

Report: Optimism among small-business owners soars nationally after election

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Small-business optimism remained flat nationally leading up to Election Day, then rocketed higher as business owners expected much better conditions under the incoming Trump administration, according to a special edition of the monthly industry-related index released Tuesday.

"What a difference a day makes," Tom Scott, California director of the National Federation of Independent Business (NFIB), said of organization's Index of Small Business Optimism.

"Whether we see this national small-business optimism translate to the hostile small business climate here in California remains to be determined," he added in a press release. "We are encouraged by early indications of relief for small business from Washington, but we acknowledge that the California Legislature does not hesitate to reach far beyond the laws and regulations of the federal government to implement their agenda."

The NFIB Index of Small-Business Optimism is one of the oldest and most widely respected economic research reports in the country. The survey asks small-business owners a series of questions related to their expectations for the future and their plans to hire, build inventory, borrow, and expand.

"This month we bifurcated the data to measure the results before and after the election," said NFIB Chief Economist Bill Dunkelberg. "The November index was basically unchanged from October's reading up to the point of the election and then rose dramatically after the results of the election were known."

The full November index, calculated as it is every month, improved 3.5 points to 98.4, which is just above the 42-year average and only the third time since 2007 that it has broken into above-average territory.

Plans to hire employees jumped five points from the previous month. Expected higher sales rose from a net 1 percent in October to net 11 percent in November, Dunkelberg noted in the prepared statement.

But the "blockbuster was expected better business conditions," which shot from a net 7 percent to 12 percent, he added.

"Even without separating the data, the November results paint a starkly different picture than what we've seen in the last 94 months," said Dunkelberg.