



Small Business Economic Report

▶ March | 2026

Welcome

Each year, the National Small Business Association (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. This year, our 2026 Small Business Economic Report shows a small-business community facing increased costs, economic insecurity and a hesitancy to embark on any significant growth.

“More businesses today are not seeking external financing than at any point since we’ve been doing the survey,” stated NSBA President and CEO Todd McCracken. “This underscores slower anticipated growth rates and a generally stagnant small-business economy.”

Among the key findings:

- Nearly half of small-business owners say that today's economy is better than it was six months ago—a notable drop from 59 percent in 2025 to 46 percent today.
- More than half of small-business owners say they believe that the economy is worse today than it was 1 year ago
- The number of small businesses that reported an increase in revenues over the past year was at its lowest point in more than a decade
- Just 18 percent of small-business owners report they hired in the past year while 21 percent say they reduced their workforce, resulting in a net deficit
- Anticipated hiring remains stagnant - more than half of small-business owners do not plan to hire in the coming year

“Economic uncertainty remains the top concern for America's small-business owners with U.S. political instability a close second,” stated NSBA Chair Bill Belknap, CEO and President of AEONRG, LLC in Downingtown, Pennsylvania. “These are issues our political leaders could easily impact for the good—if they wanted to.”

When it comes to trade and tariffs, the majority of small businesses say they have incurred increased costs, and among those, 74 percent say those cost increases are due to tariffs. Furthermore, nearly half of small-business respondents say they believe the current trade and tariff policy is on the wrong track.

Yet, despite several fairly negative indicators, small-business owners remain optimistic: 67 percent are confident in the future of their business.

We hope you find this report insightful and welcome [any questions](#) you may have.



Economic Outlook

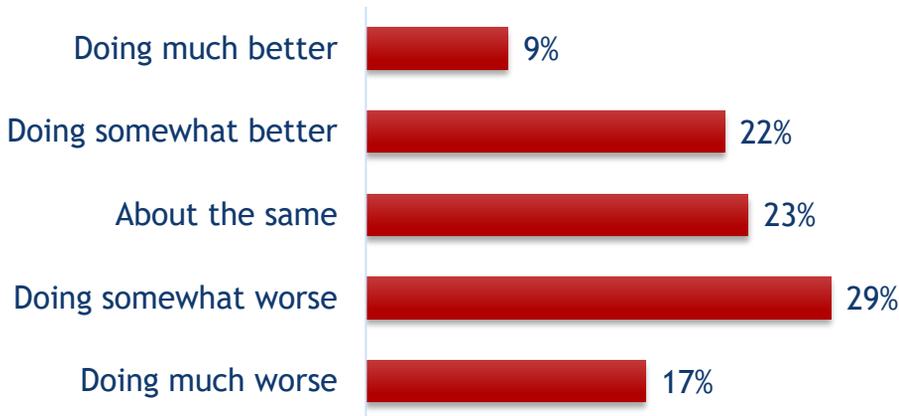


NSBA

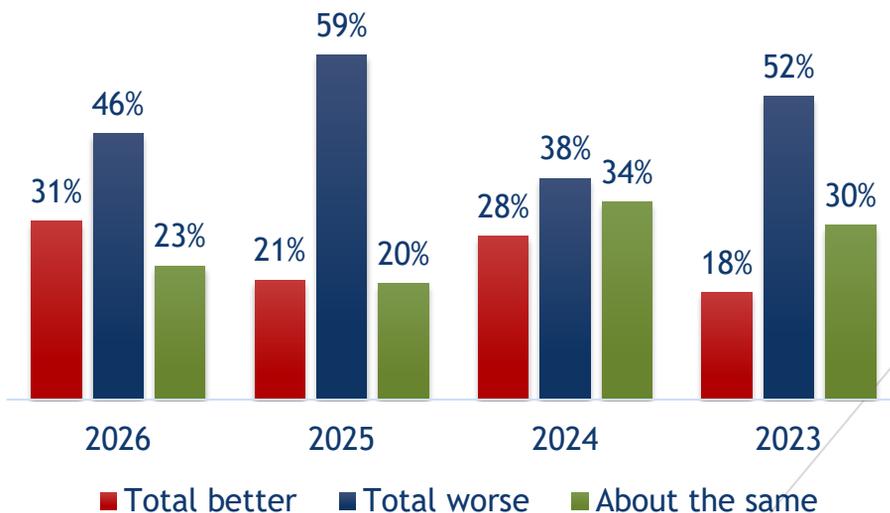
America's Small Business Advocate

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

2026

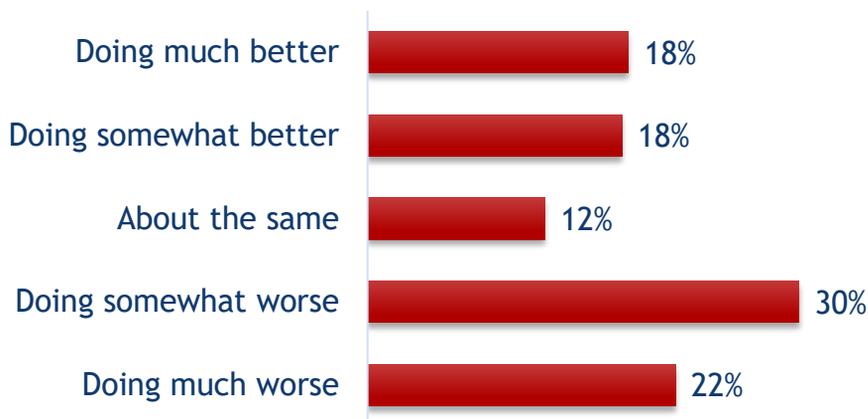


While a slight improvement from last year, today, just one-third of small-business owners say that today's economy is better than it was six months ago.

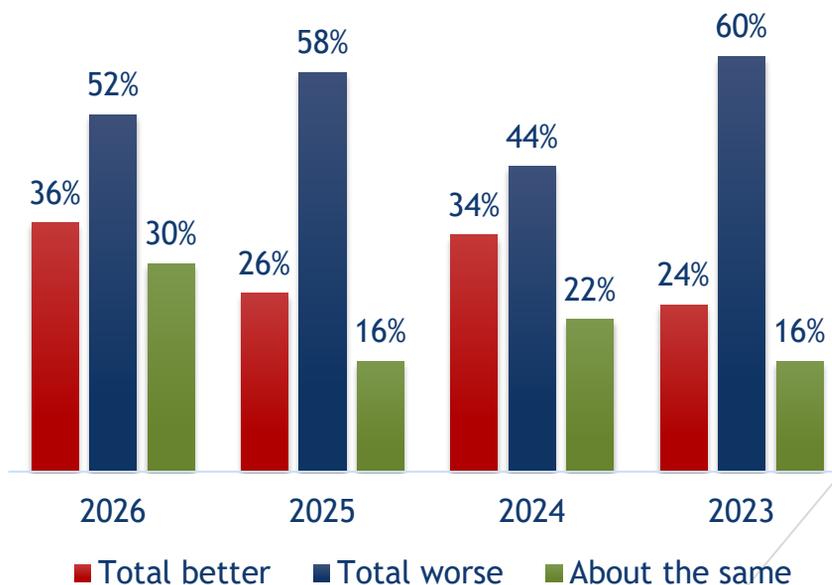


Compared to one year ago, would you say the national economy is:

