

## Small Business Trends

### *Policy & Supervisory Studies*

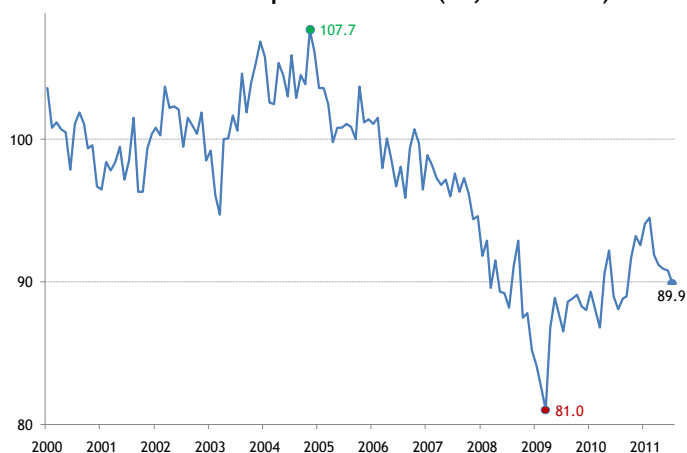
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## Small Business Optimism

- Falling for the fifth consecutive month, the Small Business Optimism Index of the National Federation of Independent Business (NFIB) is on the verge of being called the “Small Business Pessimism Index.” Losing nine-tenths of a point month over month—standing at 89.9 for July—the Index is currently three-tenths of a point below the average Index reading for the two-year recovery period. This decrease is the largest since March, when the Index started to fall. It is unclear if the Index has reached a trough or if it will continue to slide. A fall in expectations for improved economic conditions, current job openings, and higher real sales growth were the main contributors to the Index’s decline. The NFIB’s chief economist Bill Dunkelberg explains that “given the current political climate, the protracted debate over how to handle the nation’s debt and spending, and now this latest development of the debt downgrade, expectations for growth are low and uncertainty is great.” We should get a more complete reaction next month regarding the debate over the nation’s debt and its credit downgrade.
- Private sector employment growth faltered again in July. Though posting growth month over month, employment figures in general are beginning to show signs of deceleration. Employment in the service-producing sector rose for the 19th consecutive month, while employment in the goods-producing sector fell for the second time in three months.

**Small Business Optimism Index (SA, 1986=100)**



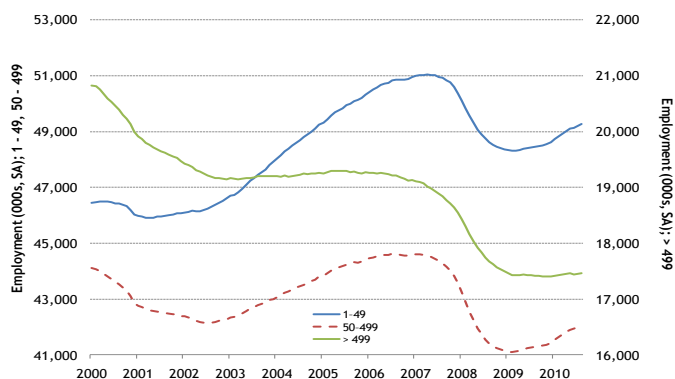
Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

**July 2011 Employment Trends**

	Level (000s, SA)	Share of sector	Growth	
			M-t-M	Y-o-Y
<b>Goods-producing</b>	17,821	100%	-0.04%	0.7%
1-49	6,640	37%	-0.05%	0.5%
50-499	7,763	44%	-0.04%	1.7%
> 499	3,418	19%	-0.03%	-1.0%
<b>Service-producing</b>	90,943	100%	0.13%	1.7%
1-49	42,627	47%	0.14%	1.9%
50-499	34,271	38%	0.15%	1.8%
> 499	14,045	15%	0.07%	0.6%

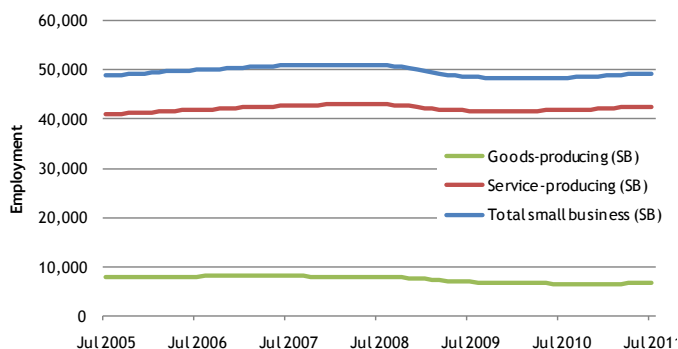
Source: Based on data in the July 2011 *ADP National Employment Report*®

**U.S. Private Sector Employment by Size of Payroll**



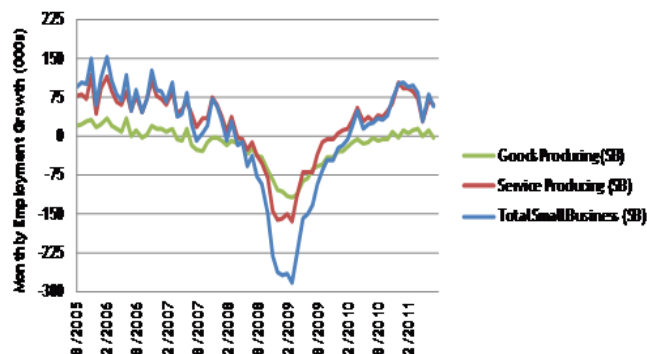
Source: Based on data in the July 2011 *ADP National Employment Report*®

