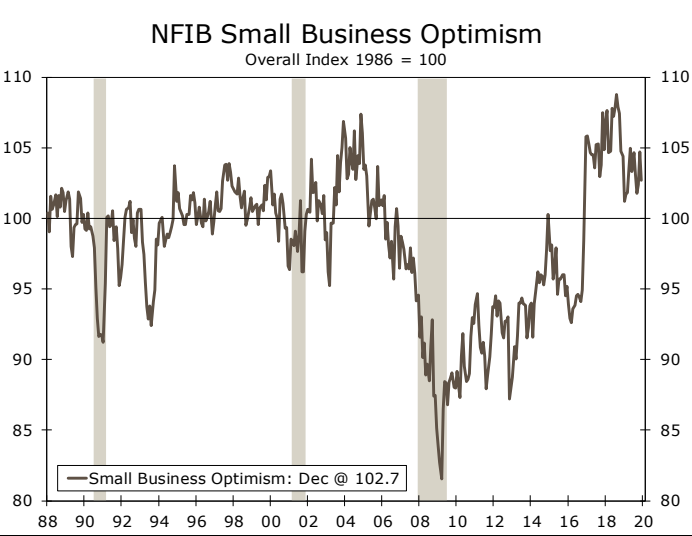
# Economics Group

**Mark Vitner, Senior Economist**  
[mark.vitner@wellsfargo.com](mailto:mark.vitner@wellsfargo.com) • (704) 410-3277  
**Charlie Dougherty, Economist**  
[charles.dougherty@wellsfargo.com](mailto:charles.dougherty@wellsfargo.com) • (704) 410-6542  
**Matthew Honnold, Economic Analyst**  
[matthew.honnold@wellsfargo.com](mailto:matthew.honnold@wellsfargo.com) • (704) 410-3059

## Small Business Optimism Chills in December

*Small business confidence ended 2019 on a soft note, with the NFIB Index falling two points during December. Despite the decline, business owners remain upbeat and see better economic conditions in coming months.*

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| <p><b>Small Business Confidence Skips a Beat</b></p> <ul style="list-style-type: none"> <li>The index dipped to 102.7 during December, erasing much of November’s sturdy gain. While confidence has waxed and waned for much of the past year, owners generally remain optimistic and expect improved economic conditions in coming months.</li> <li>The Uncertainty Index rose eight points, reflecting the early-December trade negotiations, which ultimately resulted in the Phase I deal, as well as the start of impeachment proceedings.</li> </ul> | <p><b>Owners See Better Times Ahead</b></p> <ul style="list-style-type: none"> <li>Six of the 10 subcomponents dropped, although owners expect better business conditions and higher sales in the next three months, with each of those subcomponents advancing 3 points.</li> <li>Plans to increase employment fell by 2 points. Hiring plans have cooled as owners continue to cite a shortage of qualified workers as a top challenge. Plans to raise compensation also slipped, but remain at one of the highest readings in the survey’s history.</li> </ul> |
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Source: National Federation of Independent Business and Wells Fargo Securities

## Wells Fargo Securities Economics Group

Jay H. Bryson, Ph.D.	Acting Chief Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	Macro Strategist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Tim Quinlan	Senior Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Azhar Iqbal	Econometrician	(212) 214-2029	azhar.iqbal@wellsfargo.com
Sarah House	Senior Economist	(704) 410-3282	sarah.house@wellsfargo.com
Charlie Dougherty	Economist	(704) 410-6542	charles.dougherty@wellsfargo.com
Erik Nelson	Macro Strategist	(212) 214-5652	erik.f.nelson@wellsfargo.com
Michael Pugliese	Economist	(212) 214-5058	michael.d.pugliese@wellsfargo.com
Brendan McKenna	Macro Strategist	(212) 214-5637	brendan.mckenna@wellsfargo.com
Shannon Seery	Economic Analyst	(704) 410-1681	shannon.seery@wellsfargo.com
Matthew Honnold	Economic Analyst	(704) 410-3059	matthew.honnold@wellsfargo.com
Jen Licis	Economic Analyst	(704) 410-1309	jennifer.licis@wellsfargo.com
Hop Mathews	Economic Analyst	(704) 383-5312	hop.mathews@wellsfargo.com
Coren Burton	Administrative Assistant	(704) 410-6010	coren.burton@wellsfargo.com

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