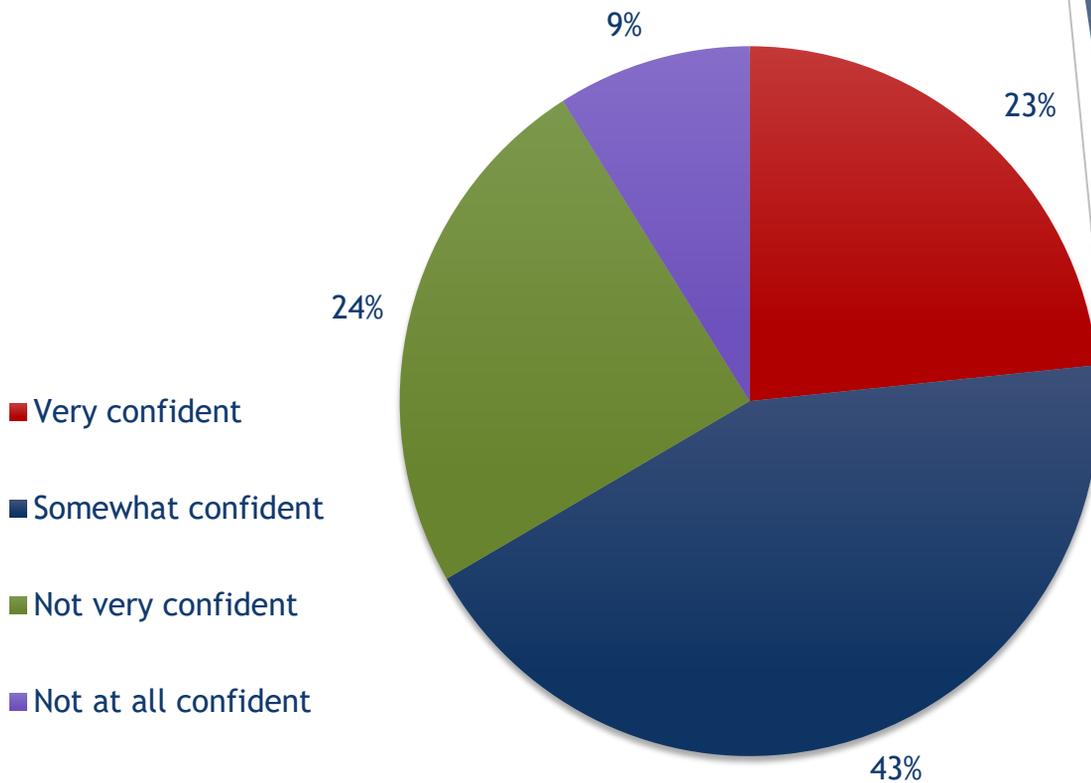
2026



More than half of small-business owners say they believe that the economy is worse today than it was 1 year ago - and while that is a drop from last year it is still likely having an impact on small-business owners plans for growth, financing and hiring.



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



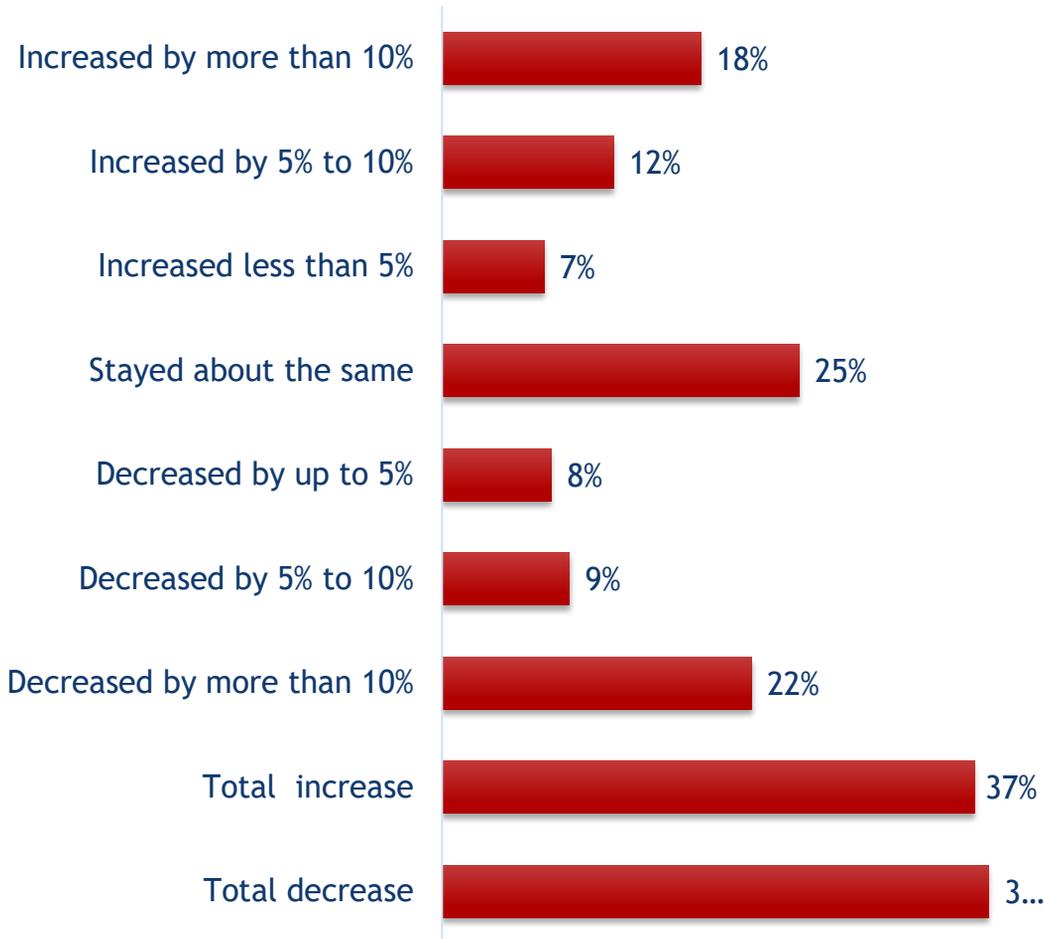
While small-business confidence was at an all-time low last year, it has bounced back modestly with 67 percent saying they are confident in the future of their business.



Looking Back



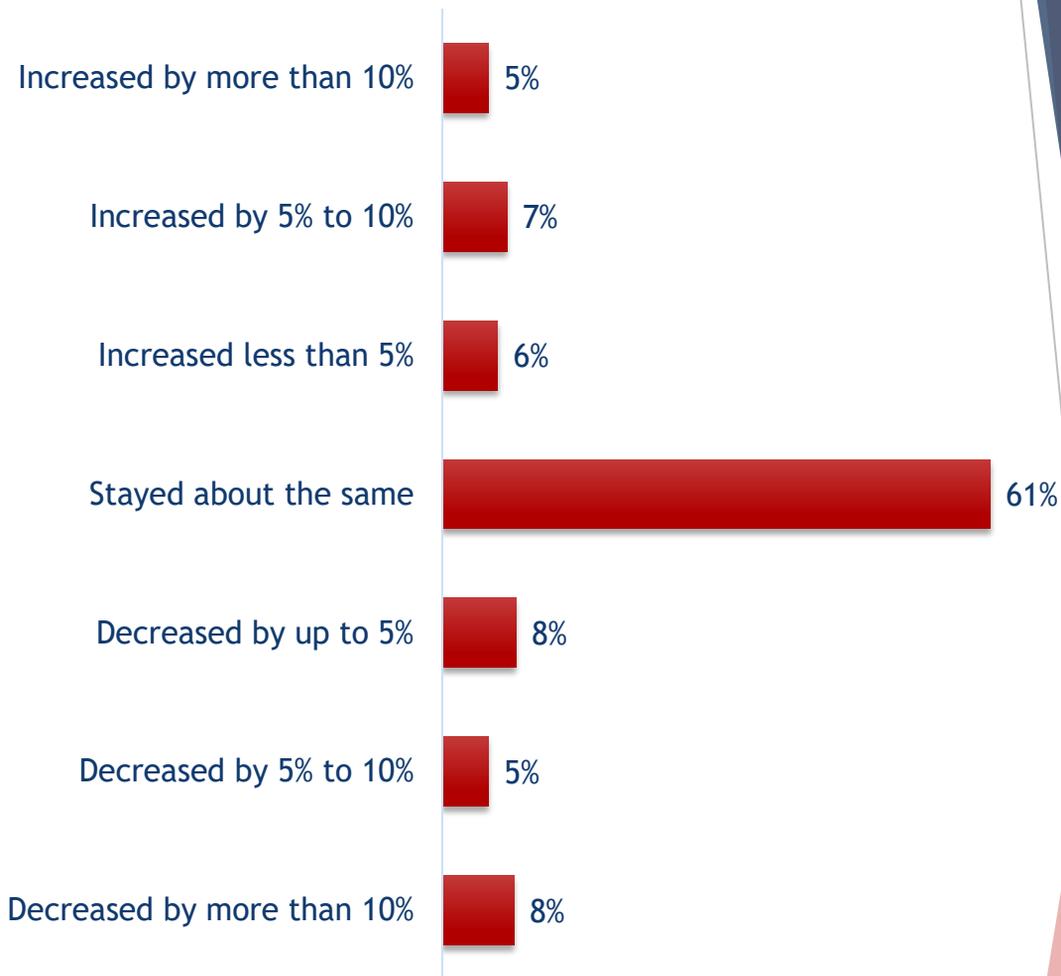
How did your gross sales/revenues change over the last 12 months?



