



**NSBA**

America's Small Business Advocate

# Small Business Economic Report

**May 2025**

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# Welcome

On behalf of the National Small Business Association (NSBA), I am proud to welcome you to our 2025 Small Business Economic Report. Each year NSBA conducts a comprehensive survey of small businesses across the country to provide critical data on how the small-business community in the U.S. is faring. Small businesses outlook is critically important when it comes to our overall economic stability: there are 70 million people in the U.S. who work for or run a small business, and we create two-thirds of all net new jobs.

This survey shows a small-business community in a more pessimistic state. Economic security is the top challenge—at a higher rate than it has been for years—and the vast majority of small-business owners expect a flat economy or even a recession in the coming year. While these concerns are real, it should be noted that this survey was in the field when tariff policy was leading the news, the stock market was dropping sharply, and there was broad discussion of a potential recession.

Nearly two-thirds of small businesses picked economic insecurity the top challenge facing their business – the highest this indicator has been in 13 years. Furthermore, compared with one year ago and six months ago, the majority of small businesses believe today's economy is worse off. Three-in-four small businesses say they anticipate a flat or recessionary economy and the number of small-businesses confident in the financial future of their business is at its lowest point since July 2009, and a notable drop from the past two years.

While the small-business overall outlook isn't great, it isn't all doom-and-gloom. Most small businesses still report they are already growing or anticipate growth in the coming year. And while the number of small-businesses confident in the financial future of their business is down, it is worth pointing out that the majority (59 percent) are still confident.

We asked a series of questions on financing and found that there hasn't been a marked shift yet in terms of small-business owners' ability to access loans. That said, 40 percent say they are unable to get the financing the need – which should be a wake-up call given the direct correlation that exists between capital availability and job growth.

We also asked policy questions and found that there is growing concern over the impact of tariffs. Additionally, the number of small-business owners placing a priority on ending the partisan gridlock continues to grow – now at its highest point in 12 years.

NSBA will continue to work with Congress and the administration to ensure pro-small-business policies are sought out—including extending tax breaks to the smallest companies, eliminating the Corporate Transparency Act and strengthening small-business lending. Please don't hesitate to contact our Media Affairs department with any questions.

Best,  
Todd McCracken  
NSBA President and CEO

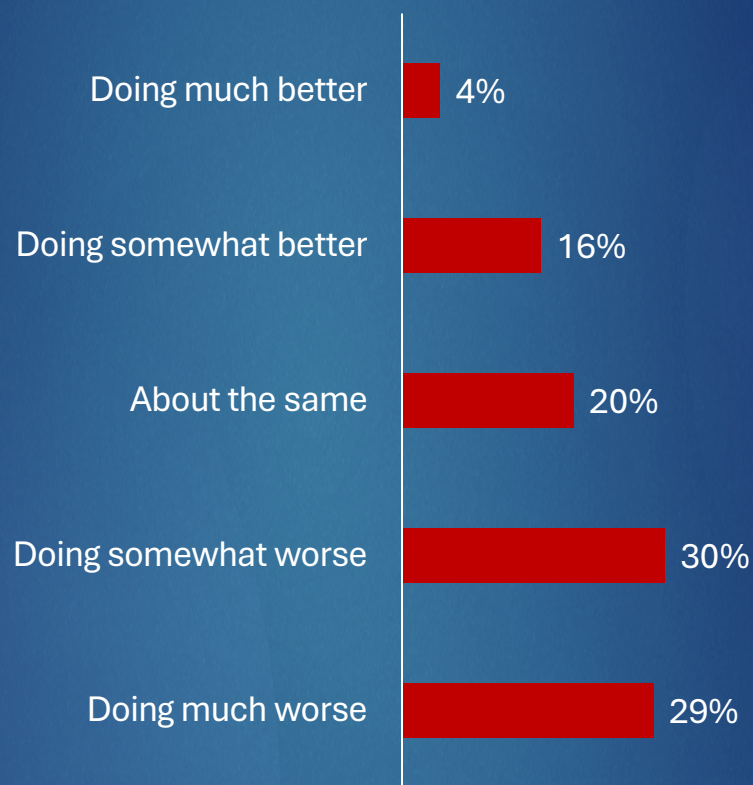




# Economic Outlook

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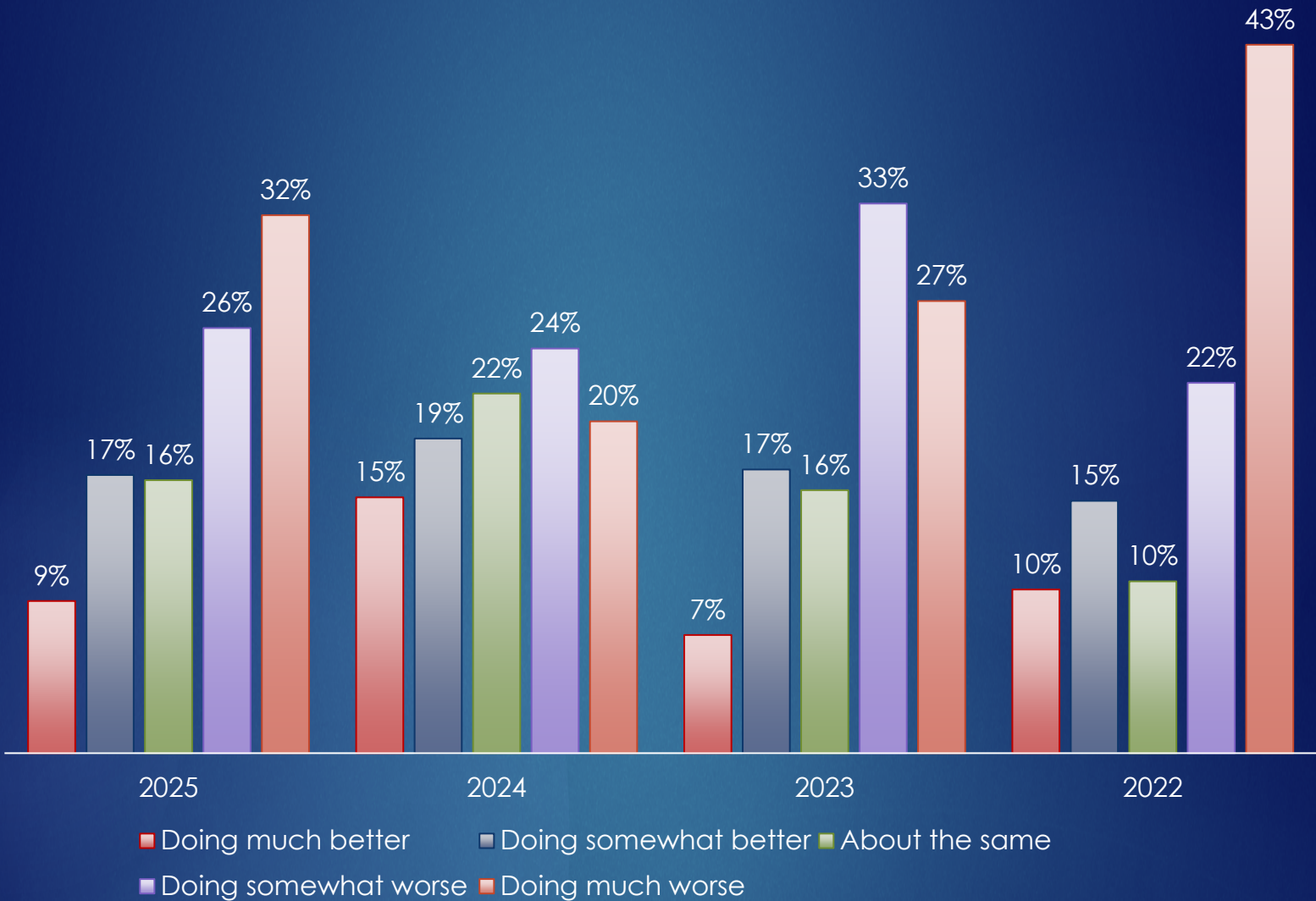
# Compared to six months ago, would you say the national economy is:



The majority of small-business owners (59%) say **today's economy is worse off** than it was just six months ago.



# Compared to one year ago, would you say the national economy is:

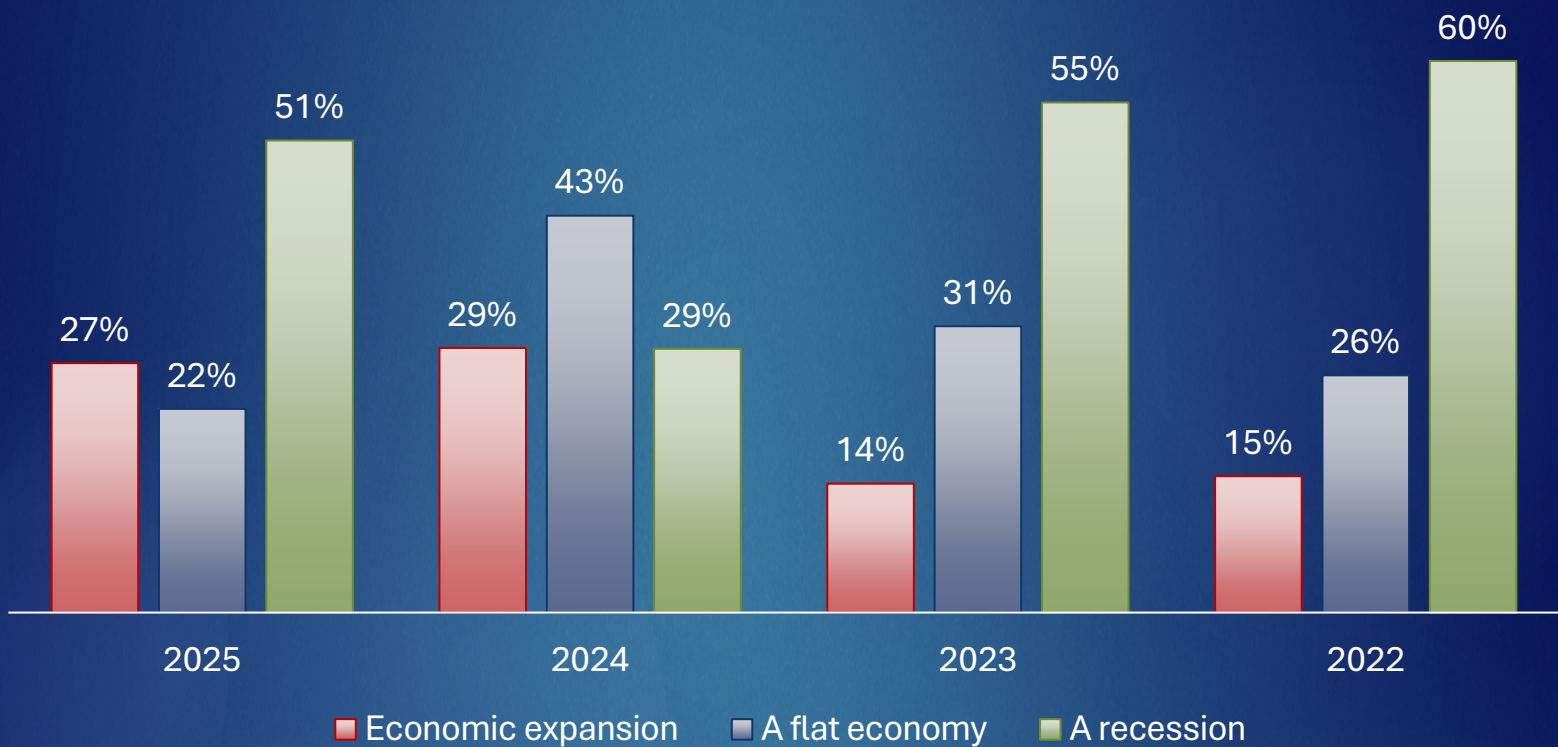


One-in-three small businesses say **today's economy is much worse** than it was just one year ago.

