

SMALL BUSINESS ECONOMIC TRENDS

CONSTRUCTION

NFIB Small Business Optimism Index

Based on Ten Survey Indicators (Seasonally Adjusted)



| Index Components (Seasonally Adjusted) | Construction | Change from Last Quarter | Overall |
|-------------------------------------------|--------------|-----------------------------|-------------|
| Plans to Increase Employment | 2% | -27 | 1% |
| Plans to Make Capital Outlays | 22% | -10 | 18% |
| Plans to Increase Inventories | -8% | -15 | -4% |
| Expect Economy to Improve | 20% | 12 | 29% |
| Expect Real Higher Sales | -51% | -71 | -42% |
| Current Inventory Satisfaction | -5% | -4 | -7% |
| Current Job Openings | 36% | -18 | 24% |
| Expected Credit Conditions | -4% | -2 | -6% |
| Now a Good Time to Expand | 3% | -32 | 3% |
| Earnings Trends | -12% | -18 | -20% |
| Optimism Index | 91.6 | -16.6 | 90.9 |

Since 2012, the construction industry has maintained a higher Optimism Index than the overall small business population. The April Optimism Index for construction was 91.6, exceeding the overall Index by 0.7 points. The Index for construction has lost 16.6 points since January.

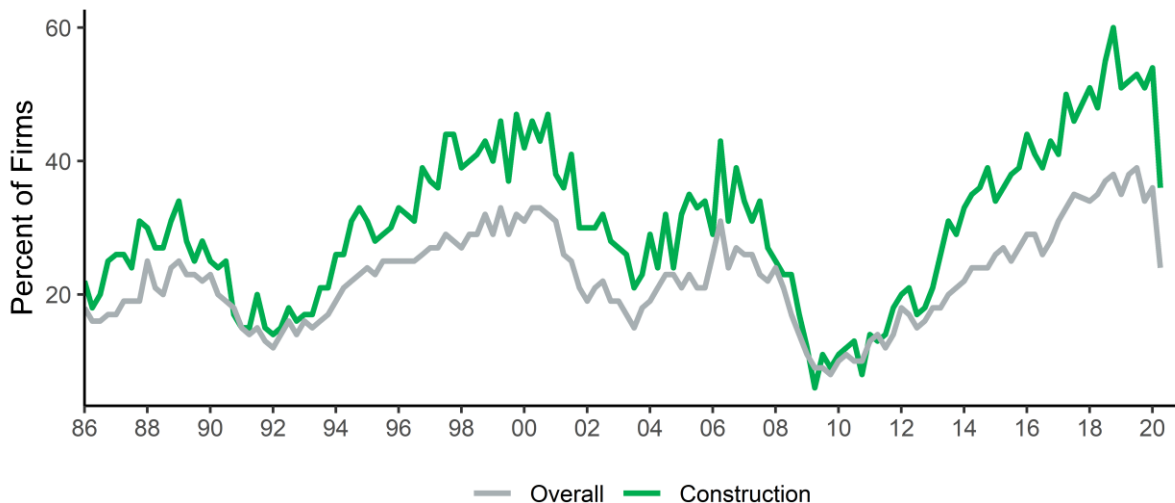
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Many businesses in the construction industry continued work as they were considered essential. Owners in construction reported a decline in earnings of a net negative 12 percent, marginally better than the overall population at a net negative 20 percent.

Despite the slowdown, construction also maintained a higher than the overall population's level of job openings. Demand for new construction prior to the recession was high and pent up as a lack of qualified workers caused difficulty forming work teams. Labor constraints have eased significantly but projected declines in future construction plans may hamper future employment.