**Nonfarm Private Small Business Monthly Employment Levels**



Source: Based on data in the July 2011 *ADP National Employment Report*®

**Nonfarm Private Small Business Monthly Employment Growth**

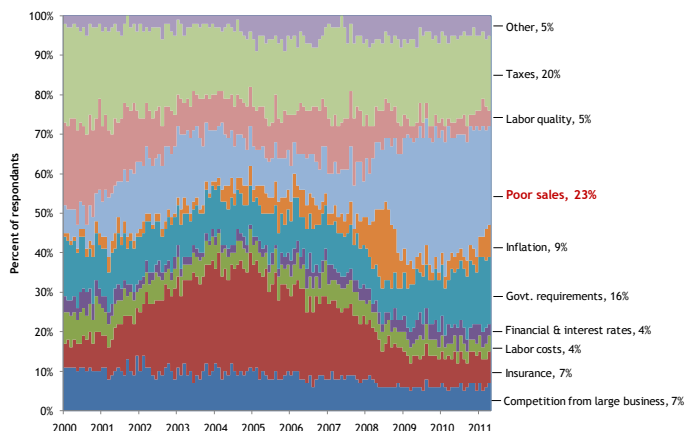


Source: Based on data in the July 2011 *ADP National Employment Report*®

## Small Business Optimism *continued*

- The percent of small business owners who cite poor sales (23 percent) as their top problem continues to wane. Taxes maintained its 20 percent following month over month, while government requirements/red tape inched up another percentage point to 16 percent for July.

### Single-most Important Problem for Small Business

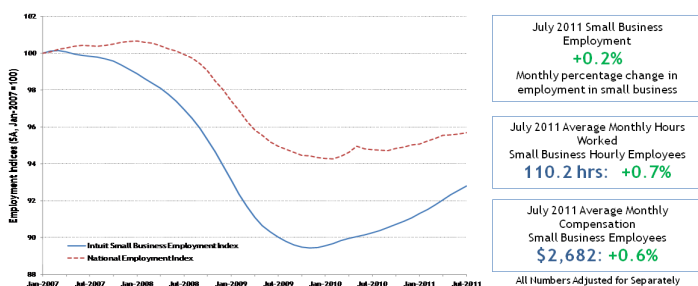


Source: Based on data from the National Federation of Independent Business August 2011 *Small Business Economic Trends*

## Small Business Trends at Firms with Fewer than 20 Employees

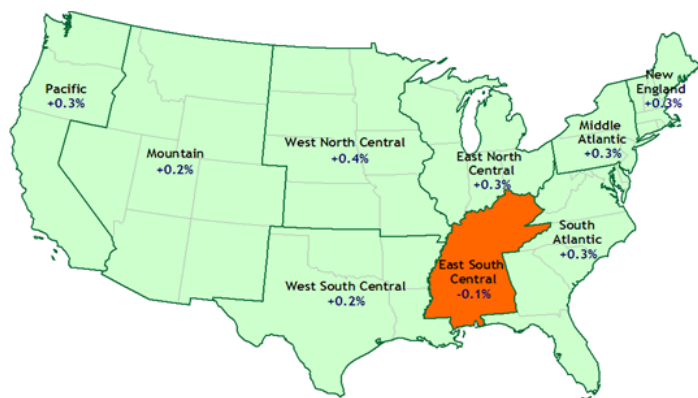
- The Intuit Small Business Employment Index held steady for the month of July. Small business employment grew by 0.2 percent for the month, which equates to a 2.9 percent annual growth rate. However, significant increases were noted in both hours worked and total compensation. Hours worked posted a solid increase of 0.7 percent for the month (8.6 percent annual), while total compensation grew by 0.6 percent in July (7.6 percent annual).
- The East South Central Census Division continued to show a slight decline month over month in employment. As it did in June, the East South Central Census Division saw a loss of -0.1 percent during the month of July. Both the East and the West coasts exhibited positive percentage point gains in growth month over month. The Pacific Census Division posted the largest point gain (0.2 percent), and the entire East Coast (South Atlantic, Middle Atlantic, and New England Census Divisions) recorded a 0.1 percent gain in growth. The East North Central and West South Central Census Divisions both remained flat with regards to growth month over month. Though posting positive growth for the month of July, the West North Central and Mountain Census Divisions each recorded a decline in their growth rates of 0.1 percent and 0.4 percent, respectively. This is the third consecutive month that the Mountain Census Division has experienced a decline in growth rate.
- With the exception of Maryland (-0.2 percent), all of the states tracked by Intuit posted positive growth for the month of July. At 0.6 percent, Washington recorded the highest level of growth this month; it also recorded the largest percentage point increase month over month. California, Florida, Virginia, Texas, and Pennsylvania each posted percentage point advances in their growth rates for the month, while Arizona, Illinois, and Massachusetts posted slight percentage point declines since June. Georgia, New Jersey, New York, and North Carolina maintained their growth rates month to month.

### Intuit Small Business Employment Index



Source: Intuit Small Business Employment Index © Intuit Inc. All rights reserved. (From the August 1, 2011, press release)

### Monthly Small Business Employment Growth (July 2011)



Source: Intuit Small Business Employment Index © Intuit Inc. All rights reserved. (From the August 1, 2011, press release)

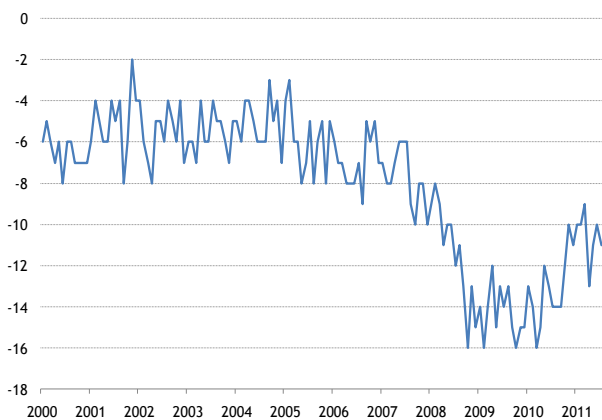
## Small Business Credit Conditions and Trends

- Small business sentiment toward credit is still clouded by general future economic uncertainty. As the NFIB noted, “Uncertainty is the enemy, and there is plenty of it to convince owners (and consumers) to be cautious.” Thus, relatively unchanged month to month, most small business owners have not been spurred on to borrow by historically low interest rates and more readily available expensing incentives. Only 4 percent of small business owners cited financing and interest rates as their top problem. Up 1 percentage point since June, 92 percent of all small businesses surveyed felt that either their credit needs were met or that they simply were not interested in borrowing. Dropping 2 percentage points month over month, 51 percent of respondents stated that they did not even want a loan. The NFIB reported that another 13 percent of those surveyed “did not answer the question and might be presumed to be uninterested in borrowing as well.” Up 1 percentage point since June and only 2 percentage points above the record low, only 30 percent of all small business owners claimed they borrowed on a regular basis. Falling 1 percentage point month over month, a net negative 10 percent of regular borrowers stated that loans were harder to obtain this time around than when compared to their last attempt. Furthermore, those who were expecting credit conditions to ease decreased 1 percentage point from June to a net negative 11 percent for the month of July.