\*The 2022 Report survey was fielded in December 2021/January 2022



# Thinking about the next 12 months, do you anticipate...



3 in 4 small businesses say they **anticipate a flat or recessionary economy** in the coming year.

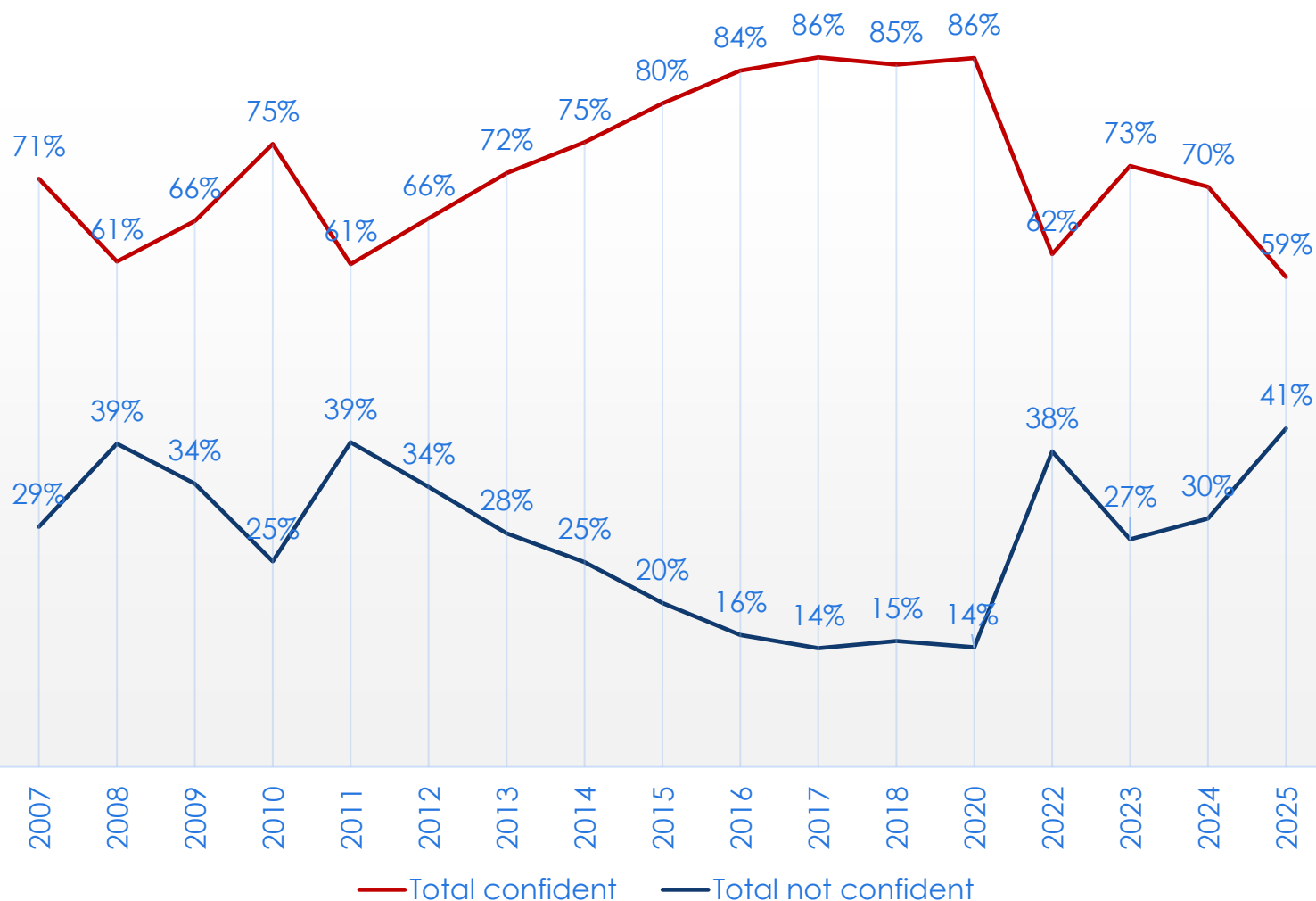




# Small Business Confidence

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# From a financial perspective, how do you feel right now about the future of your business?



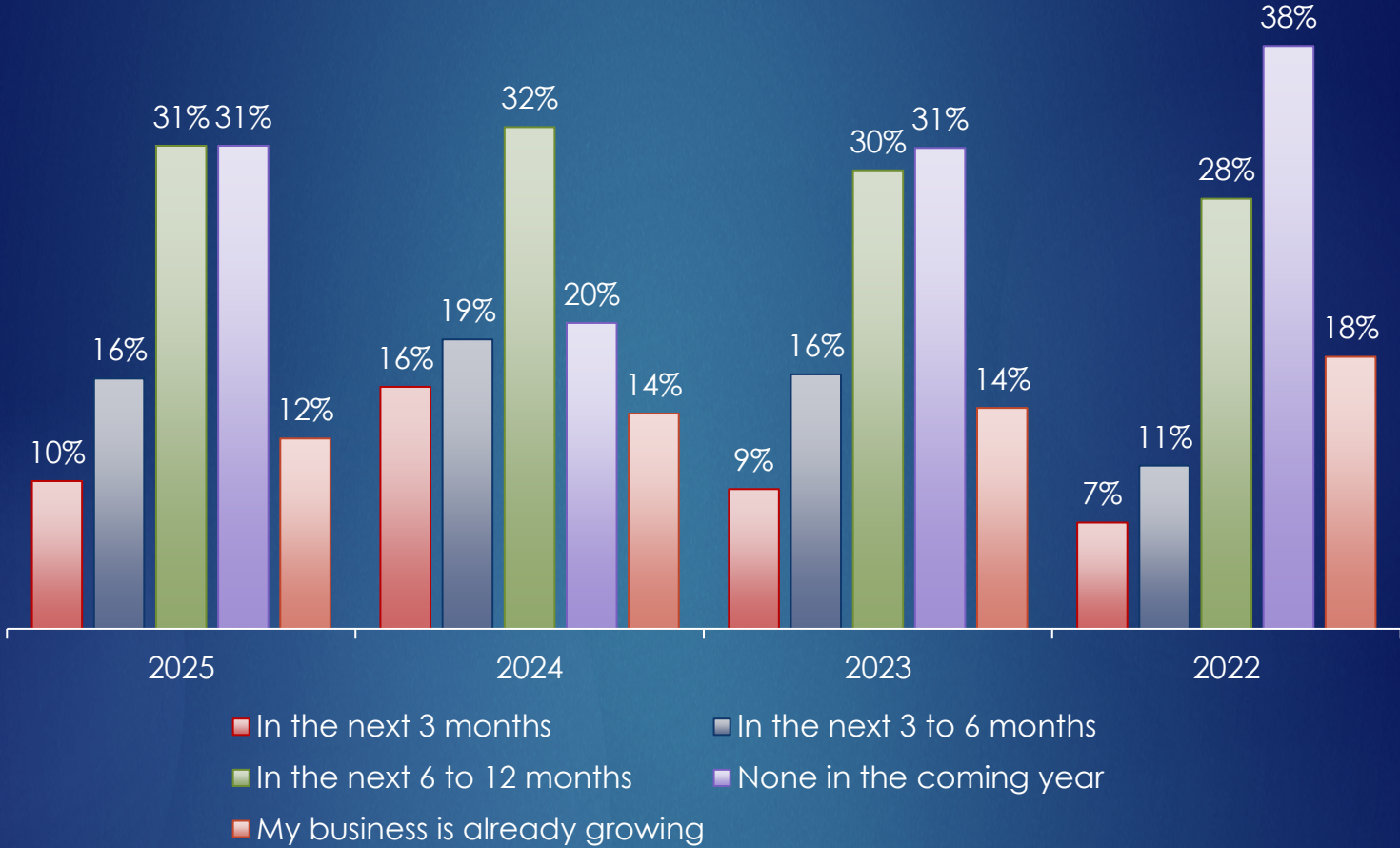
The total number of small-business owners who are confident in the financial future of their business is at its **lowest point since 2009**. A notable drop from the past two years.

\*The 2020 survey was fielded in January – well before the onslaught of the COVID pandemic.





# Do you believe there will be growth opportunities for your business:



Small-business owners have always had an inherent optimism about their own business. Today, most small businesses - even in the face of significantly worsening overall outlooks - still report they **are already growing or anticipate growth in the coming year.**