Job Openings

Percent With Positions Not Able to Fill Right Now



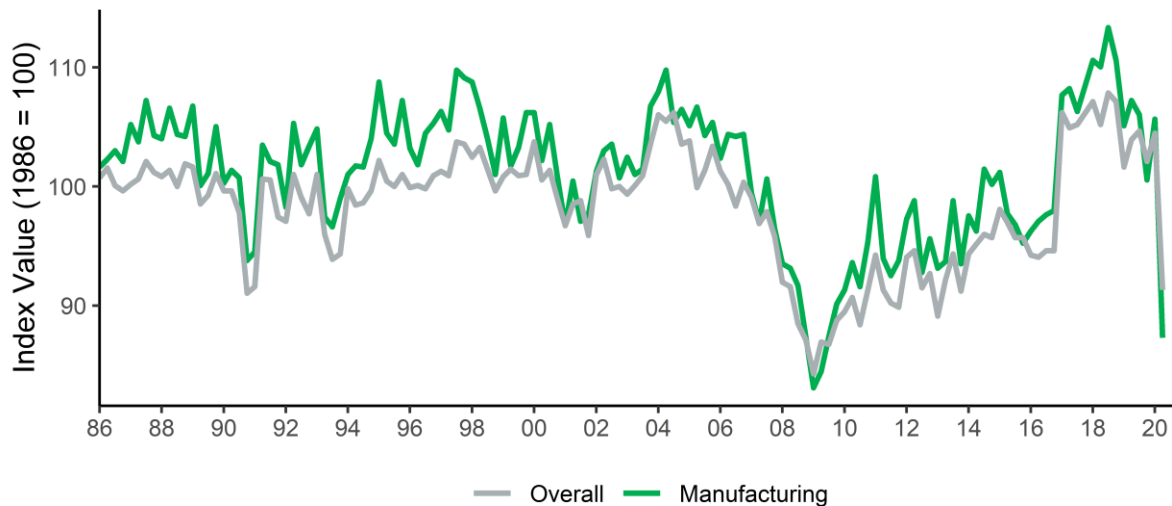
Job openings remain higher than overall as 36 percent of owners reported they were unable to fill positions, compared to 24 percent overall.

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MANUFACTURING

NFIB Small Business Optimism Index

Based on Ten Survey Indicators (Seasonally Adjusted)



| Index Components (Seasonally Adjusted) | Manufacturing | Change from Last Quarter | Overall |
|-------------------------------------------|---------------|-----------------------------|-------------|
| Plans to Increase Employment | -8% | -30 | 1% |
| Plans to Make Capital Outlays | 17% | -20 | 18% |
| Plans to Increase Inventories | -8% | -15 | -4% |
| Expect Economy to Improve | 20% | 12 | 29% |
| Expect Real Higher Sales | -47% | -67 | -42% |
| Current Inventory Satisfaction | -5% | 1 | -7% |
| Current Job Openings | 24% | -18 | 24% |
| Expected Credit Conditions | -9% | -7 | -6% |
| Now a Good Time to Expand | 1% | -31 | 3% |
| Earnings Trends | -27% | -24 | -20% |
| Optimism Index | 87.3 | -18.4 | 90.9 |

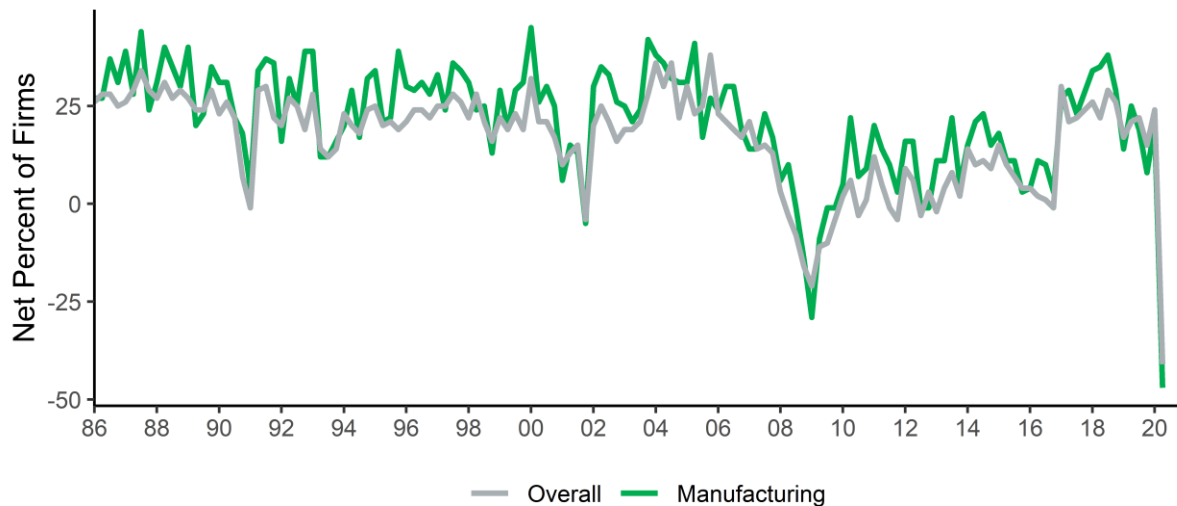
The manufacturing industry has been particularly hard hit by the current economic crisis. Supply chain disruptions have made it difficult to produce goods for many of those still in operation and non-essential business closures have negatively impacted many others.

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The manufacturing industry has experienced a steeper decline in earnings, down 24 points, and expected sales, down 67 points compared to the overall population.

Sales Expectations

Net Percent ("Higher" Minus "Lower") in the Next Three Months



Manufacturing has been hit hard by the current virus-induced economic crisis and owners have a less optimistic view of future business conditions the coming months than others.