The number of small businesses that reported an increase in revenues over the past year was at its lowest point in more than a decade—similarly, those reporting net decreases in revenue was at its highest since 2012.



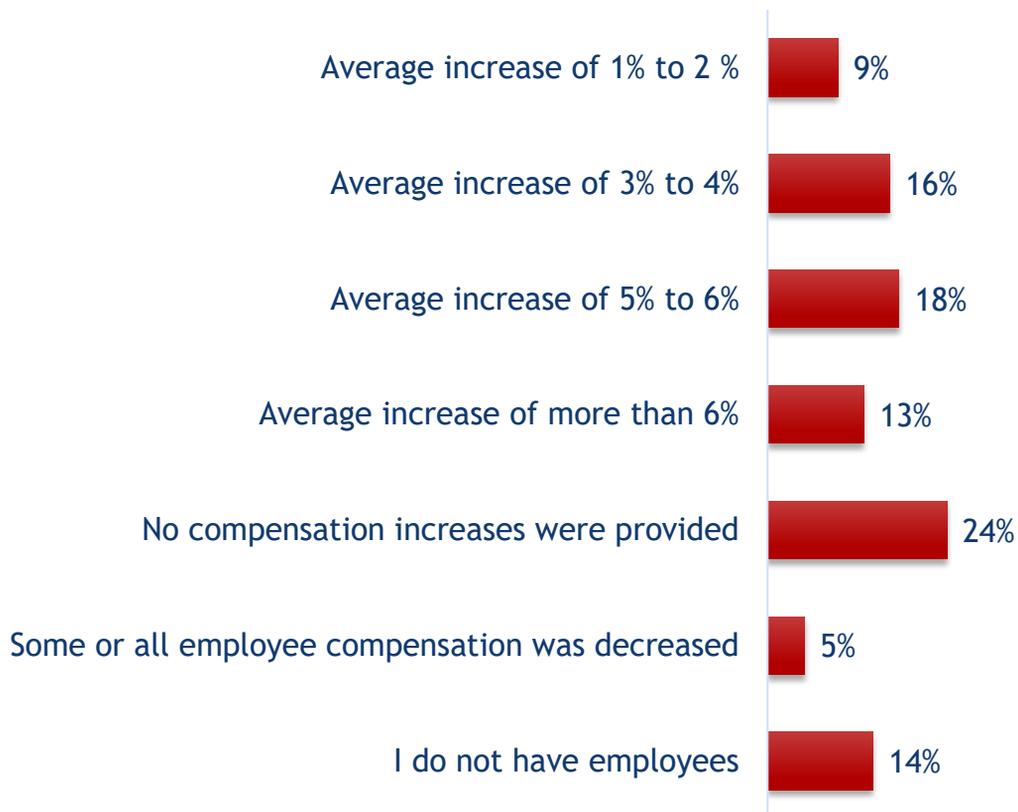
How did your number of employees in your business change over the last 12 months?



Just 18 percent of small-business owners report they hired in the past year while 21 percent say they reduced their workforce, resulting in a net deficit where hiring is concerned.



How did average per-employee compensation costs (includes salary/wages and benefits) increase over the last 12 months?



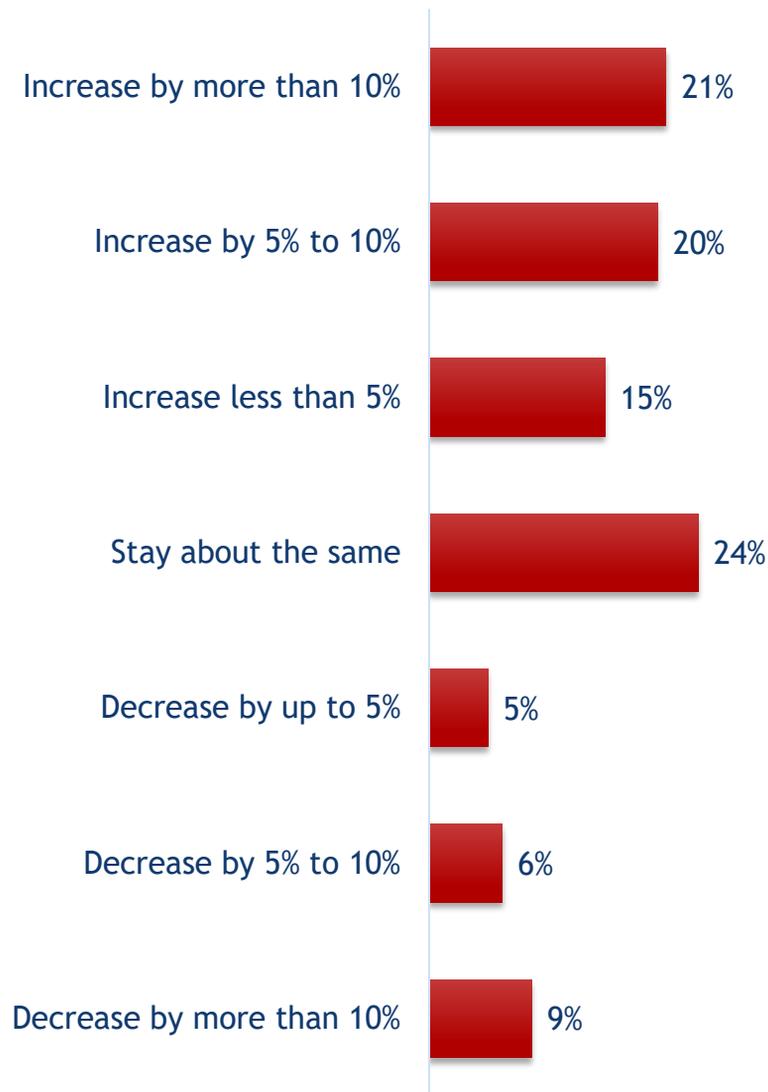
The majority of small-business owners provided wage increases to employees over the past year.