With credit seemingly available to most small businesses, they are simply not seeing the reason to assume further debt until some marked improvements are noted in the economy.

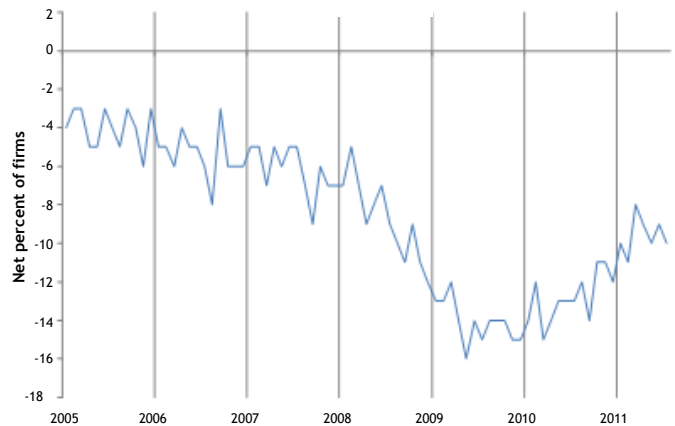
- As of late, more small businesses are seeing their sales levels trending down rather than up. Furthermore, only a net negative 24 percent of small business owners surveyed reported positive earnings trends. Thus, it is no wonder that only 50 percent of all small businesses reported any capital outlays over the past six months, which the NFIB notes as a historically weak reading persisting for most of the recovery. Just 20 percent are planning to make capital outlays in the next three to six months, down 1 percentage point from June and another noted recession-level reading. Sixty-seven percent of those surveyed still view this as a poor time to expand. Approximately 69 percent blamed current economic conditions; 16 percent cited the political climate; and 6 percent claimed sales prospects for their outlook. A net negative 15 percent were expecting better business conditions in the next six months, which is down another 4 percentage points from June and a full 25 percentage points from January. This number marks the lowest level recorded since July 2010.

Percent Expecting Credit Conditions to Ease, Net (SA, %)



Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

Credit Conditions  
Loan availability compared to three months ago\*  
January 2005 to July 2011



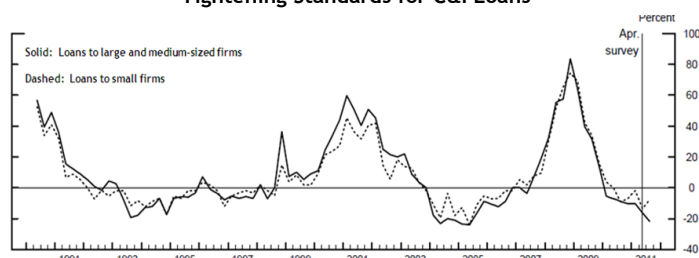
\*For the population borrowing at least once every three months

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

## Small Business Credit Conditions and Trends *continued*

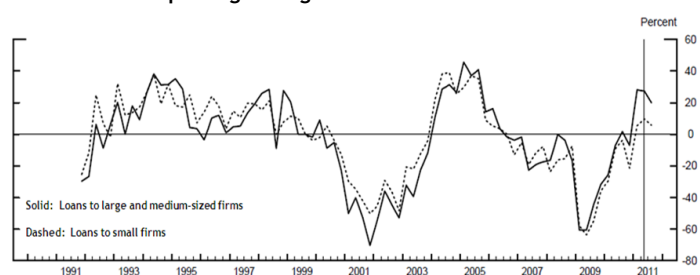
- The Federal Reserve Board of Governors conducts the Senior Loan Officer Opinion Survey on Bank Lending every quarter. July 2011 survey results indicate that over the past three months, domestic banks continued to ease lending standards and most terms, which was especially pronounced for price-related terms (the spread of loan rates over a bank's cost of funds, the use of interest rate floors, and the cost of credit lines), for commercial and industrial (C&I) loans to firms of all sizes as a result of more aggressive competition from other banks or nonbank lenders. However, it is important to note that the net fraction of banks that eased on loans to smaller firms remained relatively low in comparison to the net fraction that eased for large and middle-market firms: around 20 percent versus 10 percent, respectively. Of foreign banks, almost all reported that their standards on C&I loans remained relatively unchanged; between 5 and 35 percent reported easing various C&I loan terms on balance. Some respondents even cited easing standards and terms due to a more favorable or less uncertain economic outlook, which is the opposite opinion of their prospective borrowers. Of those that reported they had tightened C&I lending standards and terms, the most widely cited reasons included a less favorable or more uncertain economic outlook and increased concerns regarding legislative changes, supervisory actions, and accounting standards changes.
- Although demand for C&I loans had reportedly increased over the past three months for large and middle-market firms, increases in demand from smaller businesses was close to zero. Most of the banks that experienced any increase in demand cited a shift to bank borrowing from other funding sources, as well as an increase in their customers' inventory financing needs. Approximately 20 percent of foreign banks also reported an increase in demand for C&I loans.
- This particular survey included a special question regarding a bank's current level of lending standards and how it compared to the standards that the bank used in 2005. Between 25 and 50 percent of domestic respondents indicated that their current standard levels were near the middle of the range. Of the remaining respondents, more indicated that their current standards were tighter than the middle of the range compared with the number of respondents that indicated that their current standard levels were easier than the middle of the range. The margin varied according to borrower credit quality classification, loan syndication status, and borrower size.