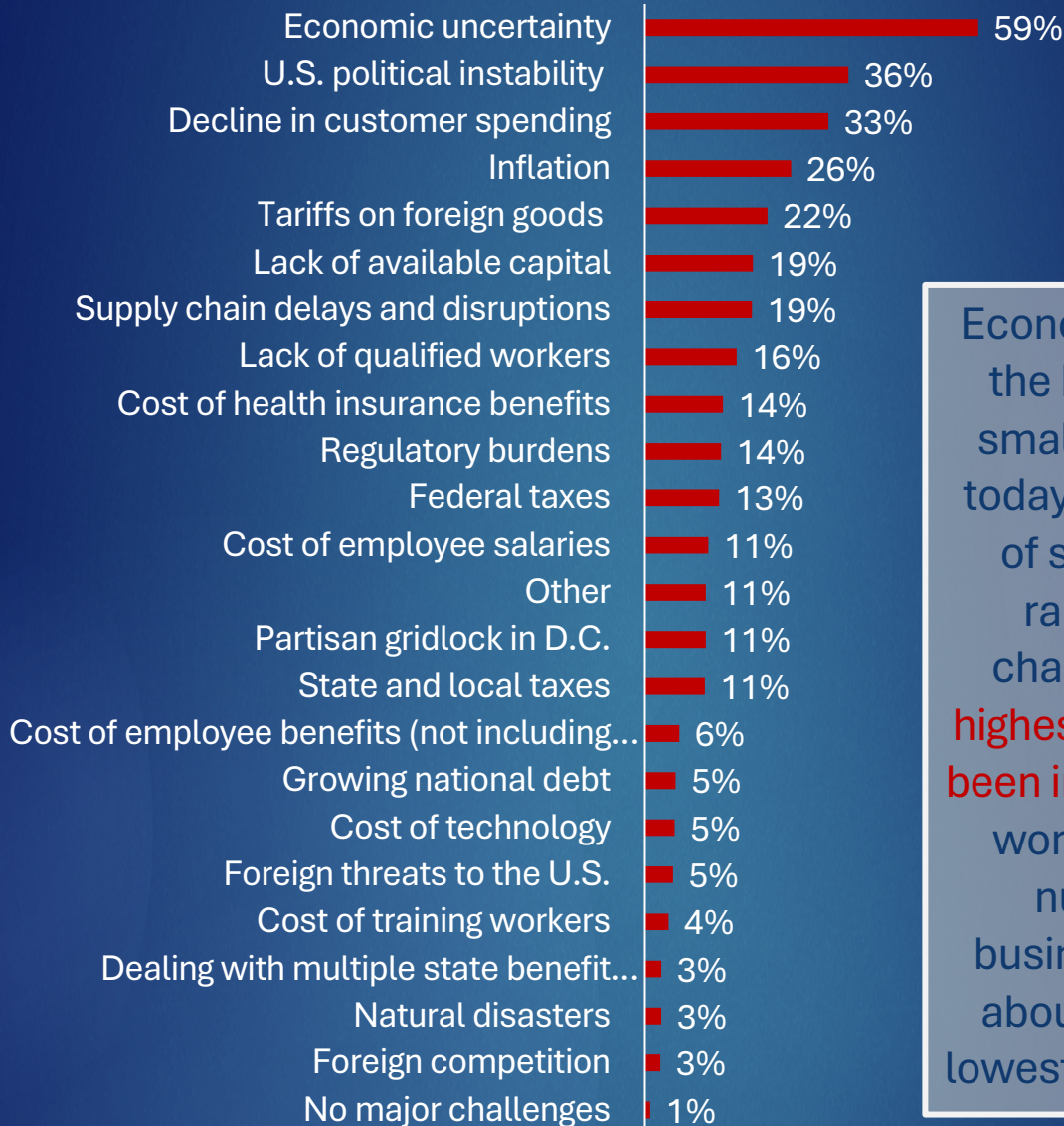




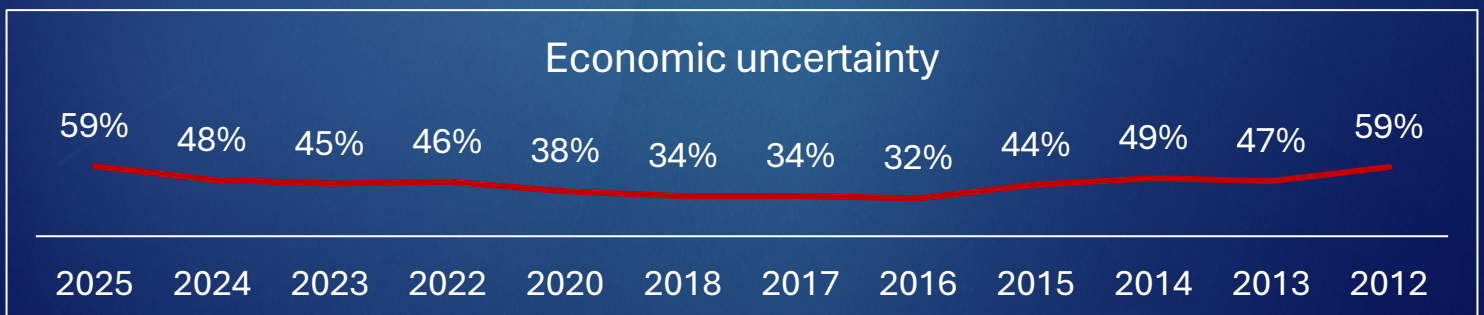
# Small Business Challenges

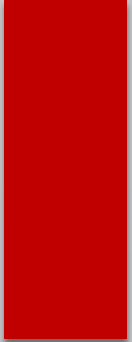
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# What are the three most significant challenges to the future growth and survival of your business?



Economic uncertainty is the biggest challenge small businesses face today, nearly two-thirds of small businesses ranked it their top challenge. This is the highest this indicator has been in 13 years. It is also worth noting that the number of small businesses concerned about inflation is at its lowest point in four years.

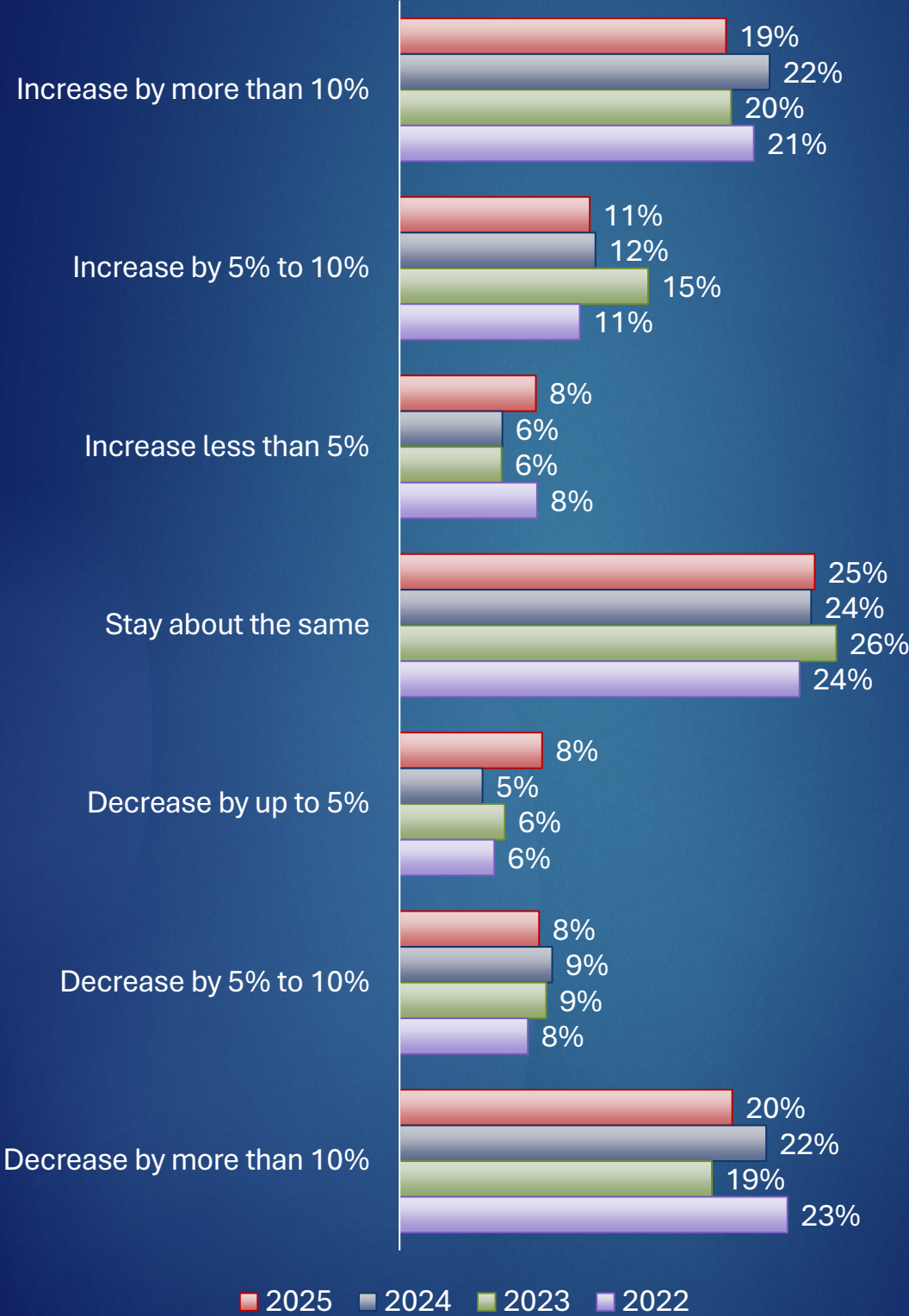




# Looking Back

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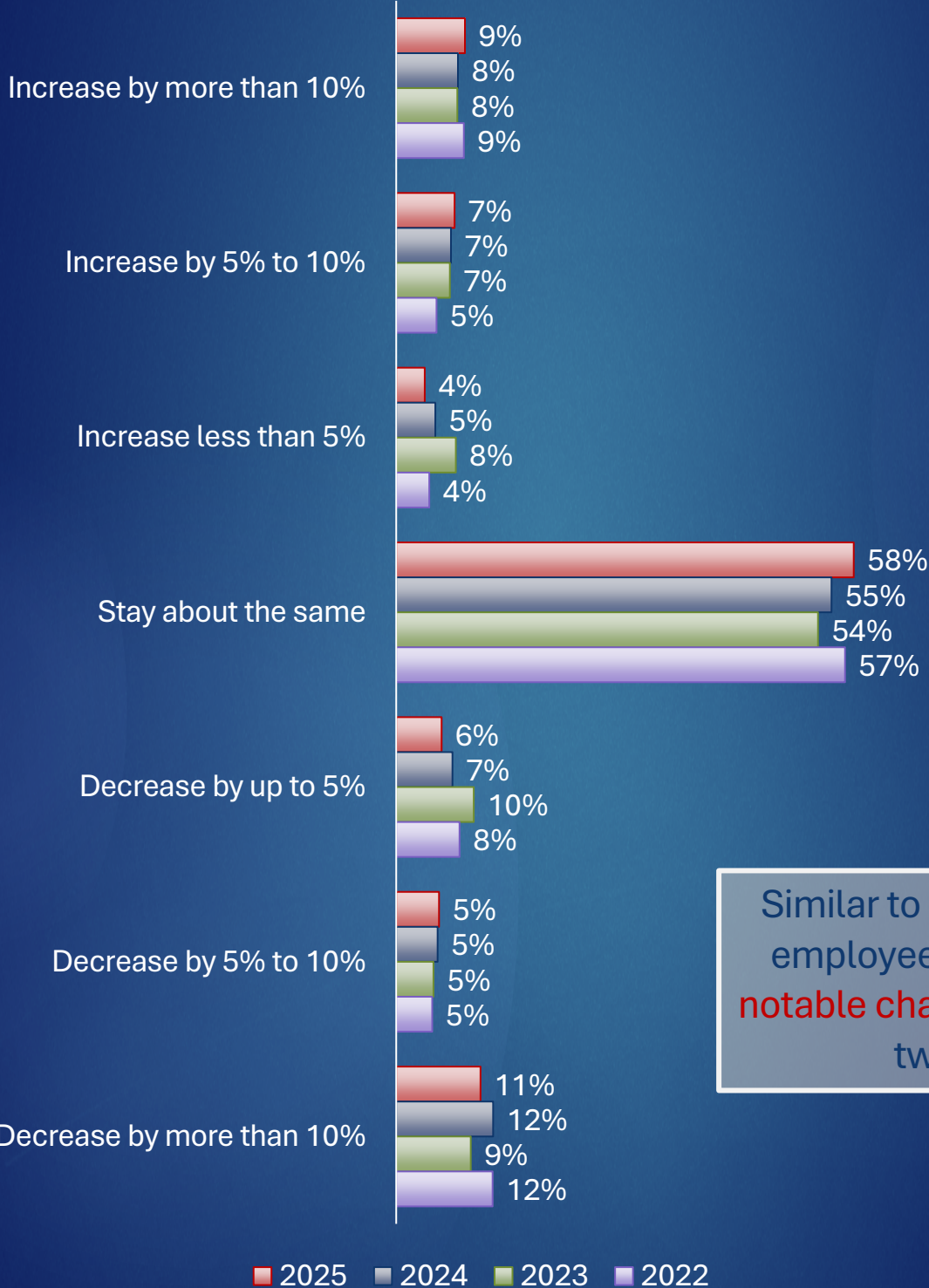
# How did your gross sales/revenues change over the last 12 months?