Looking Ahead



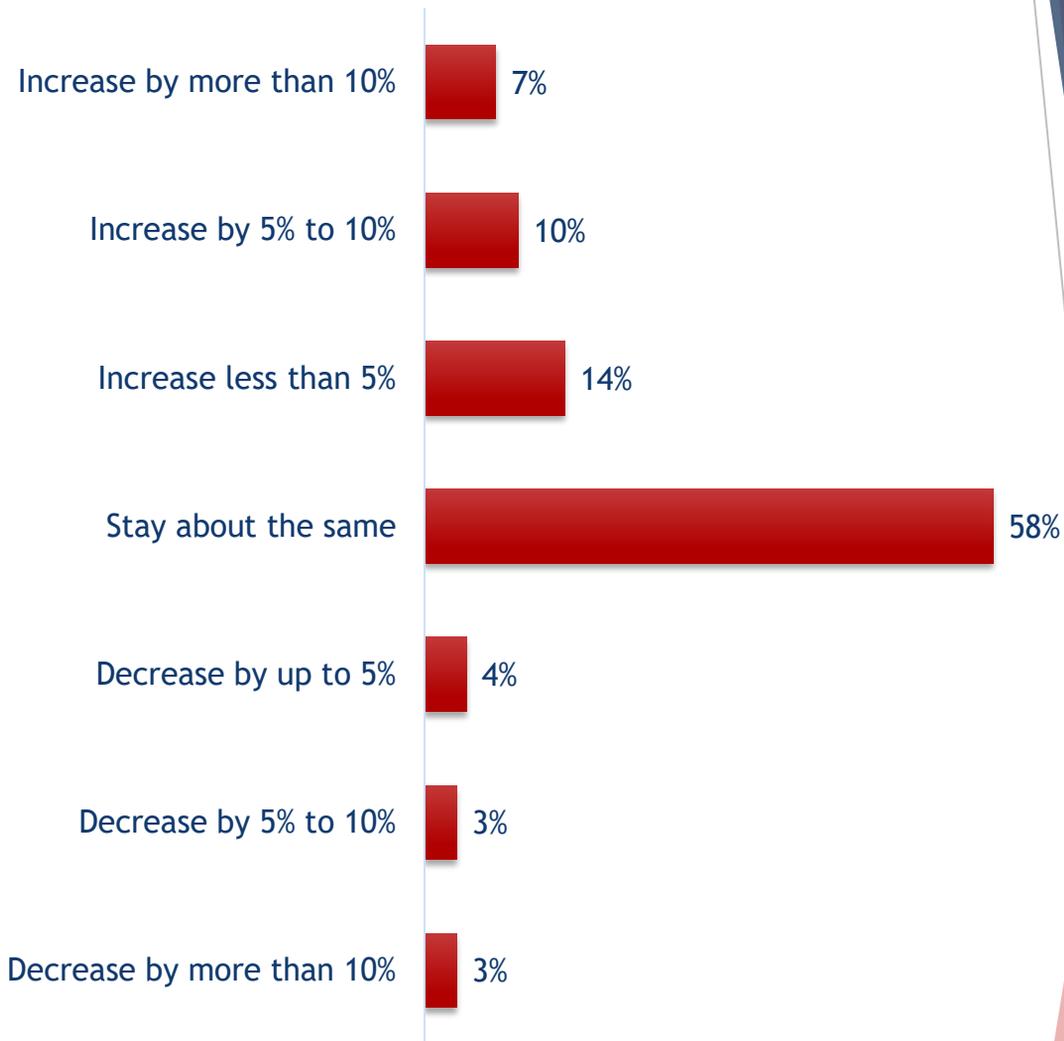
How much do you expect gross sales/revenues to change over the next 12 months?



Small-business owners—an inherently optimistic cohort—generally anticipate increases in revenues over the coming year while just 1-in-5 anticipate revenue decreases.



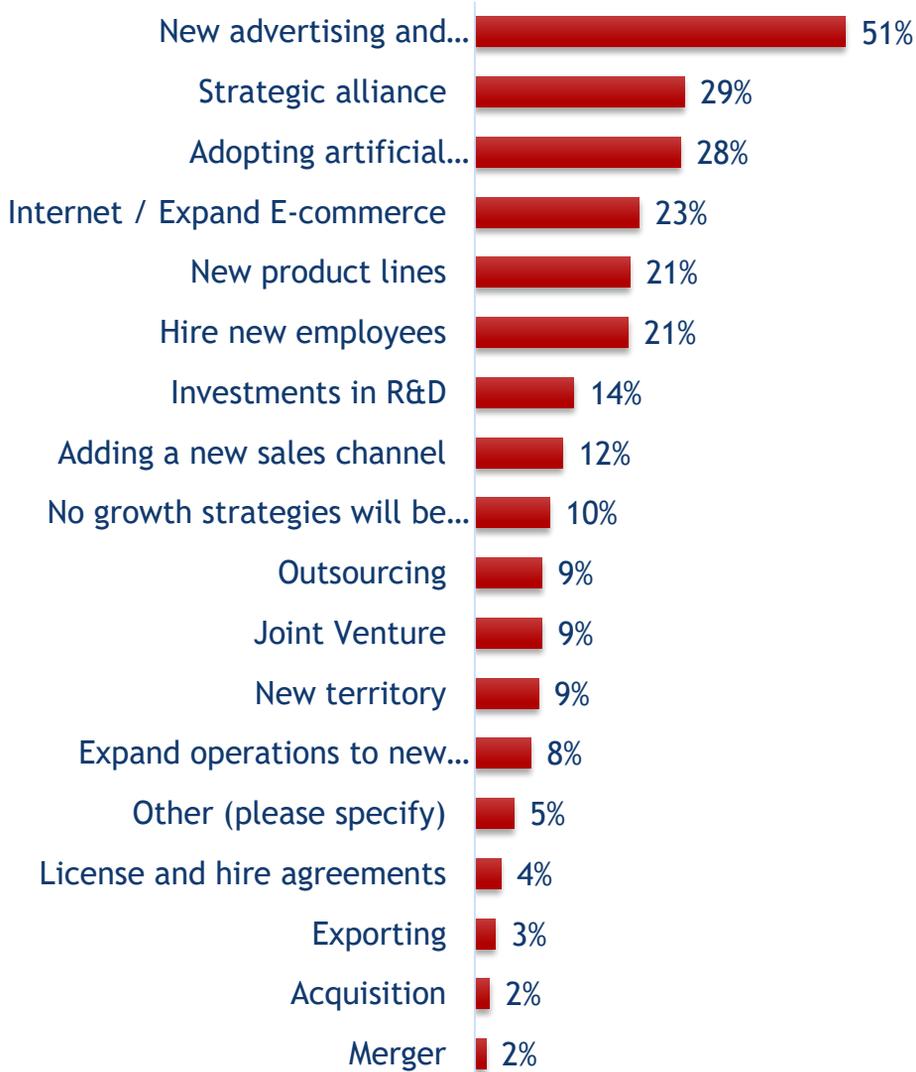
How much do you expect your number of employees to change over the next 12 months?



Anticipated hiring remains stagnant with more than half of small-business owners saying they do not plan to hire in the coming year.



Which of the following growth strategies do you plan to use in the next 12 months?



As is always the case, the top growth strategy small-business owners plan on employing in the coming year is new advertising and marketing strategies. Interestingly, nearly one-third of small businesses say they plan to implement AI as a growth strategy in the coming year.