**Net Percentage of Domestic Respondents Tightening Standards for C&I Loans**



Source: July 2011 Federal Reserve Board of Governors Senior Loan Officer Opinion Survey on Bank Lending

**Net Percentage of Domestic Respondents Reporting Stronger Demand for C&I Loans**



Source: July 2011 Federal Reserve Board of Governors Senior Loan Officer Opinion Survey on Bank Lending

**Potential Business Borrowers' Inquiries for C&I Loans over the Past Three Months: Selected Large Domestic Banks**

	All respondents		Large banks		Other banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Increased substantially	2	3.6	2	6.1	0	0.0
Increased moderately	16	29.1	11	33.3	5	22.7
Stayed about the same	32	58.2	18	54.5	14	63.6
Decreased moderately	2	3.6	1	3.0	1	4.5
Decreased substantially	3	5.5	1	3.0	2	9.1
<b>Total</b>	<b>55</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>

Source: July 2011 Federal Reserve Board of Governors Senior Loan Officer Opinion Survey on Bank Lending

**Potential Business Borrowers' Inquiries for C&I Loans over the Past Three Months: Selected U.S. Foreign Branches and Agencies**

	All respondents	
	Banks	Percent
Increased substantially	0	0.0
Increased moderately	4	19.0
Stayed about the same	17	81.0
Decreased moderately	0	0.0
Decreased substantially	0	0.0
<b>Total</b>	<b>21</b>	<b>100.0</b>

Source: July 2011 Federal Reserve Board of Governors Senior Loan Officer Opinion Survey on Bank Lending

## Tidbits

- Business bankruptcy filings across the United States and within the Sixth District continued to decline during the second quarter of 2011. Similar to last quarter, the Sixth District actually outpaced the United States in both year-over-year and quarter-over-quarter percentage declines. All Sixth District states posted double-digit declines year over year, with Florida registering the largest actual decrease quarter over quarter. Florida also reported the largest actual filing number decline year over year. Despite recent declines in small business sentiment, mounting concerns over the rising costs that are necessary to operate, and lingering uncertainty about the current economy, small business owners are obviously still finding ways to stay open. However, recent market losses and the current debt debacle could awaken what Mike Spector of the *Wall Street Journal* labels the “dormant bankruptcy beast.”

### Business Bankruptcy Filings (2011 Q2)

	Filings	Year-ago percent change	Quarter-ago percent change
6th District states	9,653	-14.1	-9.0
United States	52,134	-12.5	-7.4
Alabama	682	-16.8	-9.2
Florida	4,379	-13.5	-10.3
Georgia	2,435	-12.4	-8.1
Louisiana	689	-17.8	-9.3
Mississippi	401	-25.5	-13.8
Tennessee	1,067	-11.3	-3.1

Source: U.S. Courts, Administrative Offices

- As of the middle of August 2011, the Treasury had released to 80 banks only a little over 3 percent (\$1,008,062,850) of the \$30 billion in capital allocated to the Small Business Lending Fund (SBLF). Of the more than 900 banks that applied, hundreds upon hundreds of others are still waiting to find out their status at this point, or may just have given up. There have been several holdups, including issues involving institution age, size, or dividend restrictions that require a waiver from the institution’s primary regulator. Many banks are seeking ways to fund their exit from TARP but could face higher dividend costs and fewer capital options as the deadline approaches. Furthermore, sev-

eral banks have actually withdrawn their applications after discovering the nuances of the program. Many would not receive enough capital from the fund to refinance TARP because their asset size has shrunk due to greater competition for certain types of loans. Others were just unsure if they could actually meet the qualified loan hurdles. The Treasury continues to face pressure to speed up the distribution of capital that is a part of this program. It has only until September 27, 2011, to distribute these funds. Additional funding announcements continue to be made on a rolling basis.

### Small Business Loan Fund Investments

Transaction Date	Issuer				Transaction			Capital Ratios <sup>2</sup>		
	Institution	City	State	Member	Amount	Financial Instrument	CPP / CDCI <sup>1</sup>	Tier 1 Risk-Based Capital	Total Risk-Based Capital	Tier 1 Leverage
6/21/2011	ServisFirst Bancshares, Inc.	Birmingham	AL	Yes	40,000,000	Preferred Shares	No	10.0%	11.5%	8.0%
7/16/2011	Community Trust Financial Corporation	Ruston	LA	No	48,260,000	Preferred Shares	Yes	9.6%	10.8%	8.3%
7/12/2011	Florida Traditions Bank	Dade City	FL	No	8,800,000	Preferred Shares	No	11.9%	13.2%	10.9%
7/14/2011	South City Bank	Vestavia Hills	AL	No	5,200,000	Preferred Shares	No	11.6%	12.9%	9.5%
7/14/2011	BancIndependent, Incorporated	Sheffield	AL	Yes/SMB	30,000,000	Preferred Shares	Yes	11.9%	13.9%	9.6%
7/21/2011	Broward Financial Holdings, Inc.	Fort Lauderdale	FL	No	3,134,000	Preferred Shares	No	16.5%	17.8%	11.3%
7/26/2011	Progressive Bancorp, Inc.	Monroe	LA	No	12,000,000	Preferred Shares	No	12.4%	13.6%	9.3%
8/4/2011	First NBC Bank Holding Company	New Orleans	LA	Yes	37,935,000	Preferred Shares	Yes	11.1%	12.1%	9.4%
8/4/2011	Jefferson Bank of Florida	Oldsmar	FL	No	3,367,000	Preferred Shares	No	20.4%	21.7%	12.9%
8/4/2011	SmartFinancial, Inc.	Pigeon Forge	TN	Yes/SMB	12,000,000	Preferred Shares	No	13.5%	14.7%	10.8%
8/9/2011	Evolve Bancorp, Inc.	Cordova	TN	No	4,699,000	Preferred Shares	No	11.9%	13.0%	8.4%
8/16/2011	Carroll Financial Services, Inc.	Huntington	TN	No	3,000,000	Preferred Shares	No	13.4%	14.1%	8.6%
8/16/2011	Bank of Central Florida	Lakeland	FL	No	7,000,000	Preferred Shares	No	13.4%	14.6%	10.3%
8/16/2011	Independent Holdings, Inc.	Memphis	TN	No	34,900,000	Preferred Shares	No	9.3%	10.4%	5.6%

<sup>1</sup>Denotes issuers that participated in the Community Development Capital Initiative (“CDCI”) or the Capital Purchase Program (“CPP”) and applied to redeem the CDCI or CPP investment after December 6, 2010.

