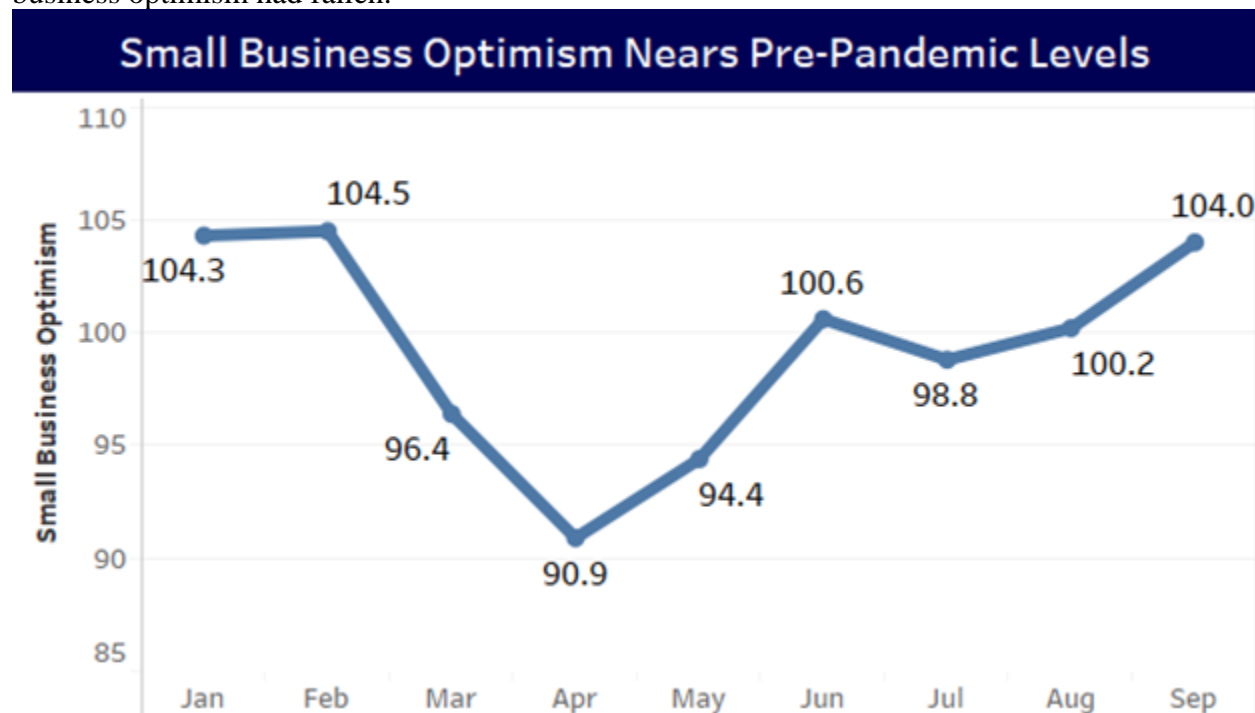


NFIB Small Business Optimism Index Rebounds from Pandemic Lows

Today the National Federation of Independent Businesses (NFIB) released its monthly [Small Business Optimism Index](#) for September. The report is encouraging news. According to a survey of NFIB members, small business optimism jumped from an index reading of 100.2 to 104.

Why it matters: That increase brings the index just a fraction below its February reading, before the pandemic when the economy was doing well. This is a sharp rebound considering how hard small businesses have been hit by the economic fallout from the pandemic and how far small business optimism had fallen.



In February, optimism was 104.5. It fell all the way to below 91 in April. Since then the index has made up almost all the ground it lost during the Great Pause of the economy in the spring.

Digging into the details of the report, the employment measures shed light on a complicated labor market. Firms added workers at only a slow pace in September. More businesses (53%) decreased workers than added them (47%) in the last three months.

However, 61% of businesses plan to add workers in the next three months compared to 39% that plan to decrease workers.

Furthermore, 50% of businesses report not being able to find qualified applicants and 36% are not able to fill the job openings they have. A plurality of businesses, 21%, report that quality of labor is their biggest problem.

Looking ahead: While hiring may be slow, it looks like it will pick up soon and businesses will be struggling to find workers that meet their needs.

The NFIB small business optimism is a positive signal that the economy is still recovering and has not stalled out, at least not yet, as some fear because of the persistence of the virus.

—Curtis Dubay, Senior Economist, U.S. Chamber of Commerce