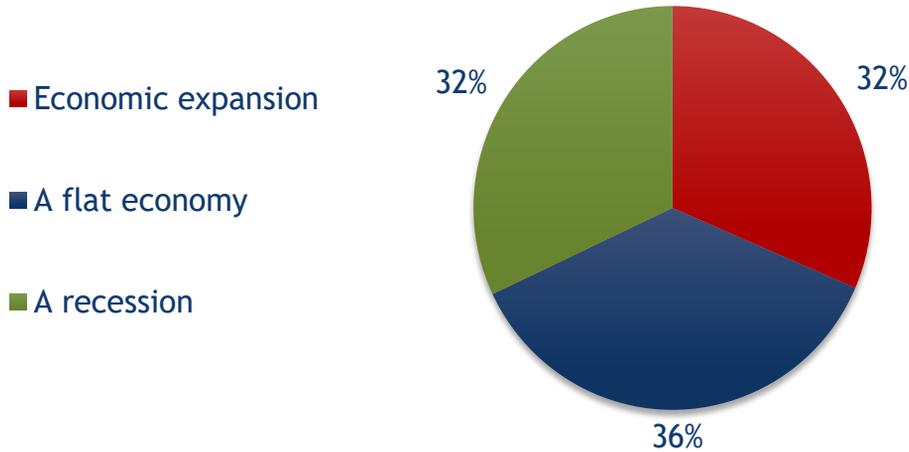
Do you believe there will be growth opportunities for your business:



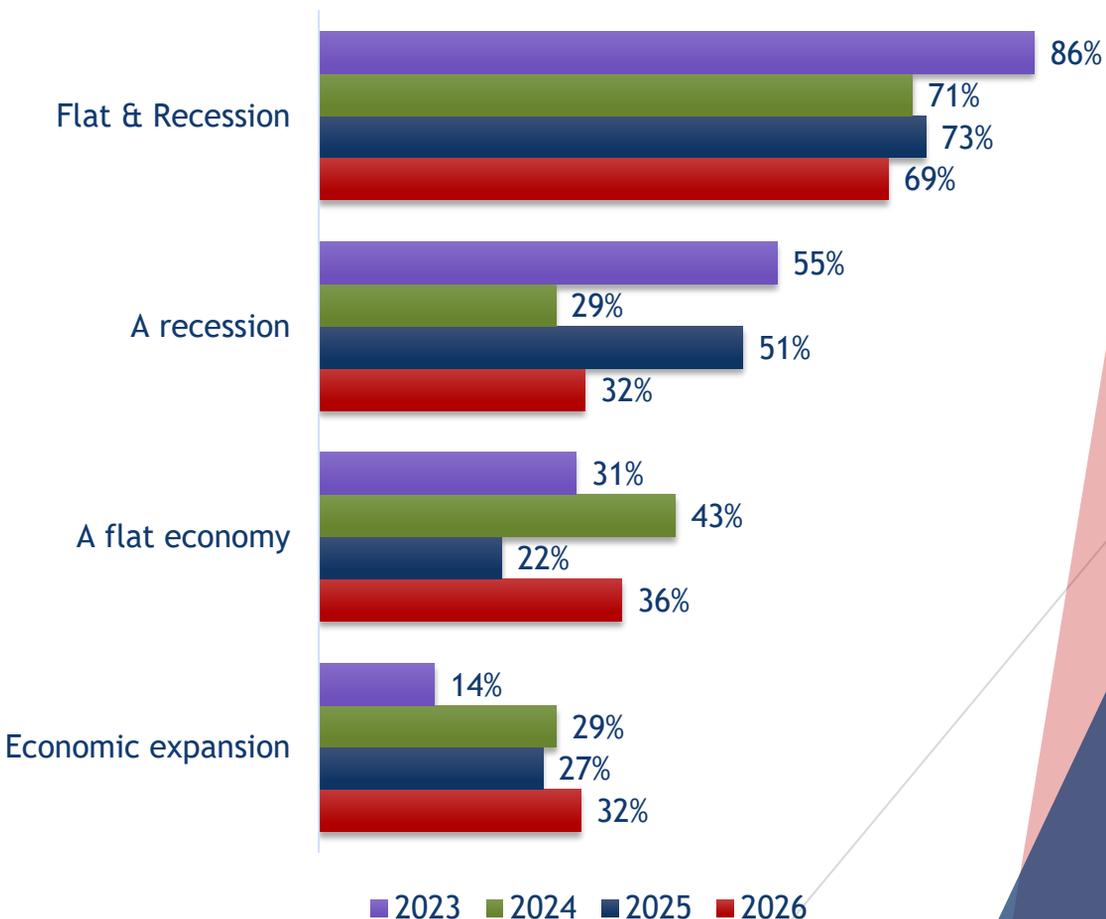
When it comes to growth opportunities in the coming year, 71 percent are either already growing or anticipate growth in the coming year. Unfortunately, nearly one-third are not growing and don't expect to in 2026



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



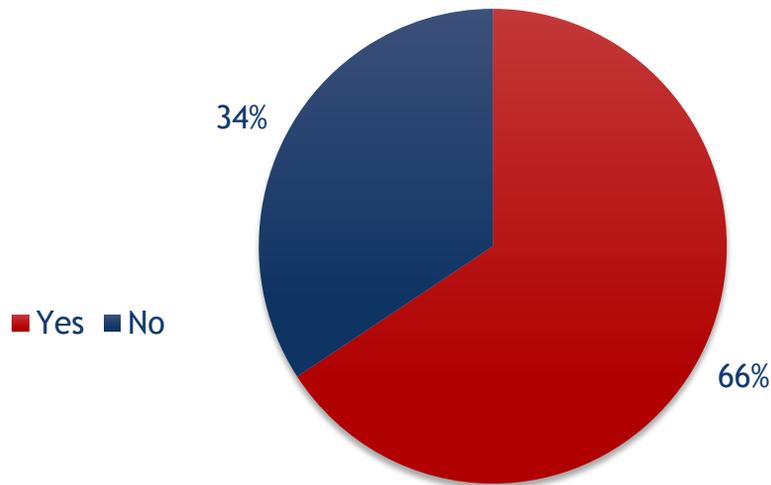
There has been a drop among small-business owners who anticipate a flat or recessionary economy - today, one-third of business owners say they believe there will be economic expansion in the coming year.



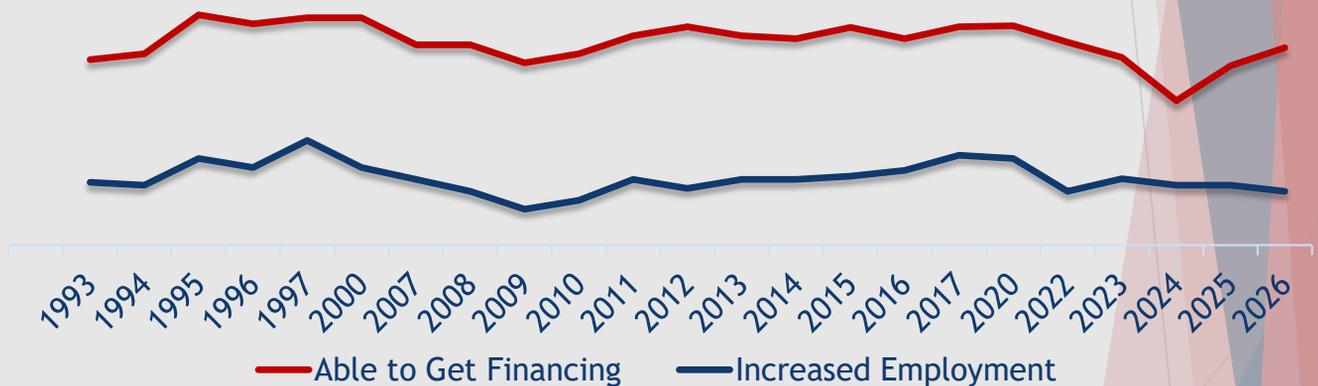
Financing



Is your business able to obtain adequate financing?