Despite the notable uptick in economic insecurity concerns, there was virtually no change in gross sales over the past 12 months. This underscores **consumer confidence in, and support of local businesses,** regardless of macro outlook.



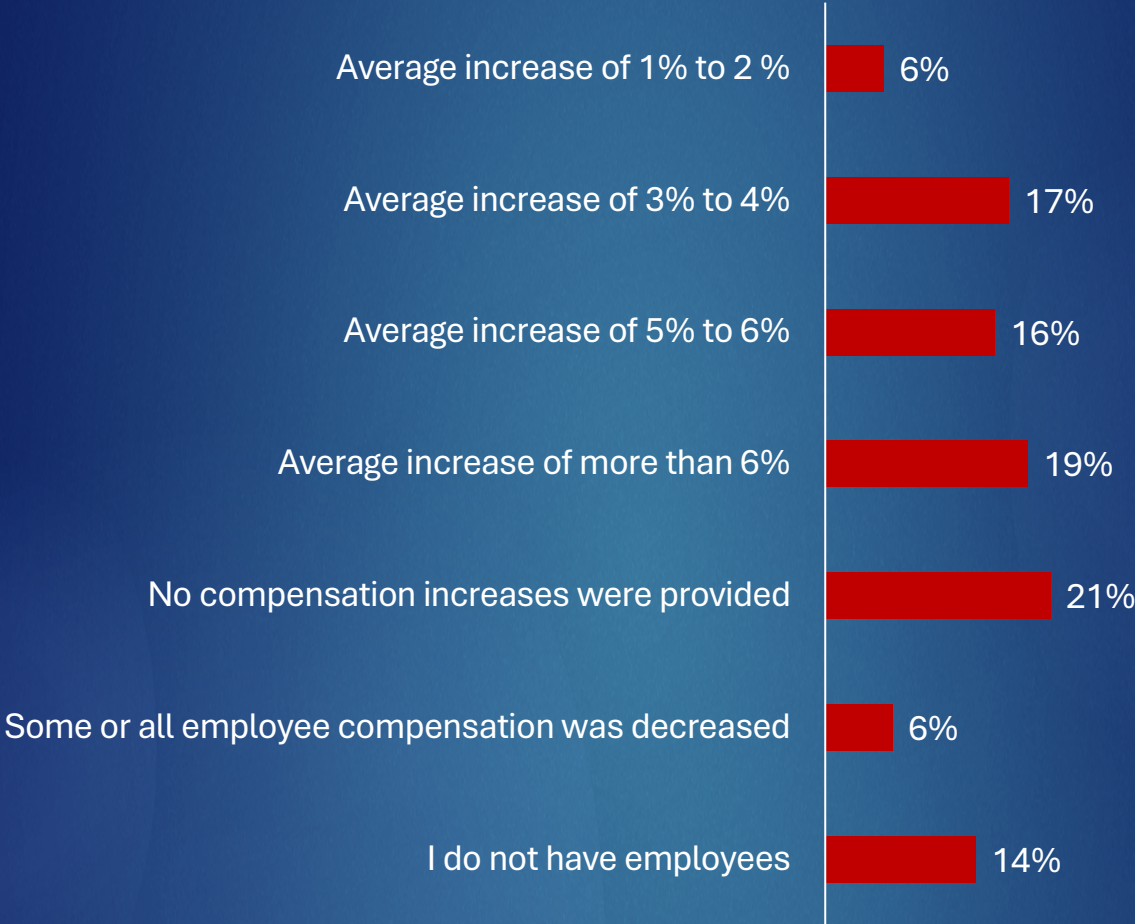
# How did your number of employees in your business change over the last 12 months?



Similar to revenue growth, employee growth saw **no notable change** over the past two years.



# How did average per-employee compensation costs increase over the last 12 months?



The majority of small-business owners provided employees some kind of **wage increase** over the last 12 months.



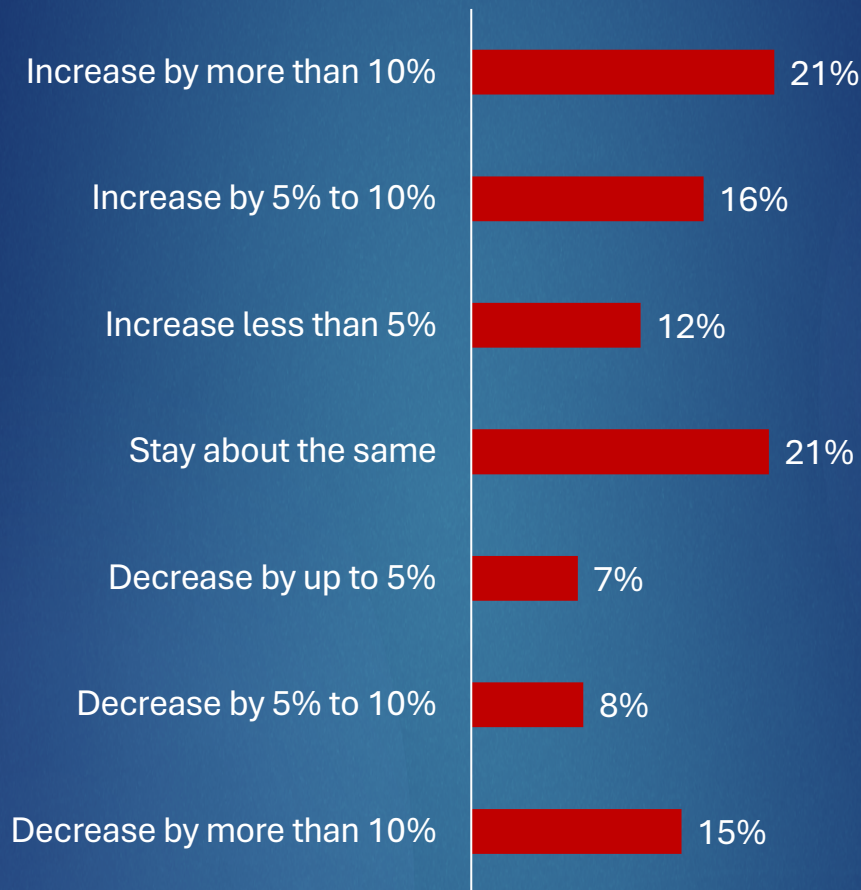


# Looking Forward

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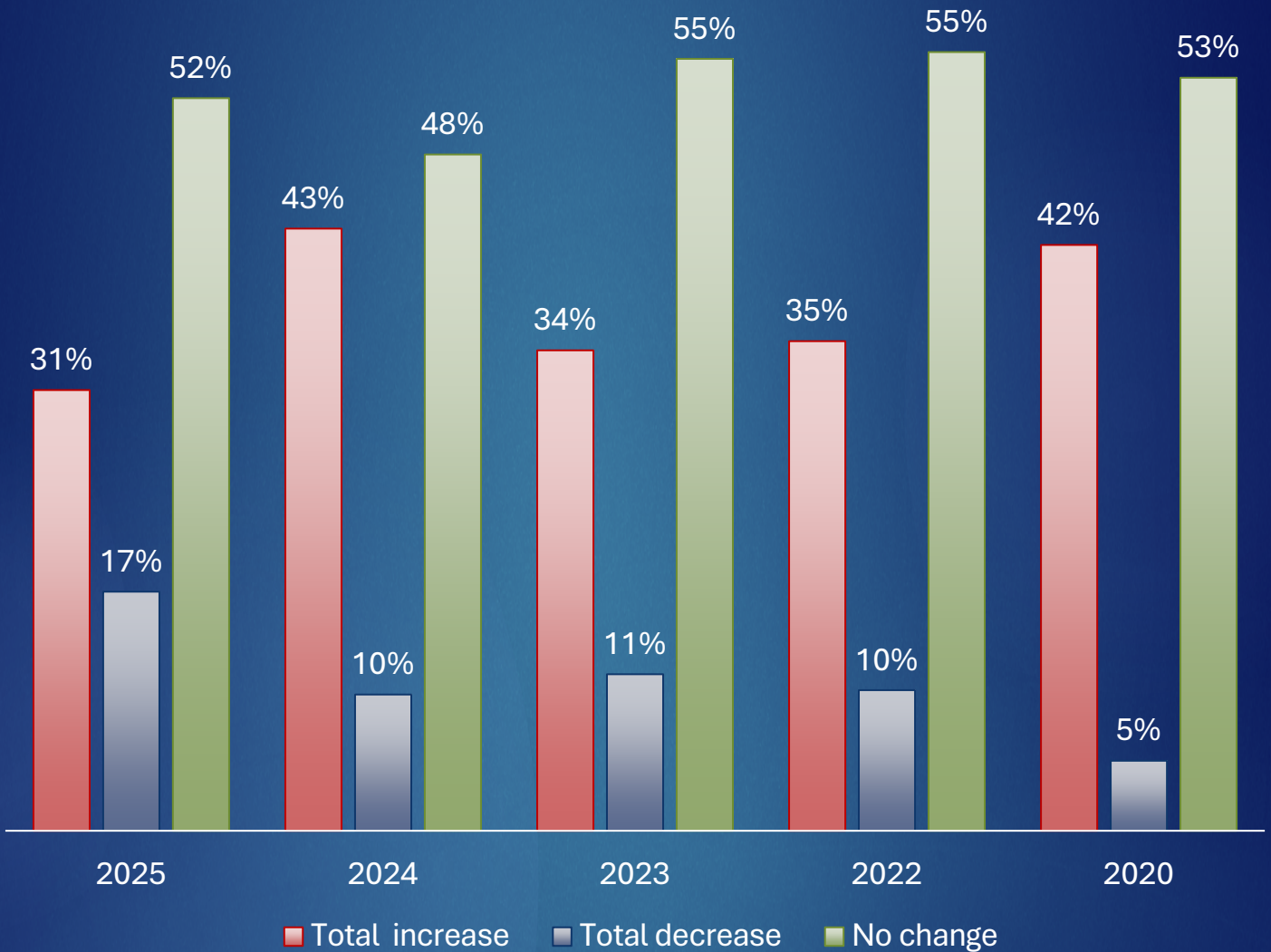
# How much do you expect gross sales/revenues to change over the next year?



Half of small-business owners **anticipate overall increases in sales/revenues** in the coming year.



# How much do you expect your number of employees to change over the next 12 months?

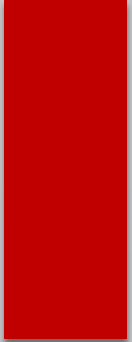


It is worth noting that the 2020 data was pulled prior to the onslaught of COVID. Employee growth rates seem tied to overall economic outlook.



