

US small business confidence slips

Owners grow more cautious about conditions in months ahead



Small-business owners reported softer sales and a weaker outlook in August, according to NFIB's monthly survey. Shown are shoppers in East Hampton, New York. (Getty Images)

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Confidence among small businesses pulled back in August as owners grew less optimistic about business conditions over the next six months.

The National Federation of Independent Business said Tuesday the small business optimism index fell 1.1 points from July to 98.7, retreating from the highest reading since August 2025. Even so, the index remained above its 52-year average of 98.0. The index is benchmarked to 1986 levels, with 100 serving as the base score.

"One-in-10 small business owners reported weak sales as their No. 1 business problem, the lifeblood of their firm," said the NFIB's chief economist Bill Dunkelberg.

The NFIB survey offers a monthly look at how those firms are faring and what they expect in the months ahead. Small businesses are major employers and tend to be sensitive to shifts in demand and borrowing costs. The survey is based on responses from 476 small-business owners collected in August.

Meanwhile, labor remained a persistent challenge for small businesses. Twenty-three percent of owners said worker quality or availability was their top concern.

Looking ahead, a net 10% of owners expect business conditions to improve over the next six months, down 5 points from July. The decline in expectations was the largest contributor to the drop in the overall optimism index.

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