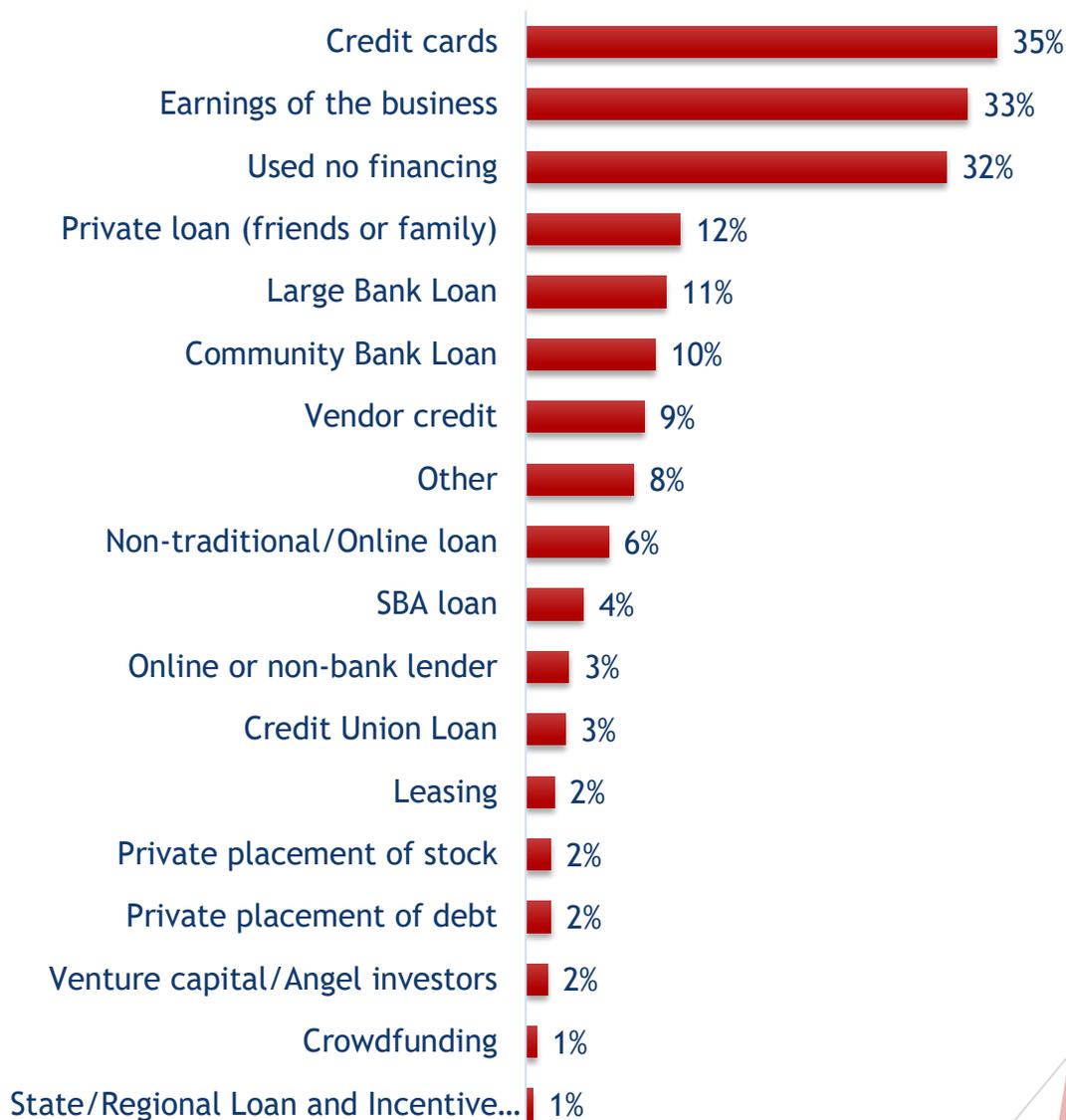
The correlation between financing and hiring



For more than four decades, NSBA data has shown a direct correlation between the ability to access needed financing and growth in hiring. In the past two years, however, we have seen a split – more people are getting financing, but fewer are hiring. This is attributable to a few factors: increasing costs for everyday business operations, the rising cost of labor, and growing economic insecurity hampering owners' willingness to bring on new employees.

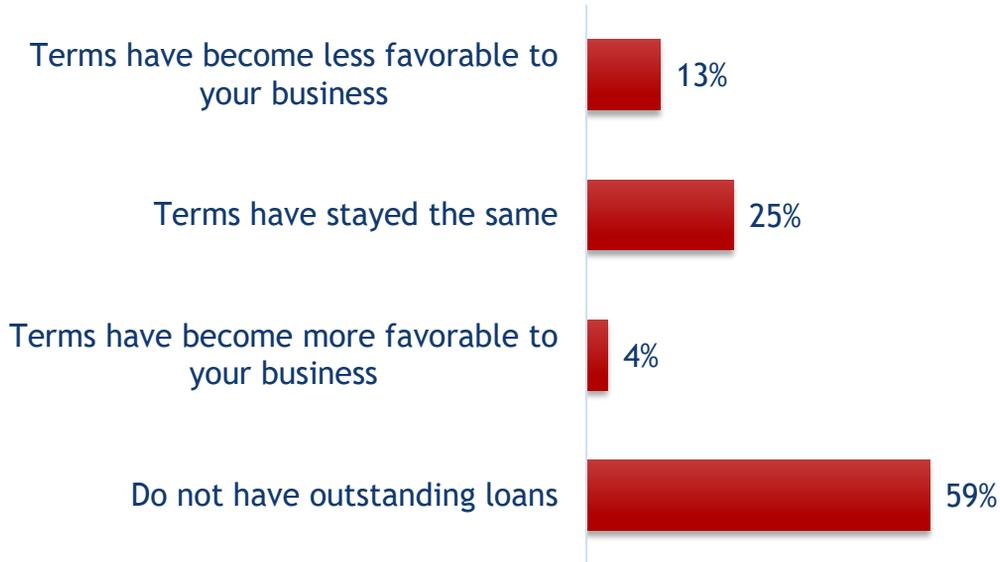


What types of financing has your company used within the last 12 twelve months to meet your capital needs?

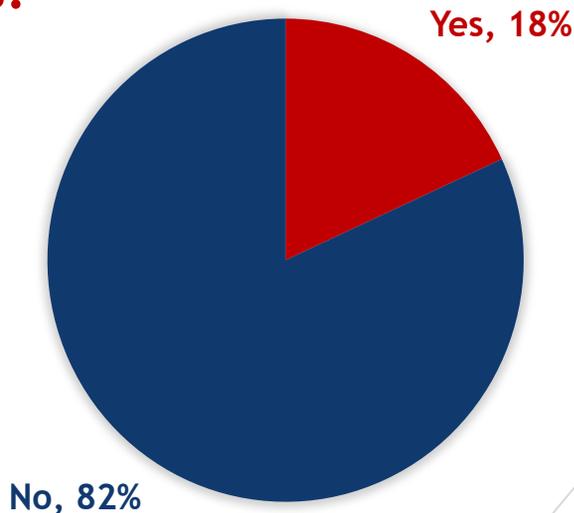


More businesses today are not seeking external financing than at any point since we've been doing the survey – underscoring slower anticipated growth rates and a generally stagnant small-business economy. There also was a drop in SBA lending, partially driven by increased lending restrictions since the outset of 2025.