# Which of the following growth strategies will you use in the next 12 months?

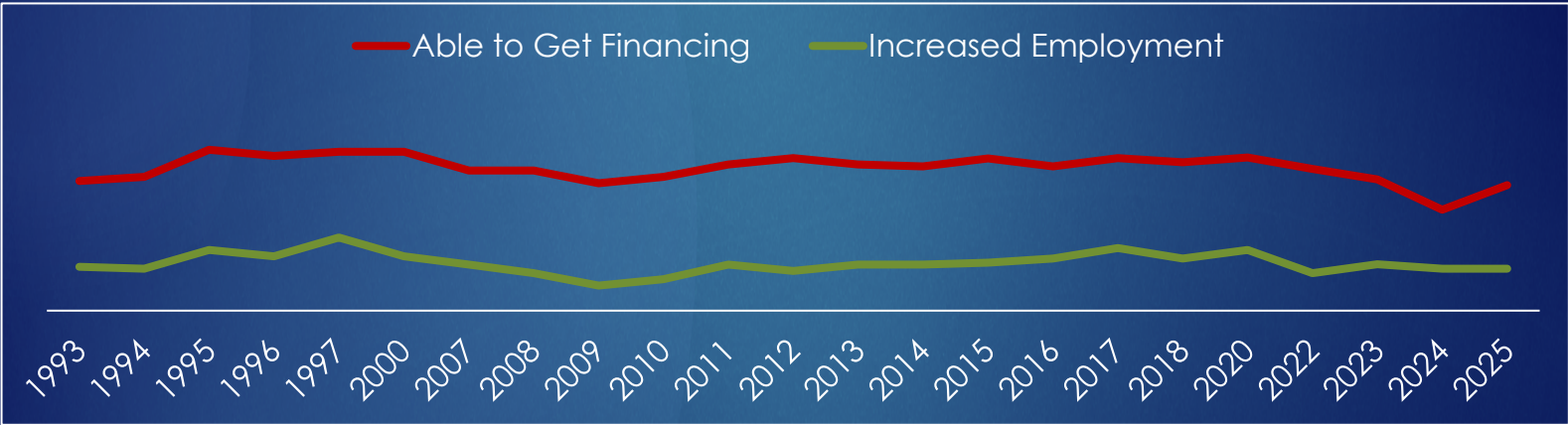
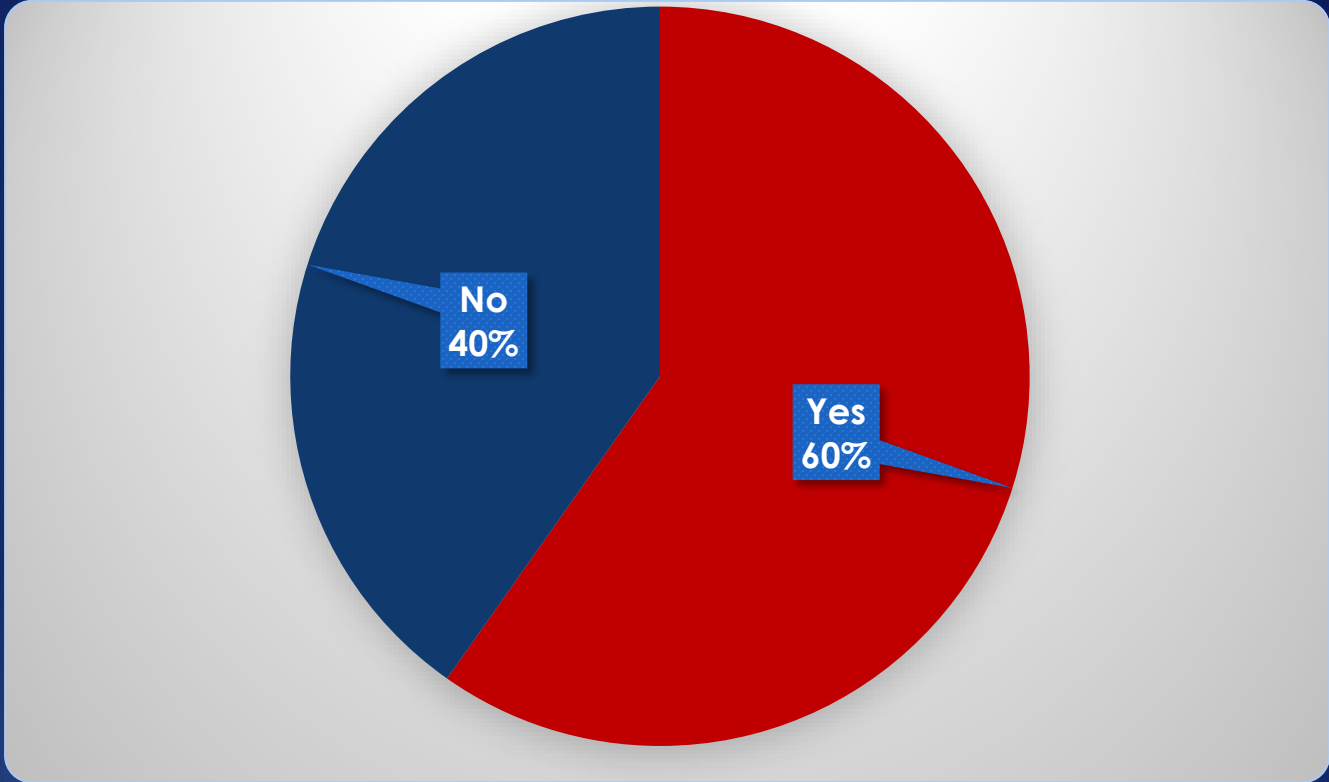




# Financing

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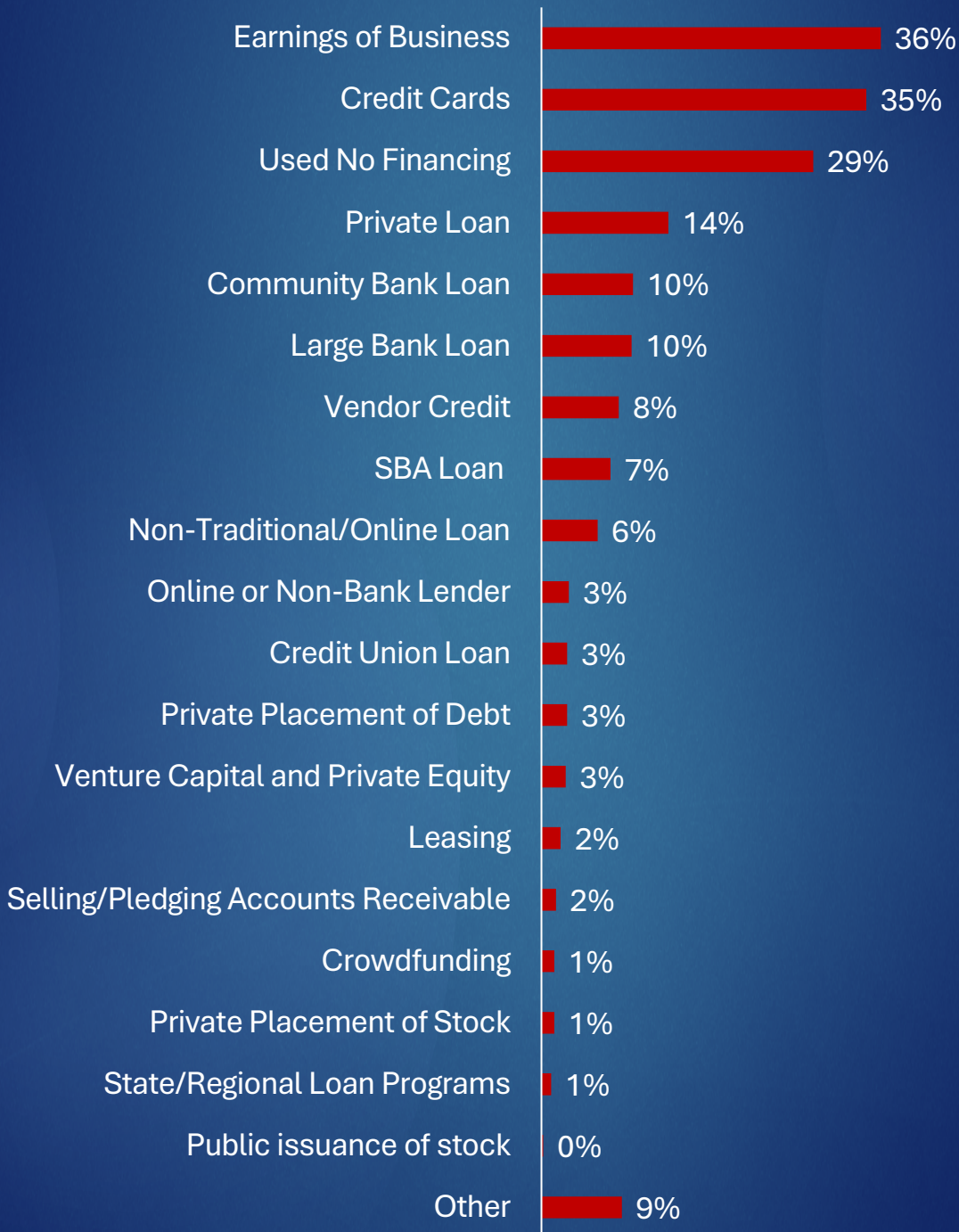
# Is your business able to obtain adequate financing?



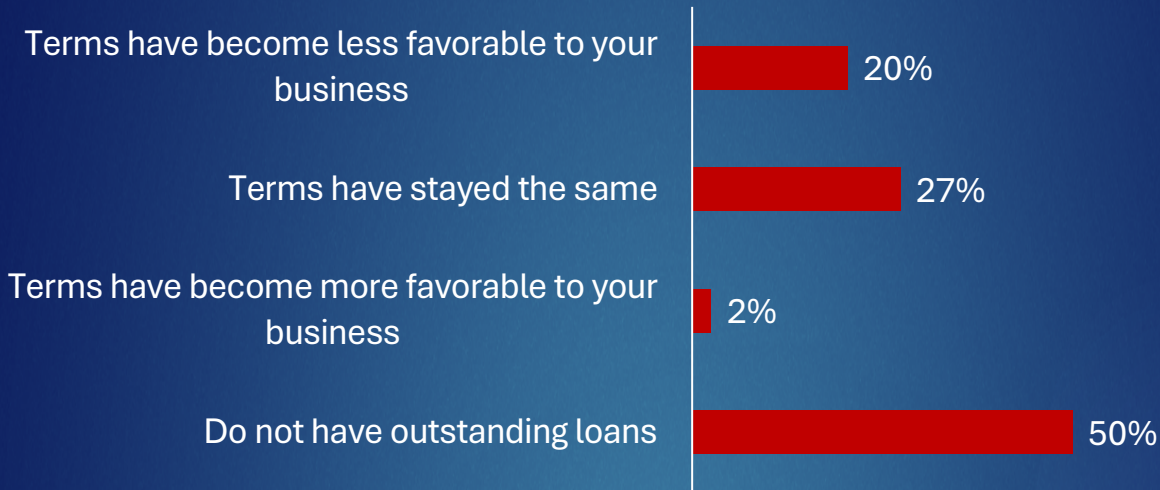
There is a direct correlation between small-business owners who can get needed financing and hiring. When financing drops, so too does job growth.



