

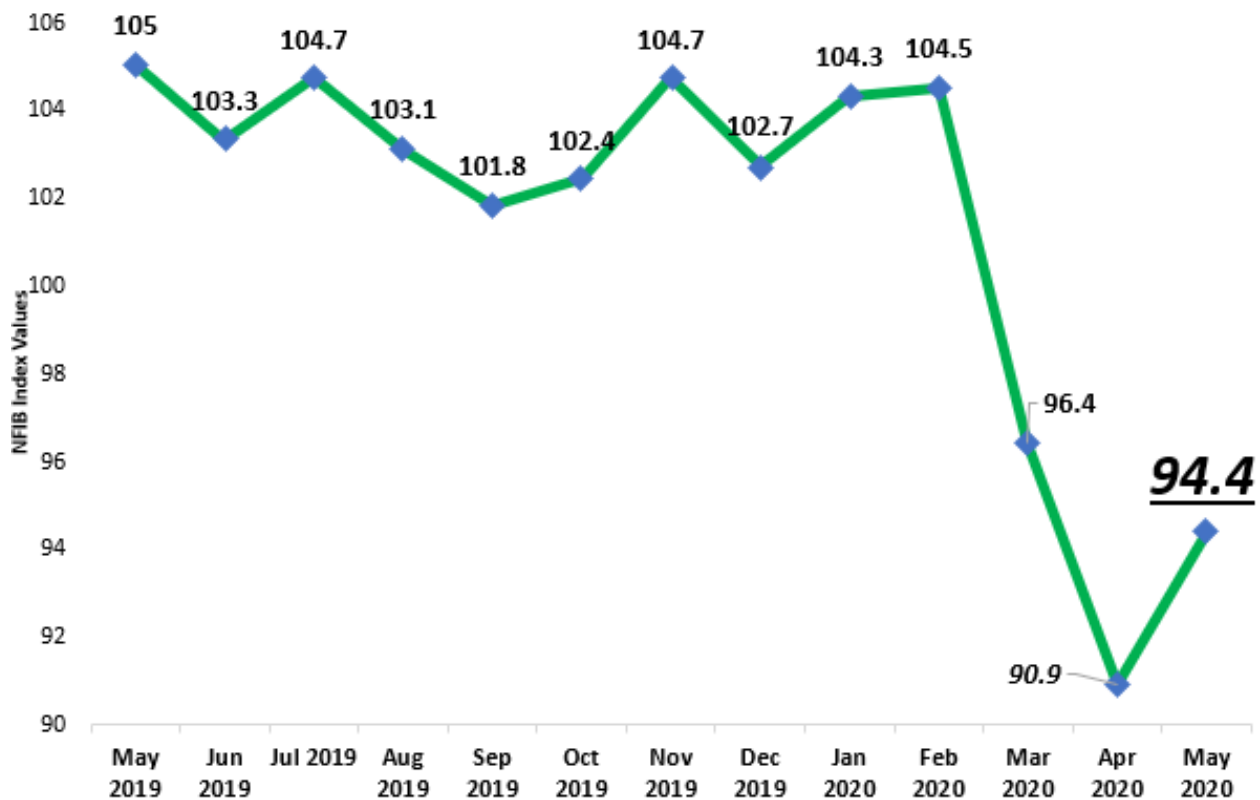
Small Business Optimism Rose in May

The economic data continues to point to an economy that has bottomed out and is slowly on the mend. A new data point is the [National Federation of Independent Businesses](#) (NFIB) Small Business Optimism Index.

The index measures the current sentiment of small businesses based on a compilation of ten sub-indexes that ask business owners about things like their plans to increase employment, make capital outlays, increase inventories, their expectations for economic improvement and higher sales, their current inventory, jobs openings, expected credit conditions, whether this is a good time to expand, and earnings trends.

In May, the total index rose to 94.4 from 90.9 in April. That is a solid increase after huge decreases in March and April. The index had been hovering between 105 and 102 for the previous year. So while the bounce back is welcome news, businesses are nowhere near as optimistic as they were before COVID-19 struck.

Small Business Optimism Rebounded Some In May



If the trend of improving data points continues, soon we may be able to say the worst is behind us and we are clearly on the way to recovery. That recovery will take a while because of the severe depth of this recession. But at least for right now, it seems we are no longer sinking and appear to be headed back in the right direction.

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