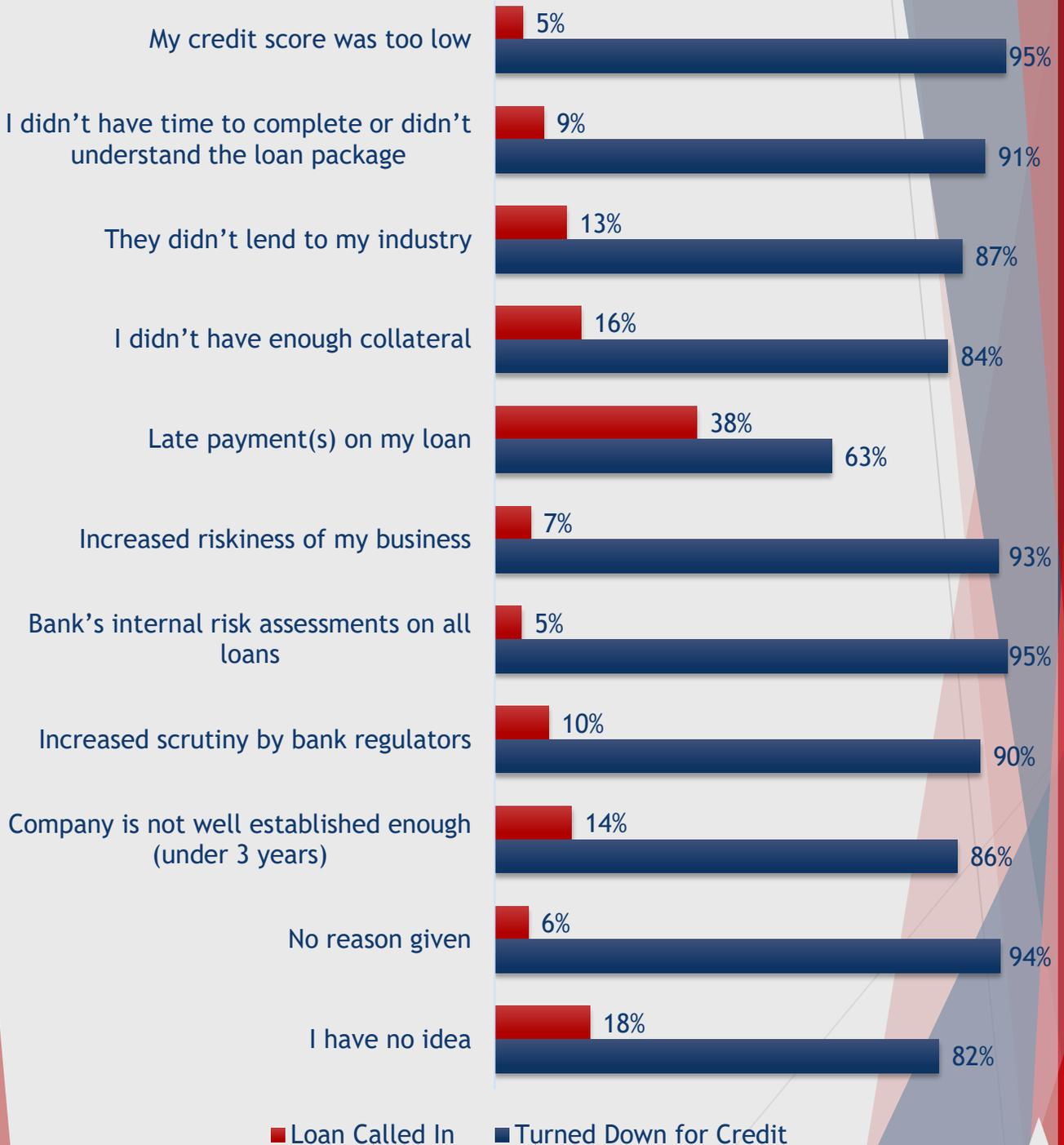
For bank loans that are currently outstanding, which of the following has occurred in the last twelve months?



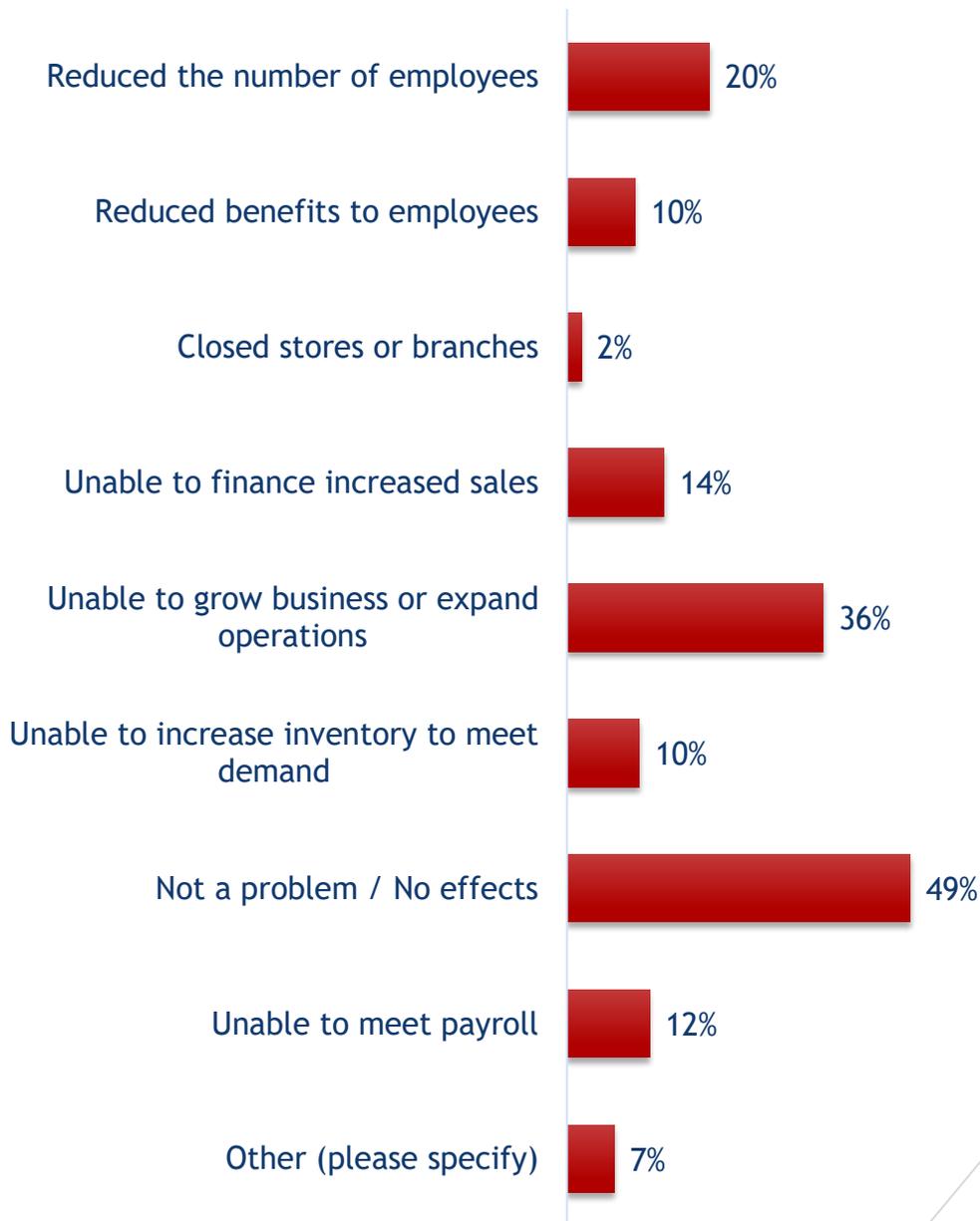
Have you been turned down for a loan or line of credit in the last two years?



If you were turned down for a loan or line of credit, what were the reasons given?