# What types of financing has your company used within the last 12 months to meet your capital needs?



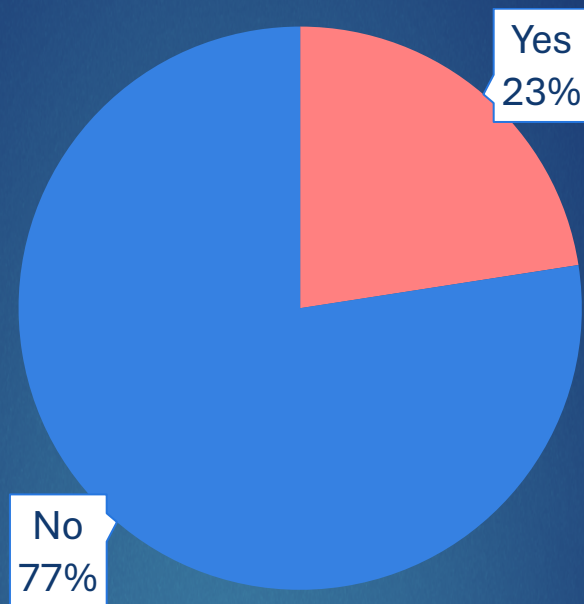
For bank loans that are currently outstanding, which of the following has occurred in the last twelve months?



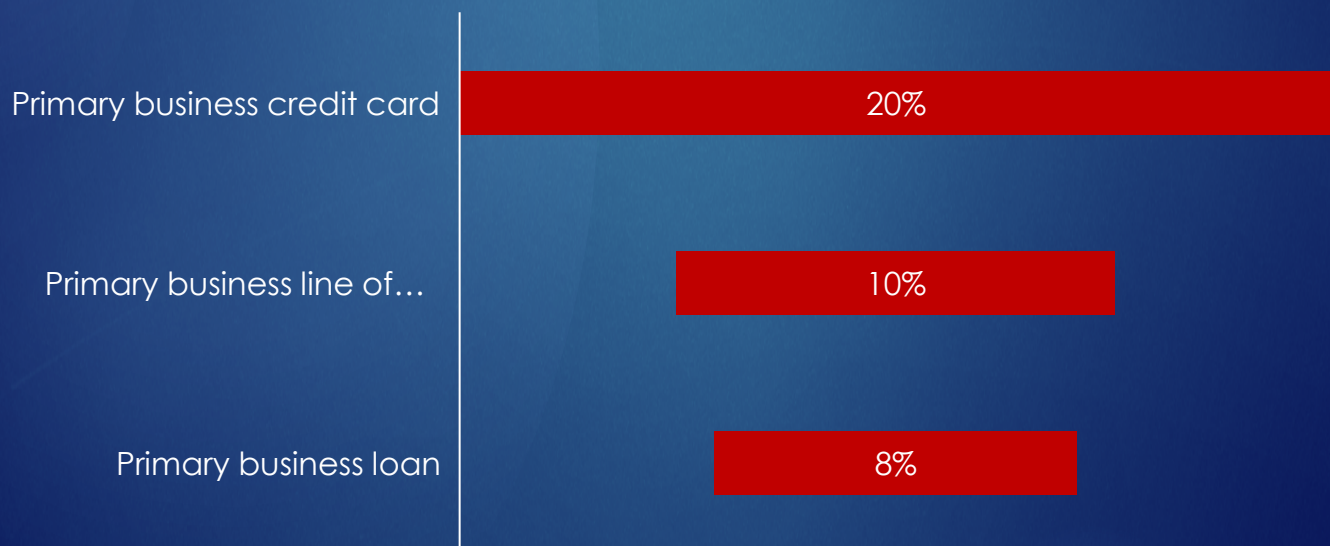
Have you experienced any of the following changes on any of your lines of credit or on your credit cards in the last six months?



# Have you been turned down for a loan or line of credit in the last two years?

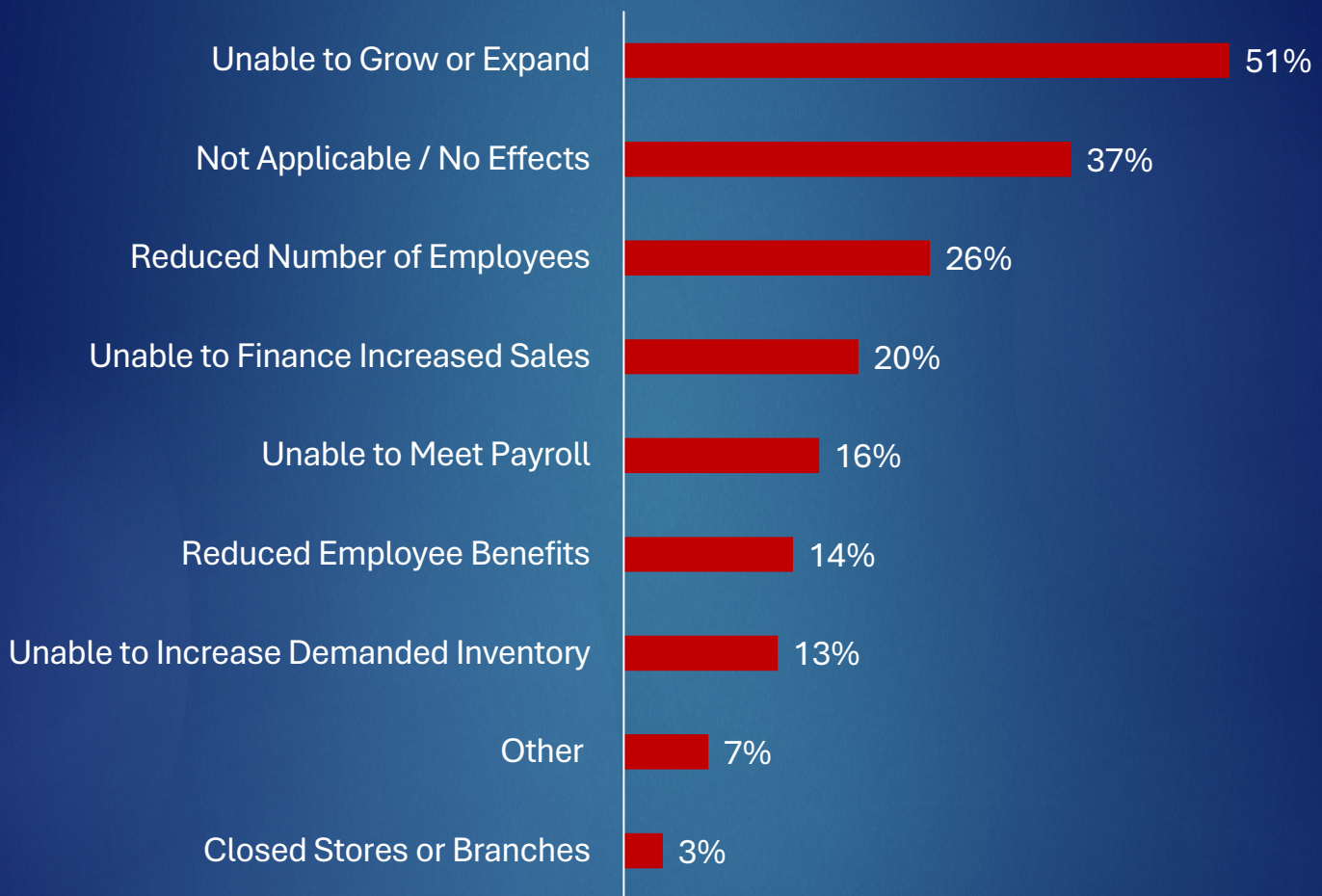


## What is the approximate interest rate you are charged for the following financing mechanisms over the past month?



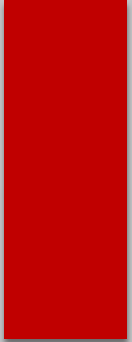


# If capital availability is a problem for your business, what is the effect on your operations?



Policymakers should seek **policy that bolsters small-business access to capital** if they are looking for economic and job growth from America's smallest businesses.





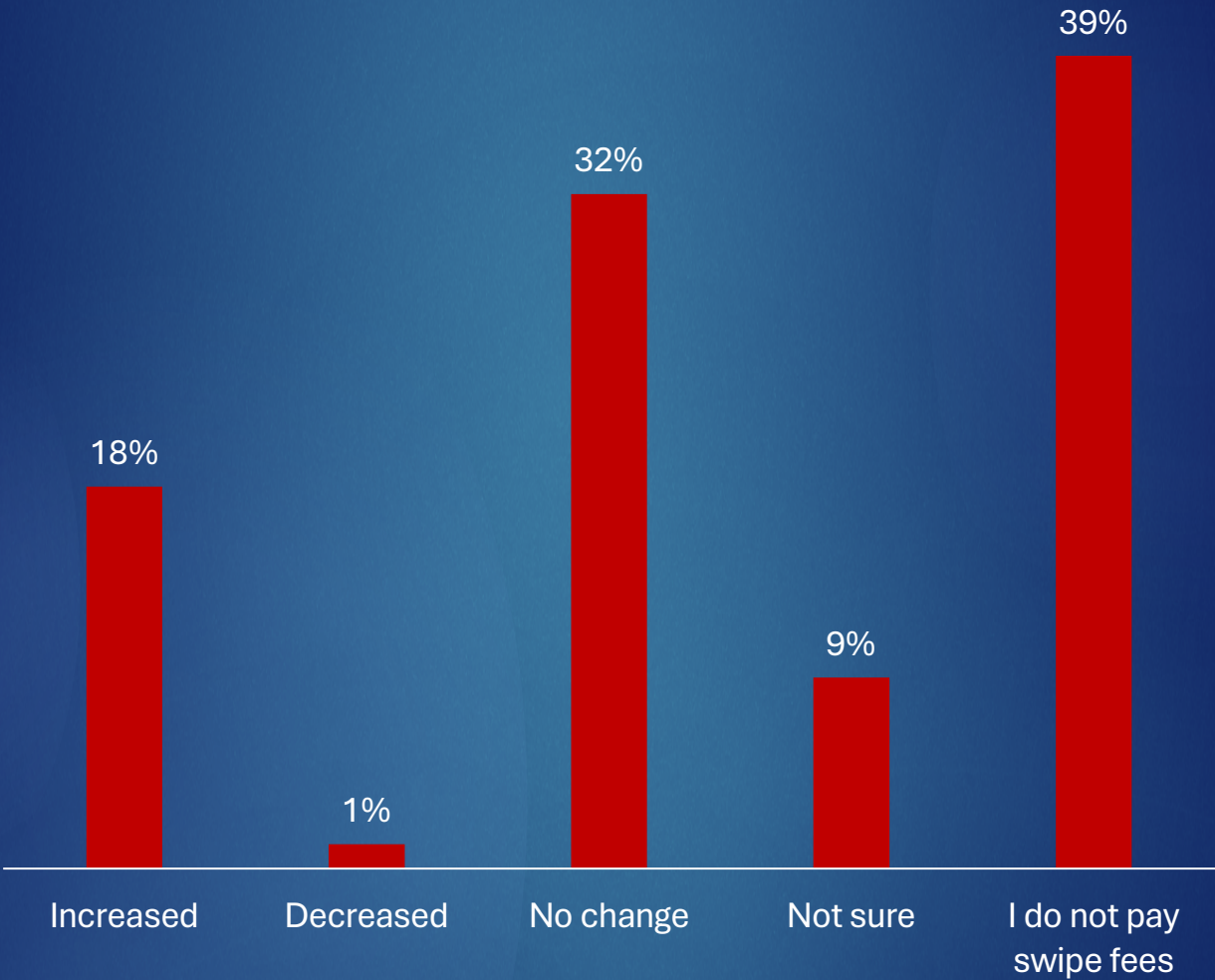
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# Swipe Fees

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# How have your swipe fees (the fees you pay for processing credit card purchased through your business) changed over the last 60 days?