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RETAIL

NFIB Small Business Optimism Index

Based on Ten Survey Indicators (Seasonally Adjusted)



| Index Components (Seasonally Adjusted) | Retail | Change from Last Quarter | Overall |
|-------------------------------------------|-------------|-----------------------------|-------------|
| Plans to Increase Employment | 1% | -17 | 1% |
| Plans to Make Capital Outlays | 14% | -12 | 18% |
| Plans to Increase Inventories | -1% | -11 | -4% |
| Expect Economy to Improve | 25% | 7 | 29% |
| Expect Real Higher Sales | -35% | -63 | -42% |
| Current Inventory Satisfaction | -10% | -2 | -7% |
| Current Job Openings | 18% | -18 | 24% |
| Expected Credit Conditions | -6% | 0 | -6% |
| Now a Good Time to Expand | 2% | -20 | 3% |
| Earnings Trends | -28% | -25 | -20% |
| Optimism Index | 89.5 | -14.4 | 90.9 |

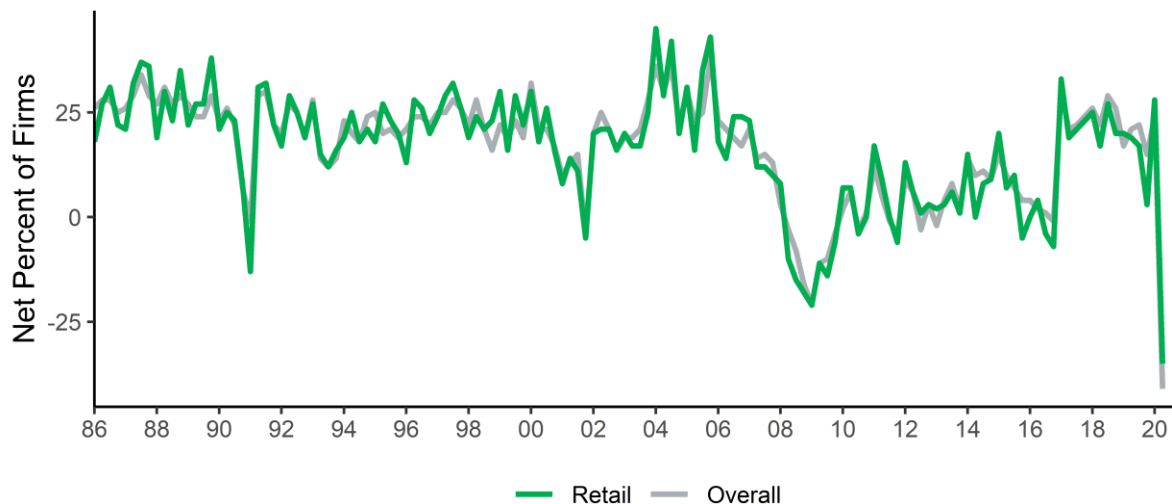
Stay-at-home orders and non-essential business closures severely disrupted retail sales over the last three months. Retail experienced a greater decline in earnings than the overall population with a net negative 28 percent reporting higher earnings in the past three months, down 25 points from the previous quarter.

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With states beginning to reopen, owners in retail are optimistic that consumers will return relatively soon. A net 25 percent expect the better business conditions over the next six months, up 7 points. While a net negative 35 percent expect higher real sales volumes in the next three months, retailers expect slightly better sales in the next three months compared to other industries.

Sales Expectations

Net Percent ("Higher" Minus "Lower") in the Next Three Months



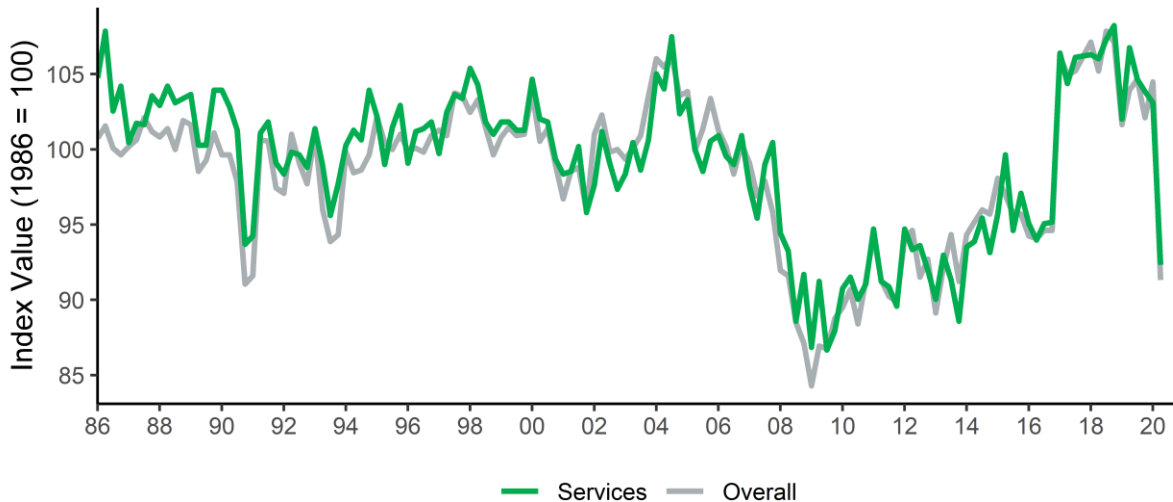
The retail sector was especially hard hit by the immediate loss of sales due to government mandated non-essential business closures. Recovery for retailers depends on how quickly consumer demand returns. It is unclear how comfortable consumers will feel returning to more normal economic activity despite stay-at-home orders being lifted.

