



Written by [Bob Adelman](#) on June 9, 2020

## NFIB: Small Business Optimism Jumped in May

[The report](#) from the National Federation of Independent Business, representing the views of its 325,000 members, confirmed Friday's jobs report: The economy is on the rebound:



The Optimism Index rose 3.5 points in May to 94.4, reversing much of the April decline. As the economy begins to reopen and stay-at-home orders expire, non-essential businesses are reopening and consumers are returning.

Eight of the 10 Index components improved and two declined. The NFIB Uncertainty Index increased 7 points in May....

Reports of expected better business conditions in the next six months increased 5 points....

The percent of owners thinking it's a good time to expand improved....

Real sales expectations in next three months increased 18 points....

Expectations about future sales are beginning to rebound....

Job creation plans increased....

As the economy reopens, businesses have to re-hire workers to take care of new customers.

This confirms [the extraordinary and unexpected jobs report released on Friday](#) that said the economy, rather than suffering a loss of another eight million jobs, added two-and-a-half million new ones.

Small business owners are beginning to face problems in hiring: More than four out of 10 of them reported that they were hiring or rehiring but a quarter of them said they couldn't find people to fill open positions.

Thanks to the government's Paycheck Protection Program (PPP), half of them said they were not interested in obtaining a new loan, indicating that access to capital wasn't a problem.

And putting their capital to work isn't a problem, either. In the last six months members reported spending on new equipment (new fixtures and furniture), new vehicles, improving their facilities, and purchasing buildings or land for new construction.

The shutdown caused consumers to increase their savings rate to a record-setting 33 percent of their wages. Said the NFIB: "As the economy opens, this money will be spent.... There is plenty of pent-up demand."

And then there's the stock market. Said the NFIB:

The stock market is "optimistic." There are a huge number of policies and regulations that will determine how the economy does, lots of uncertainty, but likely "upward" and small businesses are eager to get back to work.

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