<sup>2</sup>Capital ratios reported as of March 31, 2011. Tier 1 risk-based capital as defined by FFIEC RC-R, line 32.

Source: U.S. Courts, Administrative Offices

- According to a recent *American Banker* article, small business woes and small business owners’ demand for credit may be more tied to the slumping real estate market than was originally thought. William Dennis Jr., an NFIB senior research fellow, explains: “Small business owners have a large amount of real estate and they leveraged it. The value of small businesses’ collateral has gone down, often by substantial amounts. You add to that weak sales, and it’s dampened their enthusiasm to hire or expand.” The article notes that, historically,

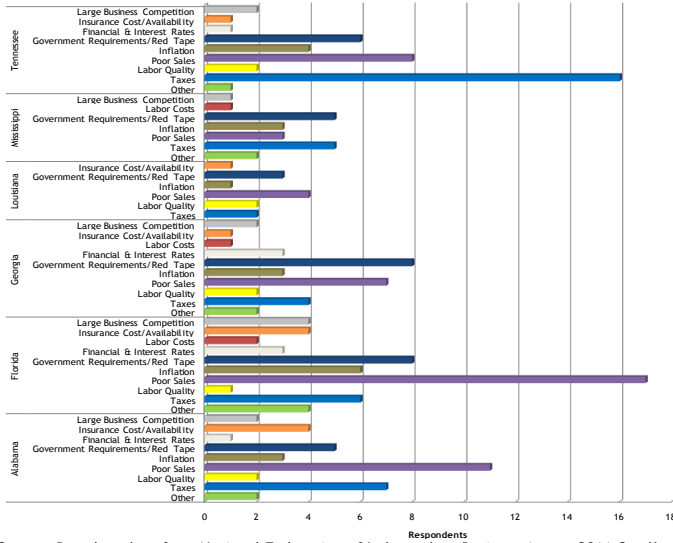
small businesses that employ between 1 and 20 people have typically been the first to recover from economic downturns, but that has not been the case this time around. The main concern rests with the upcoming resets of Alt-A mortgages this year and next. Since such mortgages typically required little documentation, it is difficult to assess the full exposure of small businesses.

# Sixth District Overview

- Sixth District small businesses continued to exhibit high levels of uncertainty for the month of July. For the most part, small business owners remained cautious across the board. This month the NFIB reported an 11 percent response rate for the district, which is a 1.4 percentage point decrease from June. However, the actual number of respondents dramatically increased for the NFIB survey at the end of the survey. As for the Sixth District respondent composition, more than half were from the retail, construction, or services industries (28.1 percent, 17.6 percent, and 17.6 percent, respectively).
- As in the last month, poor sales (25.1 percent) were the single-most

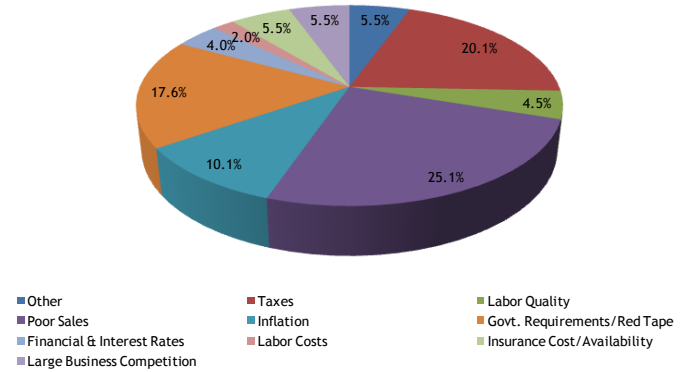
important problem facing small business owners across the district. In fact, Sixth District statistics mimicked the nation's, with taxes (20.1 percent) and government requirements/red tape (17.6 percent) filling the second and third spots. Poor sales were not the number one problem reported by half of the Sixth District states (Georgia, Mississippi, and Tennessee). Government requirements/red tape took the top spot for both Georgia and Mississippi, where taxes shared the top spot. Taxes were the clear frontrunner for the state of Tennessee, with poor sales coming in second by a distant half.

Single-most Important Problem for Small Businesses



Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*

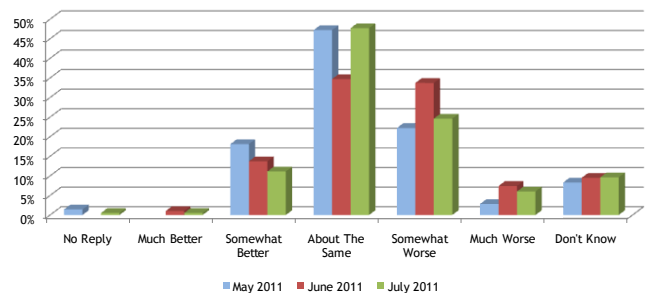
Single-most Important Problem for Small Businesses



Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*

- Sentiment toward improving conditions over the next six months remained rather negative in July. Nearly 48 percent of the Sixth District small business owners felt that general conditions would be about the same, which is a 13 percentage point increase over June. Another 31 percent felt that conditions would be somewhat or much worse, and approximately 10 percent were uncertain about future conditions. Every Sixth District state had at least one respondent reply that conditions would be much worse. Of all of the Sixth District states, Florida seemed to have the most positive outlook, with approximately 14.5 percent of small business owners believing that conditions would be somewhat better; furthermore, Florida had one respondent state that conditions would actually be much better.