SMALL BUSINESS ECONOMIC TRENDS

SERVICES

NFIB Small Business Optimism Index

Based on Ten Survey Indicators (Seasonally Adjusted)



| Index Components (Seasonally Adjusted) | Services | Change from Last Quarter | Overall |
|-------------------------------------------|-------------|-----------------------------|-------------|
| Plans to Increase Employment | 5% | -16 | 1% |
| Plans to Make Capital Outlays | 16% | -8 | 18% |
| Plans to Increase Inventories | 0% | -2 | -4% |
| Expect Economy to Improve | 30% | 16 | 29% |
| Expect Real Higher Sales | -38% | -63 | -42% |
| Current Inventory Satisfaction | 0% | 2 | -7% |
| Current Job Openings | 24% | -9 | 24% |
| Expected Credit Conditions | -5% | -3 | -6% |
| Now a Good Time to Expand | 3% | -25 | 3% |
| Earnings Trends | -24% | -13 | -20% |
| Optimism Index | 92.3 | -10.8 | 90.9 |

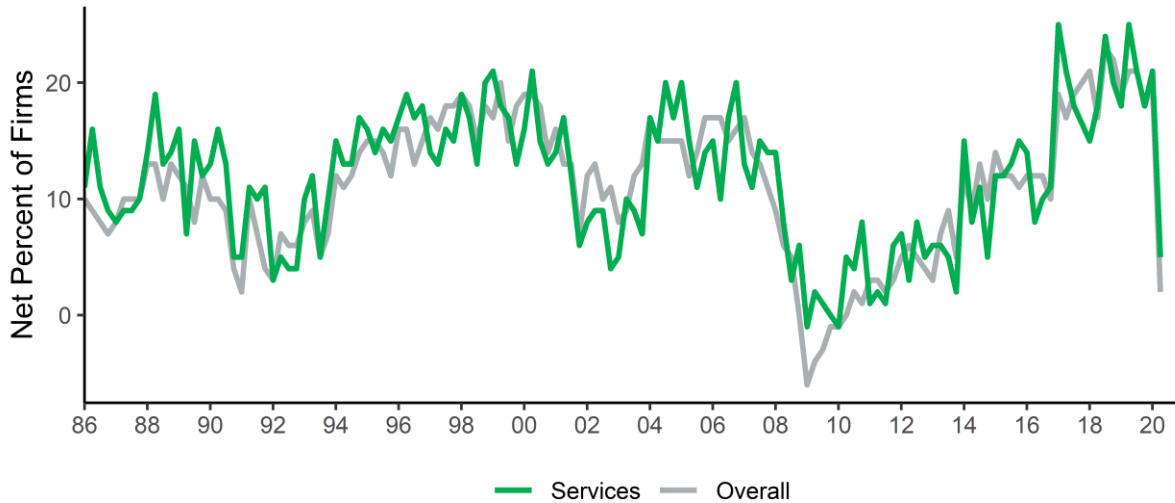
The service sector experienced a decline in optimism to a smaller degree than other industries this quarter. Services have tracked the overall Optimism Index closely in recent years, but this quarter fared a bit better compared to other industries. Services had an industry Optimism Index of 92.3, 1.4 points higher than overall population.

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Employment prospects were high in the services sector as a net 5 percent plan to increase their workforce in the next three months, compared to only 1 percent of firms overall.

Hiring Plans

Net Percent ("Increase" Minus "Decrease") in the Next Three Months



The service industry also has higher than overall satisfaction with current inventory levels at net zero percent of owners report that their inventory levels are too large compared to a net negative 7 percent overall.