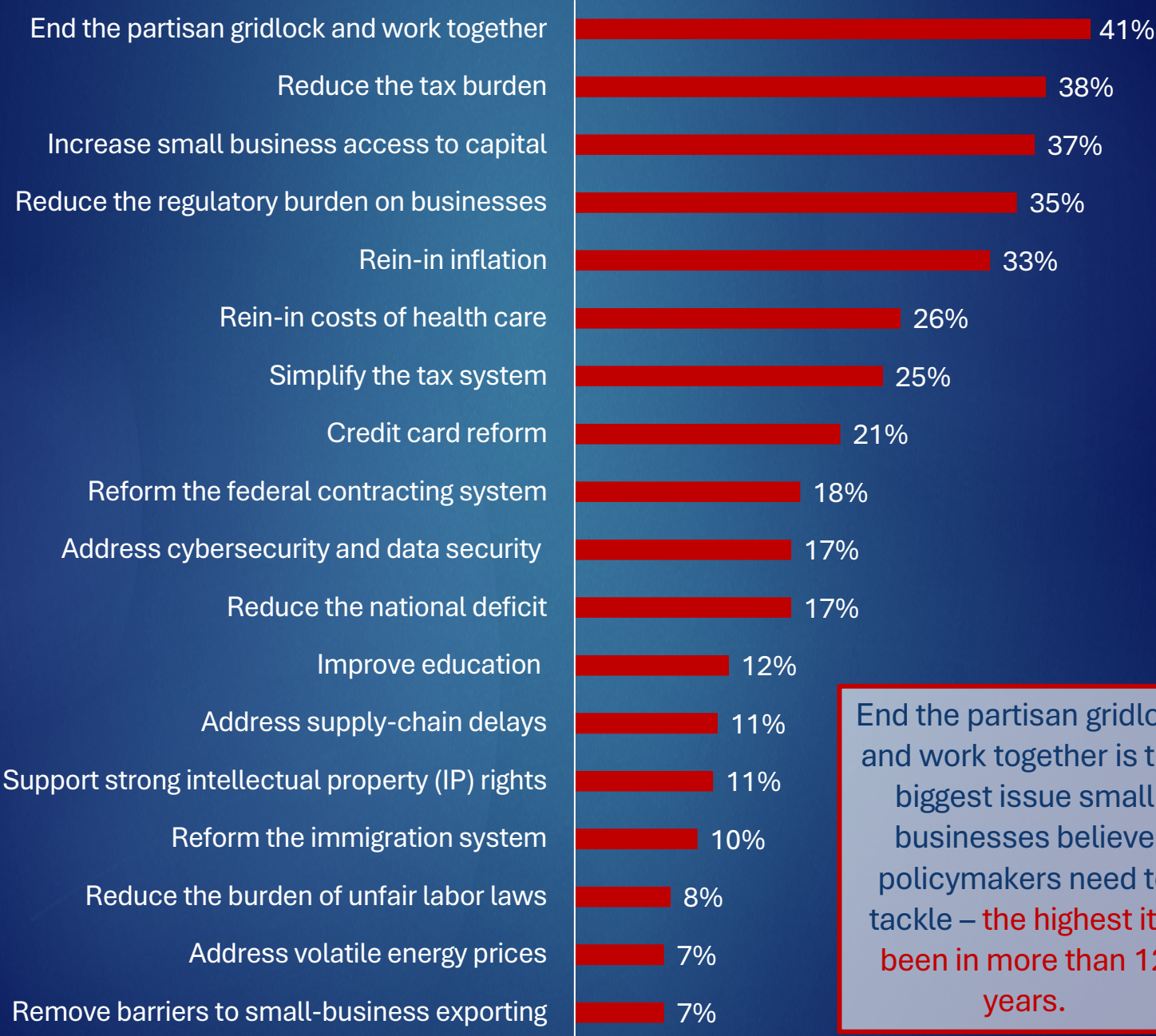




# Policy

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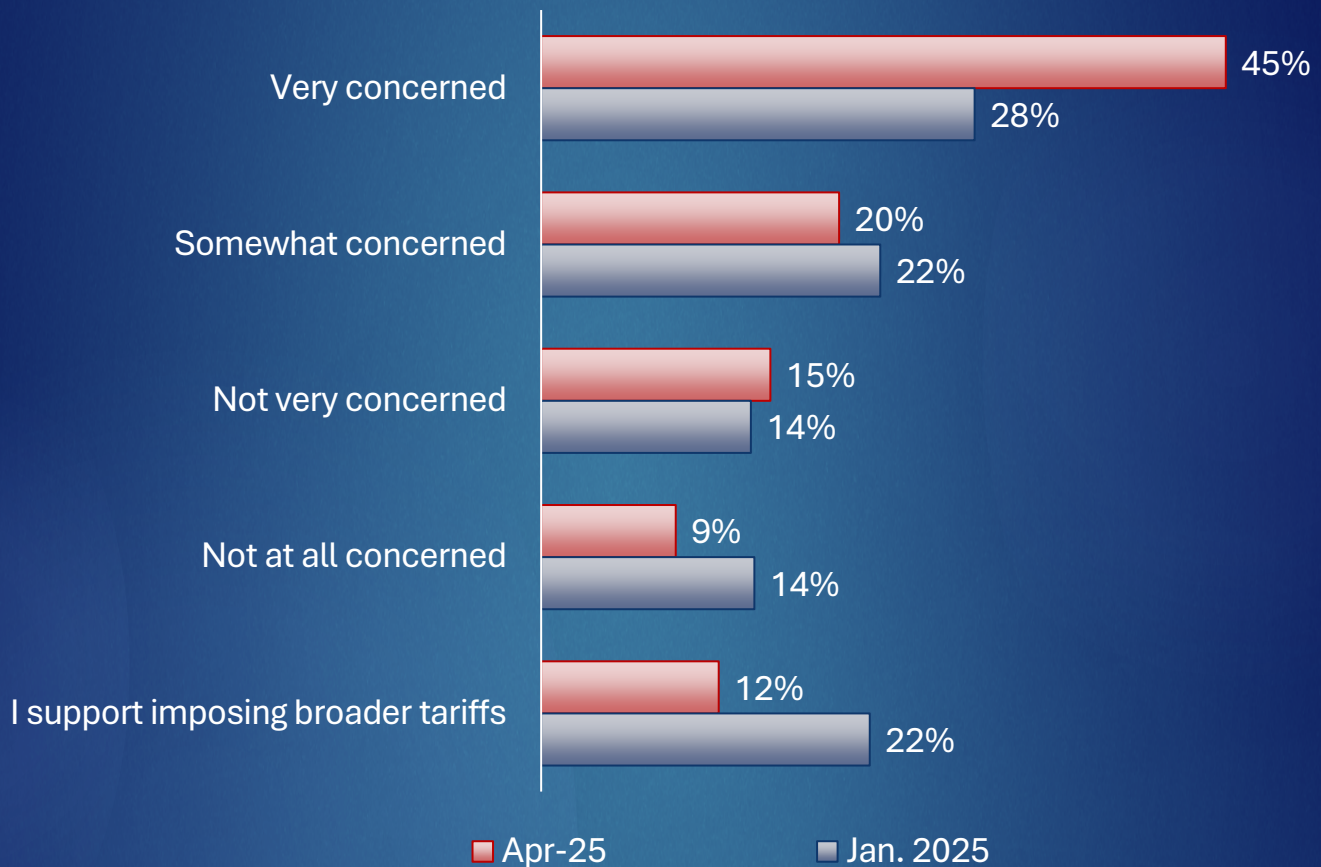
# Which of the following issues do you believe is most important to your small business for Congress and the administration to address?



End the partisan gridlock and work together is the biggest issue small businesses believe policymakers need to tackle – the highest it's been in more than 12 years.



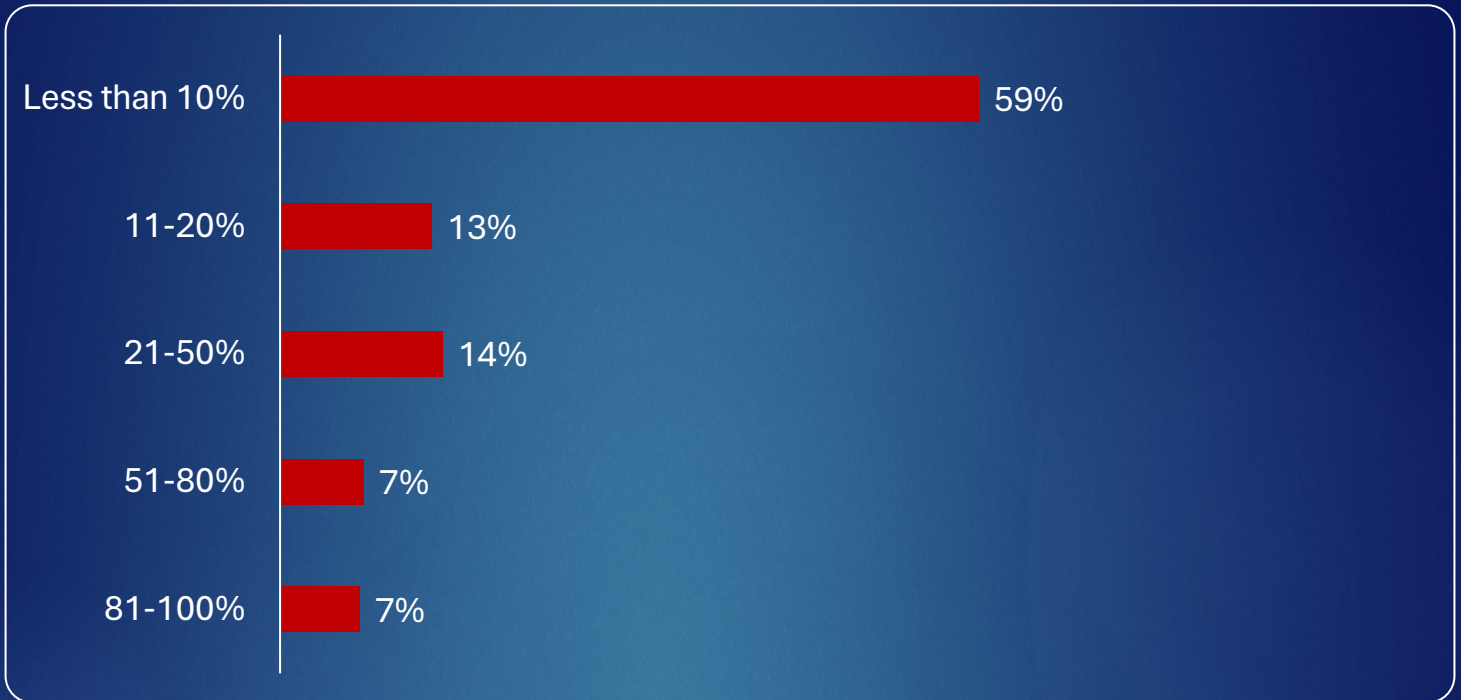
# As a business owner, how concerned are you about the administration's tariff policies?