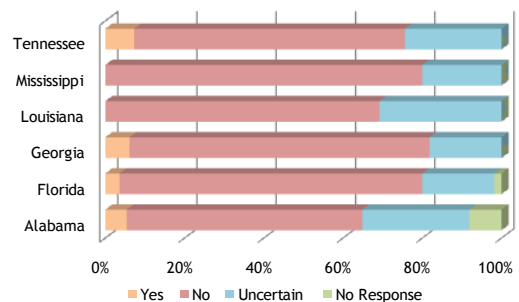
General Conditions in the Next Six Months



Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*

- Continuing to rise month over month, 71.4 percent felt that now is not a good time to expand. No respondents from either Louisiana or Mississippi said that this was a good time to expand, but just over 7 percent of small business owners from Tennessee did. Close to one-quarter of Sixth District small business owners were uncertain about expansion.

Expansion Outlook

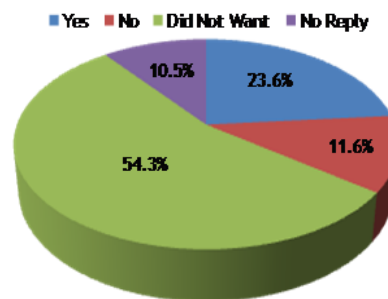


Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*

## Sixth District Overview *continued*

- As was the case last month, the average selling price now versus three months ago for just more than half of the District was unchanged. The remainder was split with 24.1 percent reporting higher prices (a 6.4 percentage point decrease from June) and 23.1 percent reporting lower prices (a 4.1 percentage point increase from June). Alabama and Tennessee reported higher average selling prices—29.7 percent and 26.8 percent, respectively—while Florida reported lower average selling prices (32.7 percent).
- Reporting that they borrow on a regular basis were 28.1 percent of Sixth District small business owners, most of whom are in Alabama (37.8 percent) and Tennessee (36.6 percent). Louisiana reported the lowest figure—only 7.7 percent borrow regularly. Approximately 78 percent felt that their borrowing needs were satisfied or that they did not even want a loan, with another 11 percent not responding, presumably because they are uninterested in borrowing. At approximately 16 percent each, Florida and Alabama had the most respondents report that they feel their borrowing needs were not satisfied.

### Borrowing Needs Satisfied within the Last Three Months



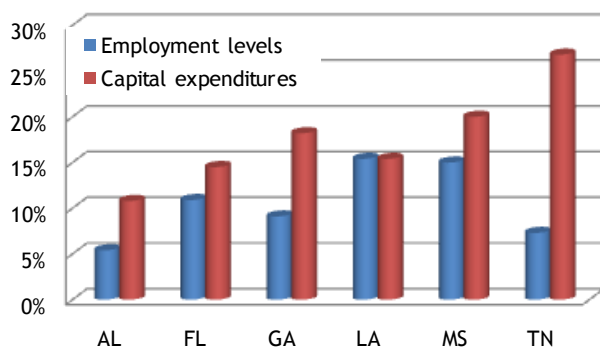
Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*

- More small business owners continued to report that it was more difficult to get a loan during the last three months, with respondents from Georgia and Tennessee citing the most difficulty. On the other hand, Florida, which cited greater difficulty obtaining a loan last month, was now the only state to have at least one respondent report that it was actually easier to obtain a loan. The outlook regarding difficulty in securing a loan within the next three months continued to show some signs of easing, especially in Georgia. However, more and more small business owners continued to be plagued by growing uncertainty.
- Rising ever so slightly month over month, 73.4 percent of Sixth District small business owners have maintained their employment levels over the past three months. Louisiana was the only state to report zero increases, while Georgia and Mississippi added the most employees (15 percent). Both Alabama and Florida had more decreases in employment than increases—18.9 percent and 18.2 percent, respectively. In the next three months, 89 percent will either maintain the status quo or decrease their employment levels. In fact, nearly one-third of the respondents from Louisiana were planning on decreasing

their employment levels. Unfortunately, all of the noted future employment level increases of those respondents who were planning to increase their levels would be rather minimal.

- On a more positive note, Mississippi was the only state in the Sixth District that had more small business owners planning to increase rather than decrease their future employment levels. Representing an approximate 7 percentage point decline month over month, now less than half—only 42.7 percent—of Sixth District small business owners made a capital purchase within the last six months, with Louisiana and Tennessee citing more owners making a purchase rather than not making a purchase. A slight increase over June, 79.4 percent of respondents within the district are still uncertain or do not plan to make a capital expenditure in the next three to six months. Small business owners from Alabama exhibited the greatest degree of uncertainty at approximately 19 percent. Tennessee had the most small business owners—26.8 percent—planning to make a capital expenditure in the near future.

### Small Business Owners Planning Future Increases

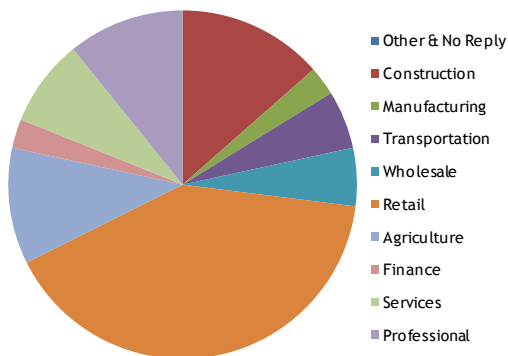


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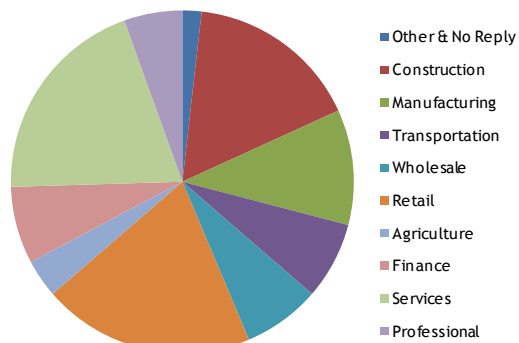
# Sixth District Industry Observations

### Alabama Industry Composition



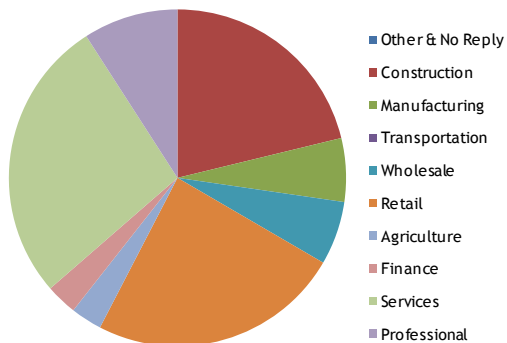
Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*.

