



**CMC UPDATE: Small Business Confidence Deteriorates in March**

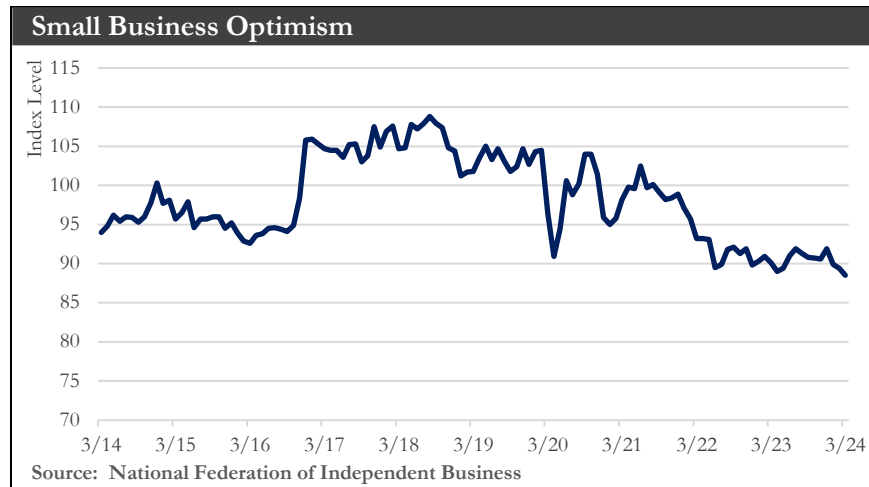
Abdur Chowdhury, Ph.D. Chief Economist

*April 9, 2024*

Sales expectations deteriorated in March and small business confidence ended the first quarter on a sour note, with the index falling to 2012 lows. NFIB's Small Business Optimism Index fell 0.9 points to 88.5 in March. Six of the ten subcomponents deteriorated on the month, two improved, and two remained unchanged.

While the U.S. labor market is showing continuous signs of resilience, today's survey results point to a cooling in conditions among smaller firms, with job openings and quality of labor concerns trending lower and plans to increase employment falling to late-2016 levels.

Inflation remains a top concern for small business owners, a sentiment that was echoed in the pricing metrics. The sharp back-up in the share of firms raising average selling prices and a moderate increase in the share of those that plan to raise prices in the next three months reinforce the notion that we're not out of the woods yet with respect to inflation. This latest data works in favor of a more patient Federal Reserve when it comes to lowering the policy rate.



Dr. Abdur Chowdhury is a retired Professor of Economics at Marquette University, the Chief Economist at Capital Market Consultants, Inc. (CMC) and a member of the Federal Reserve Board of Chicago's Academic Advisory Council. CMC provides capital market, investment manager and economic research to financial professionals (for more information about Capital Market Consultants, Inc. see our website at [www.cmarkc.com](http://www.cmarkc.com)).

\*\*\*\*\*

The opinions expressed herein are those of Capital Market Consultants, Inc. and may not reflect the opinions of other advisory firms or their affiliates. The information herein has been obtained from sources believed to be reliable, but we cannot assure its accuracy or completeness. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Any reference to past performance is not to be implied or construed as a guarantee of future results.

This email and any files transmitted with it are privileged and confidential. This email is intended solely for the use of the individual(s) or entity to which it is addressed. If you do not wish to receive CMC News Alerts please notify the sender. If you are not the named addressee, then any dissemination, distribution, and copying is strictly prohibited. Please notify the sender immediately, by email, if you have received this email in error and delete the message from your system. The sender does not accept liability for any errors or omissions in the content of this message that arise as a result of email transmission.