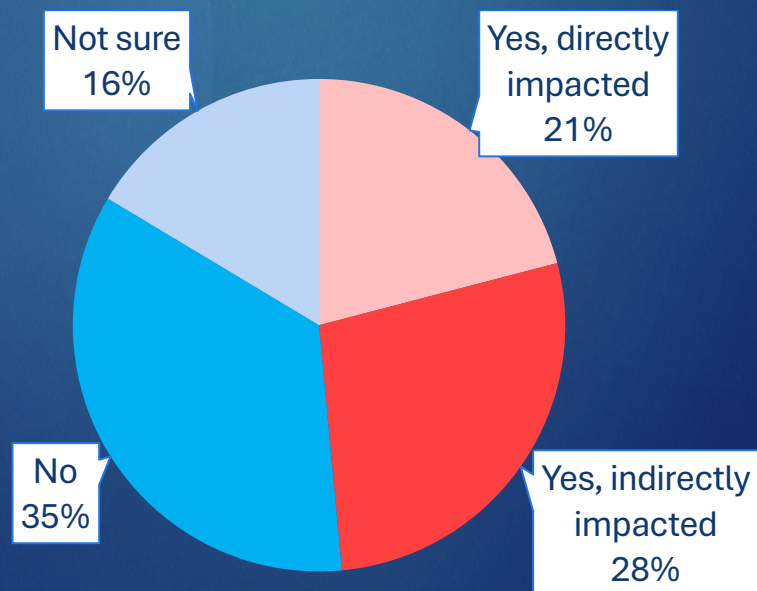
As more tariffs have been implemented, there has been a notable jump in the number of small-business owners who say they are concerned about tariffs. It is worth noting, however, that the April 2025 data was collected at the height of the national discourse over tariffs.

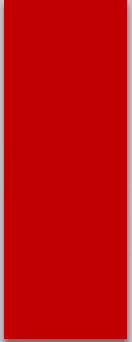


Please estimate the percentage of goods you use in your business directly sourced from outside the U.S.



Has your business been adversely impacted by any new tariffs?



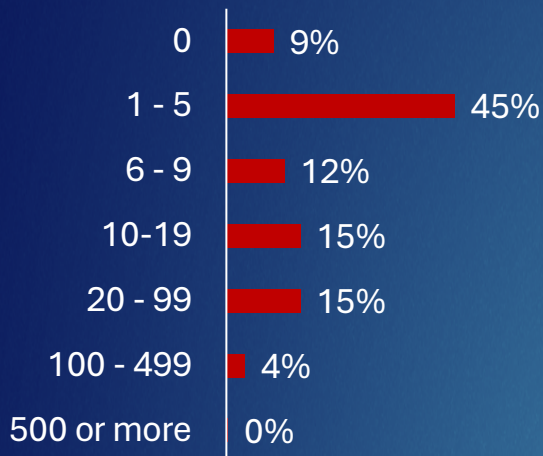


# Demographics

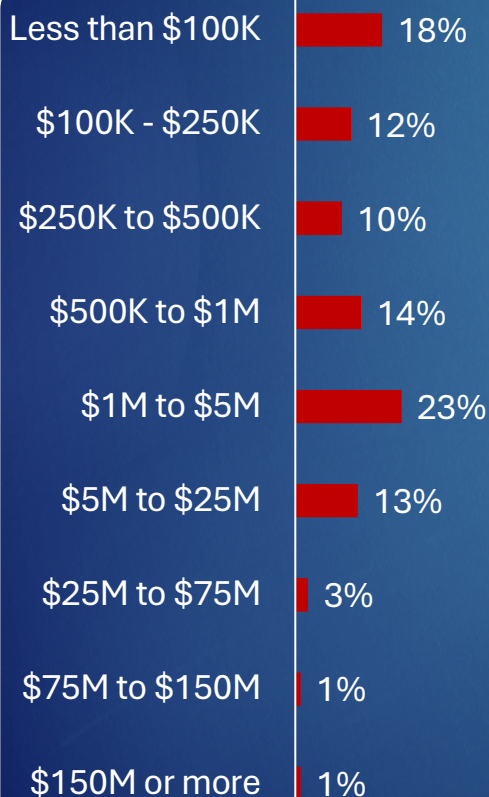
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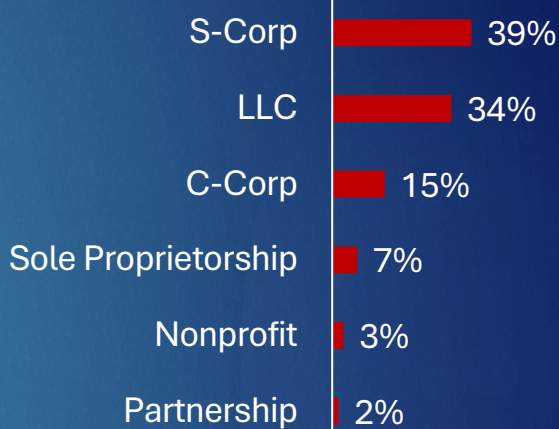
How many total full-time personnel are currently employed by your business?



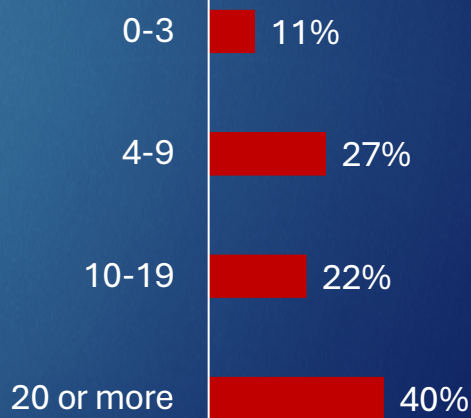
What were your gross sales or revenues for your most recent fiscal year?



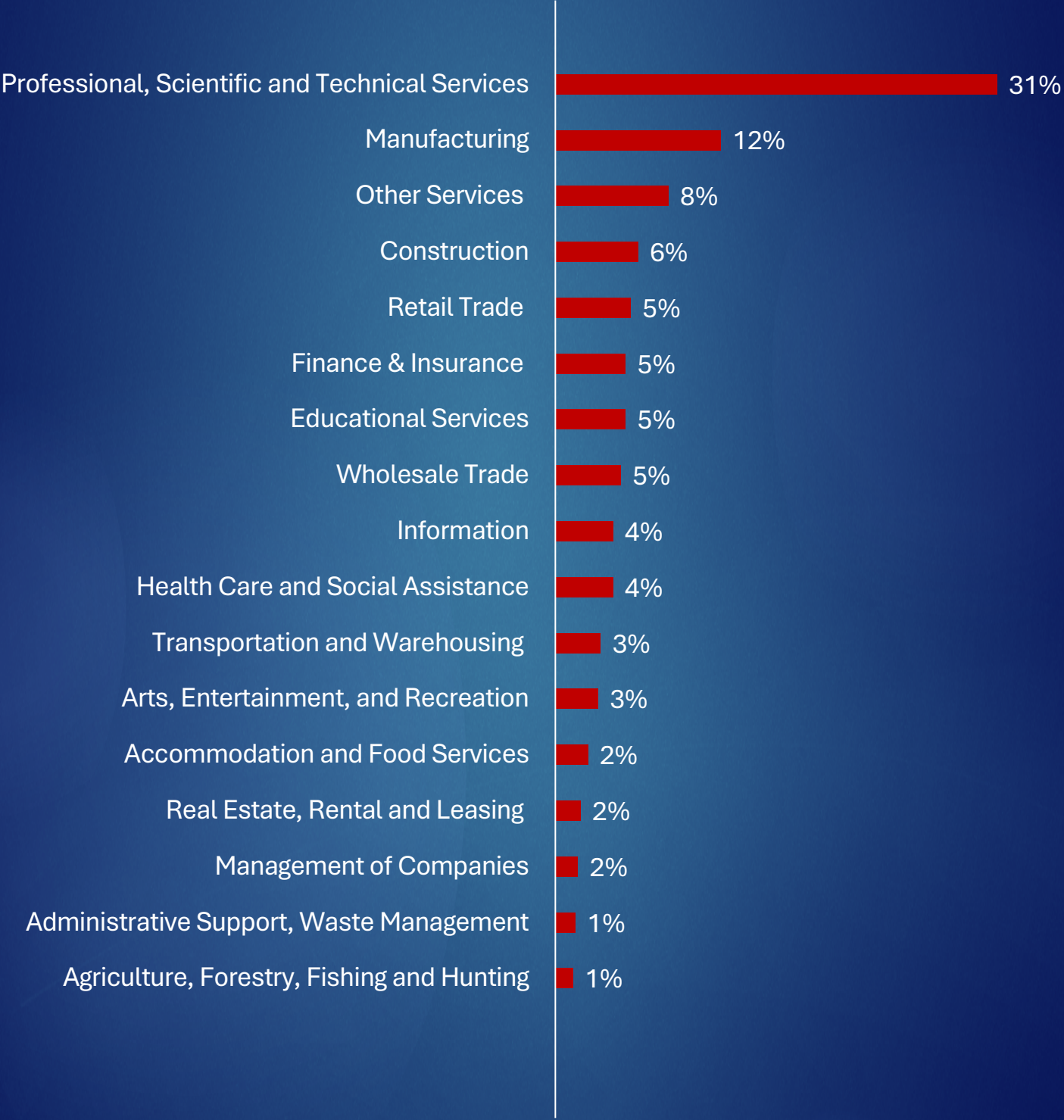
Which of the following best describes the structure of your business?



How many years has your business been in operation?



# Which of the following best describes the industry or sector in which your business operates?





## Methodology

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The NSBA 2025 Small Business Economic Report was conducted online April 7 through 30, 2025, among more than 650 small-business owners from every industry and every state in the nation.





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Please reach out to our Media Affairs department at [mday@NSBAadvocate.org](mailto:mday@NSBAadvocate.org) for questions.