### Florida Industry Composition



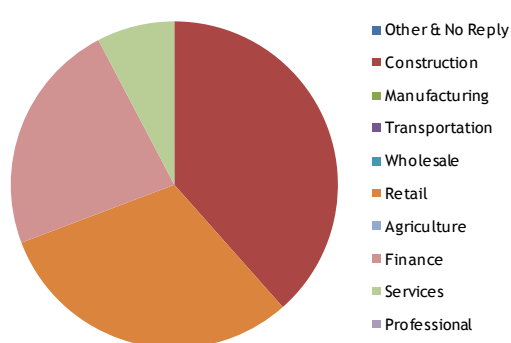
Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*.

### Georgia Industry Composition



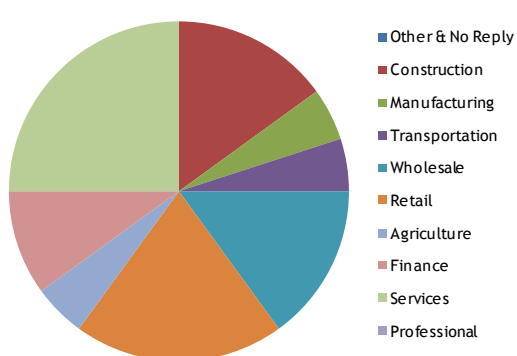
Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*.

### Louisiana Industry Composition



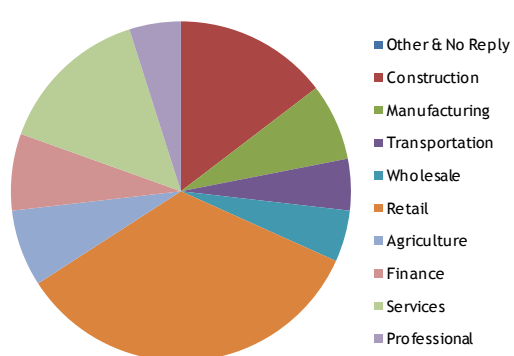
Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*.

### Mississippi Industry Composition



Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*.

### Tennessee Industry Composition



Source: Based on data from National Federation of Independent Business August 2011 *Small Business Economic Trends*.

## Sixth District Industry Observations *continued*

Construction Industry Top Responses								
	Single Most Important Problem	Good Time To Expand	General Conditions Next 6 Months	Average Selling Price Now Vs. 3 Months Ago	Employee Changes Next 3 Months	Capital Expenditures Next 3 To 6 Months	Borrow Regularly	Borrowing Needs Satisfied Last 3 Months
Alabama	Poor Sales	No	About The Same	Lower Now	Decrease	No	Yes	Did Not Want/Yes
Florida	Poor Sales	No	About The Same	No Difference	Keep The Same	No	No	Yes
Georgia	Government Requirements/Red Tape/Poor Sales	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want/Yes
Louisiana	Poor Sales	No	About The Same/Somewhat Worse	No Difference	Decrease/Keep The Same	No	No	Did Not Want
Mississippi	Mixed*	No	Mixed*	Mixed*	Mixed*	No	No	Mixed*
Tennessee	Taxes	No	About The Same	No Difference	Keep The Same	No	Yes	Yes

\* More Than 2 Responses

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation.

Manufacturing Industry Top Responses								
	Single Most Important Problem	Good Time To Expand	General Conditions Next 6 Months	Average Selling Price Now Vs. 3 Months Ago	Employee Changes Next 3 Months	Capital Expenditures Next 3 To 6 Months	Borrow Regularly	Borrowing Needs Satisfied Last 3 Months
Alabama	Tape	No	About The Same	Higher Now	Keep The Same	No	No	No Reply
Florida	Mixed*	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want
Georgia	Government Requirements/Red Tape/Poor Sales	No/Yes	About The Same/Much Worse	Lower Now/No Difference	Keep The Same	No/Uncertain	No	Did Not Want
Louisiana								
Mississippi	Taxes	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want
Tennessee	Mixed*	Mixed*	About The Same	No Difference	Keep The Same	Yes	Yes	Did Not Want

\* More Than 2 Responses

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

Transportation Industry Top Responses								
	Single Most Important Problem	Good Time To Expand	General Conditions Next 6 Months	Average Selling Price Now Vs. 3 Months Ago	Employee Changes Next 3 Months	Capital Expenditures Next 3 To 6 Months	Borrow Regularly	Borrowing Needs Satisfied Last 3 Months
Alabama	Poor Sales/Taxes	No/Uncertain	Somewhat Worse/Uncertain	No Difference	Keep The Same	No/Yes	No	Did Not Want/No
Florida	Mixed*	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want
Georgia								
Louisiana								
Mississippi	Inflation	No	About The Same	Lower Now	Keep The Same	No	Yes	No
Tennessee	Government Requirements/Red Tape/Labor Quality	No/Yes	Somewhat Better/Somewhat Worse	Higher Now/No Difference	Increase/Keep The Same	No/Yes	No/Yes	Did Not Want/Yes

\* More Than 2 Responses

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

Wholesale Industry Top Responses								
	Single Most Important Problem	Good Time To Expand	General Conditions Next 6 Months	Average Selling Price Now Vs. 3 Months Ago	Employee Changes Next 3 Months	Capital Expenditures Next 3 To 6 Months	Borrow Regularly	Borrowing Needs Satisfied Last 3 Months
Alabama	Large Business Competition/Other & No Reply	No/Uncertain	About The Same	Higher Now/No Difference	Keep The Same	No/Uncertain	No/Yes	Did Not Want
Florida	Taxes	No	About The Same	Lower Now	Keep The Same	No	Yes	Mixed*
Georgia	Financial & Interest Rates/Poor Sales	No/Uncertain	Somewhat Better/Somewhat Worse	Higher Now	Keep The Same	No	No/Yes	Did Not Want/Yes
Louisiana								
Mississippi	Mixed*	Uncertain	About The Same	Higher Now	Keep The Same	Yes	No	Did Not Want
Tennessee	Poor Sales/Taxes	Uncertain	About The Same/Somewhat Better	Higher Now/No Difference	Keep The Same	No	Yes	Yes

\* More Than 2 Responses

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

Retail Industry Top Responses								
	Single Most Important Problem	Good Time To Expand	General Conditions Next 6 Months	Average Selling Price Now Vs. 3 Months Ago	Employee Changes Next 3 Months	Capital Expenditures Next 3 To 6 Months	Borrow Regularly	Borrowing Needs Satisfied Last 3 Months
Alabama	Mixed*	No	About The Same	Higher Now/No Difference	Keep The Same	No	No	Did Not Want
Florida	Poor Sales	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want
Georgia	Government Requirements/Red Tape/Poor Sales	No	About The Same	Lower Now/No Difference	Keep The Same	No	No/Yes	Yes
Louisiana	Mixed*	No	Somewhat Worse	Higher Now/Lower Now	Keep The Same	No	No	Did Not Want
Mississippi	Poor Sales	No	Somewhat Worse	Lower Now	Keep The Same	No/Uncertain	No	Did Not Want
Tennessee	Poor Sales/Taxes	No	Uncertain	No Difference	Keep The Same	No	No	Did Not Want

\* More Than 2 Responses

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

## Sixth District Industry Observations *continued*

Agriculture Industry Top Responses								
	Single Most Important Problem	Good Time To Expand	General Conditions Next 6 Months	Average Selling Price Now Vs. 3 Months Ago	Employee Changes Next 3 Months	Capital Expenditures Next 3 To 6 Months	Borrow Regularly	Borrowing Needs Satisfied Last 3 Months
Alabama	Mixed*	No	Uncertain	No Difference	Keep The Same	No	Yes	Did Not Want/Yes
Florida	Poor Sales	No	About The Same/Somewhat Better	No Difference	Increase/Keep The Same	No	No	Did Not Want/No Reply
Georgia	Labor Quality	No	About The Same	Lower Now	Increase	Yes	No	Did Not Want
Louisiana								
Mississippi	Government Requirements/Red Tape	No	Somewhat Worse	Lower Now	Increase	No	Yes	Yes
Tennessee	Mixed*	No	Somewhat Worse	No Difference	Keep The Same	Yes	Yes	Yes

\* More Than 2 Responses

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

Finance Industry Top Responses								
	Single Most Important Problem	Good Time To Expand	General Conditions Next 6 Months	Average Selling Price Now Vs. 3 Months Ago	Employee Changes Next 3 Months	Capital Expenditures Next 3 To 6 Months	Borrow Regularly	Borrowing Needs Satisfied Last 3 Months
Alabama	Poor Sales	Uncertain	Somewhat Worse	Higher Now	Keep The Same	No	No	Did Not Want
Florida	Mixed*	No	Mixed*	Lower Now	Decrease	No	No	Did Not Want
Georgia	Government Requirements/Red Tape	Uncertain	Somewhat Better	No Difference	Increase	No	Yes	Yes
Louisiana	Mixed*	Uncertain	Mixed*	No Difference	Mixed*	Mixed*	No	Did Not Want
Mississippi	Government Requirements/Red Tape/Other & No Reply	No	About the Same/Somewhat Worse	Higher Now/No Difference	Keep The Same	No/Uncertain	No	Did Not Want
Tennessee	Taxes	No	Much Worse	Higher Now	Decrease	No	No	Did Not Want

\* More Than 2 Responses

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

Services Industry Top Responses								
	Single Most Important Problem	Good Time To Expand	General Conditions Next 6 Months	Average Selling Price Now Vs. 3 Months Ago	Employee Changes Next 3 Months	Capital Expenditures Next 3 To 6 Months	Borrow Regularly	Borrowing Needs Satisfied Last 3 Months
Alabama	Mixed*	Uncertain	Somewhat Better	No Difference	Keep The Same	Yes	No	Did Not Want
Florida	Poor Sales	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want
Georgia	Inflation	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want
Louisiana	Poor Sales	Uncertain	About The Same	No Difference	Keep The Same	No	No	Did Not Want
Mississippi	Inflation	No	Much Worse	No Difference	Keep The Same	No	No	Did Not Want
Tennessee	Taxes	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want

\* More Than 2 Responses

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

Professional Industry Top Responses								
	Single Most Important Problem	Good Time To Expand	General Conditions Next 6 Months	Average Selling Price Now Vs. 3 Months Ago	Employee Changes Next 3 Months	Capital Expenditures Next 3 To 6 Months	Borrow Regularly	Borrowing Needs Satisfied Last 3 Months
Alabama	Taxes	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want
Florida	Government Requirements/Red Tape	No	Somewhat Worse	No Difference	Keep The Same	No	No	Did Not Want
Georgia	Mixed*	No	About The Same	No Difference	Keep The Same	No	No	Did Not Want
Louisiana								
Mississippi								
Tennessee	Government Requirements/Red Tape/Large Business Competition	No	Somewhat Worse	Lower Now/No Difference	Keep The Same	Uncertain	No	Did Not Want/No Reply

\* More Than 2 Responses

Source: National Federation of Independent Business August 2011 *Small Business Economic Trends*, ©NFIB Research Foundation

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