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



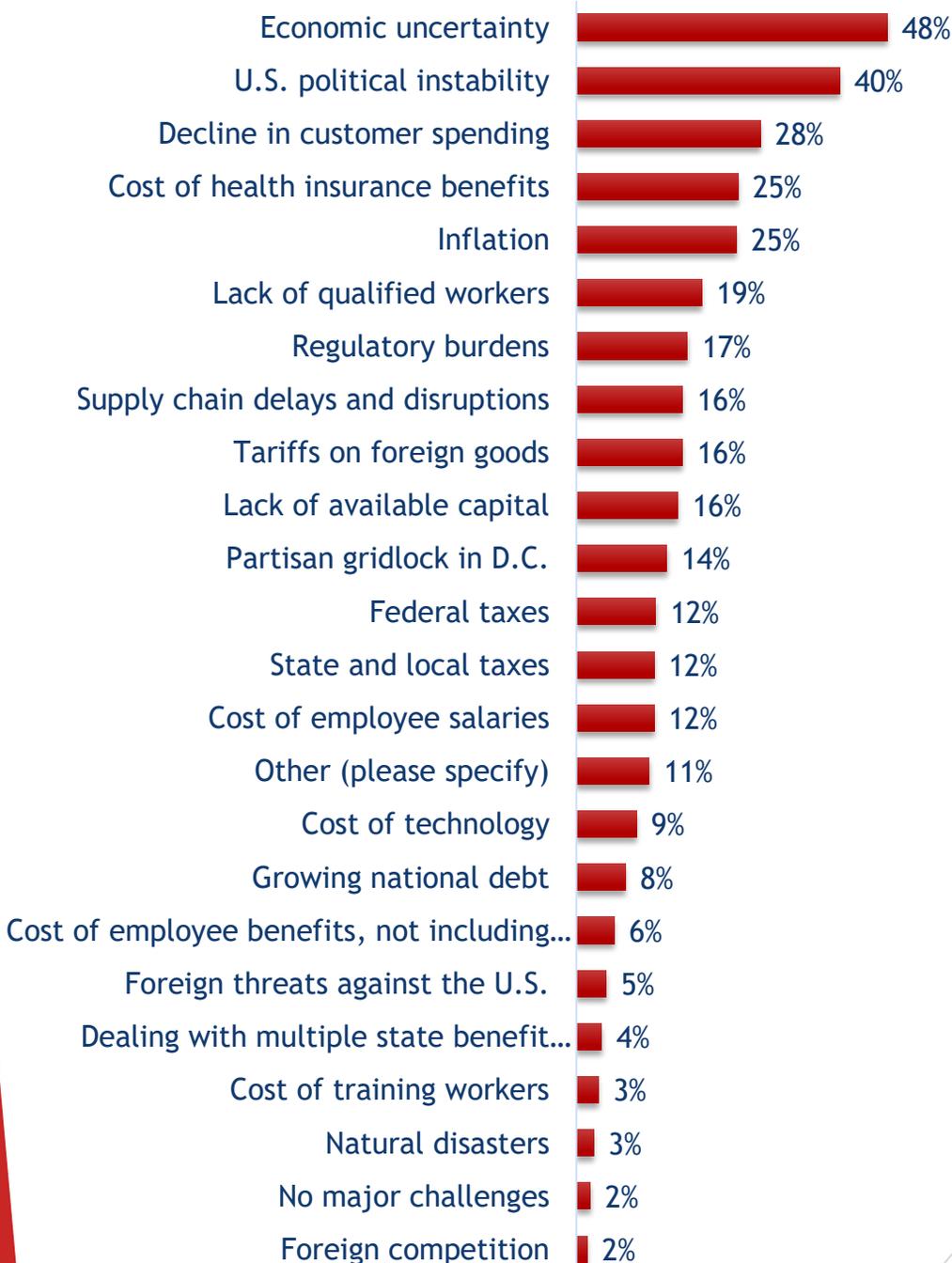
This is the highest rating for "not a problem" we've seen in this indicator for nearly 2 decades - likely driven by the fact that fewer businesses today appear to be relying on external financing.



Business Challenges

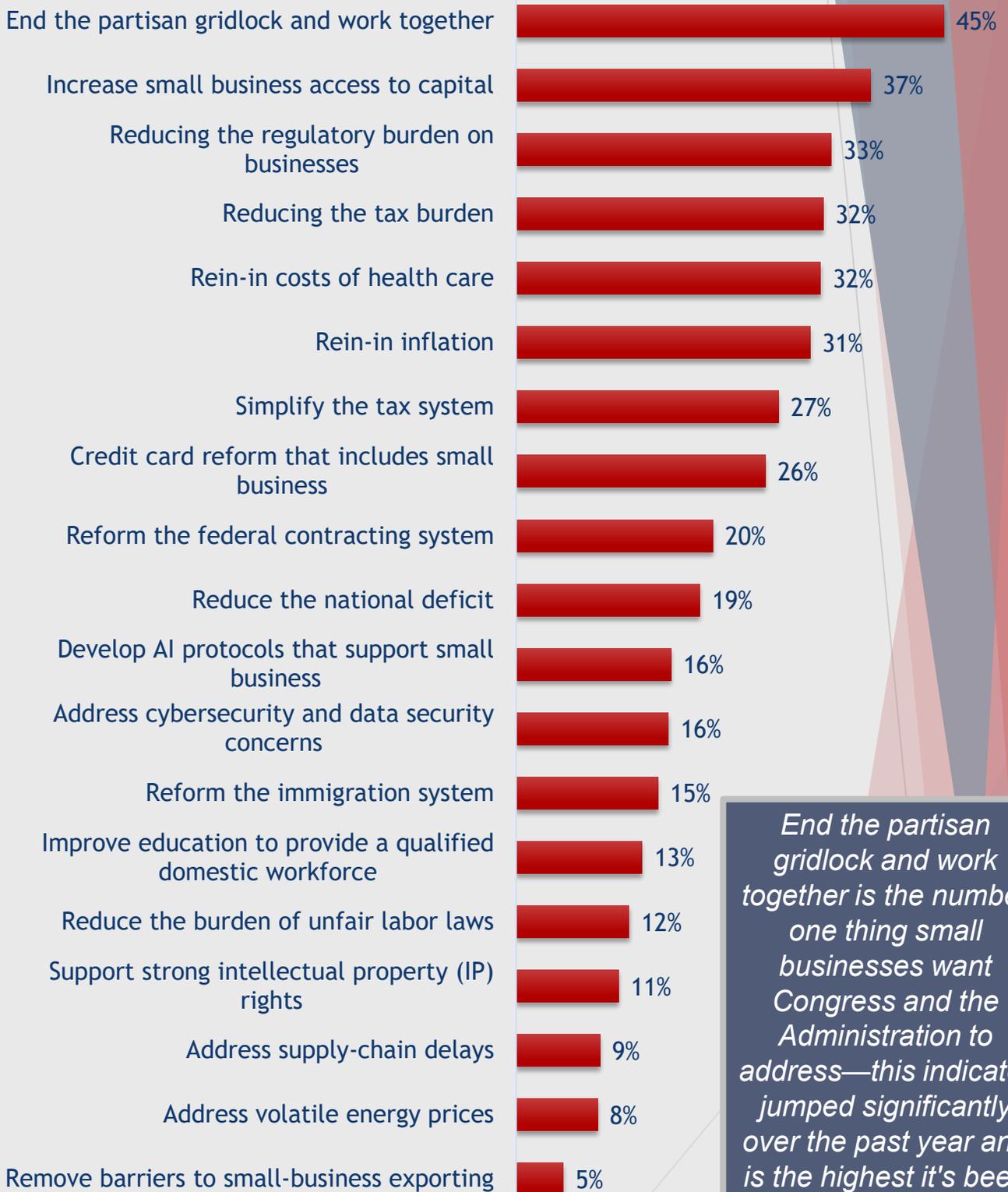


What are the three most significant challenges to the future growth and survival of your business?



Economic uncertainty remains the top concern for America's small-business owners with U.S. political instability a close second. The cost of health insurance increased in importance--bumping up to pre-pandemic levels of concern.

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

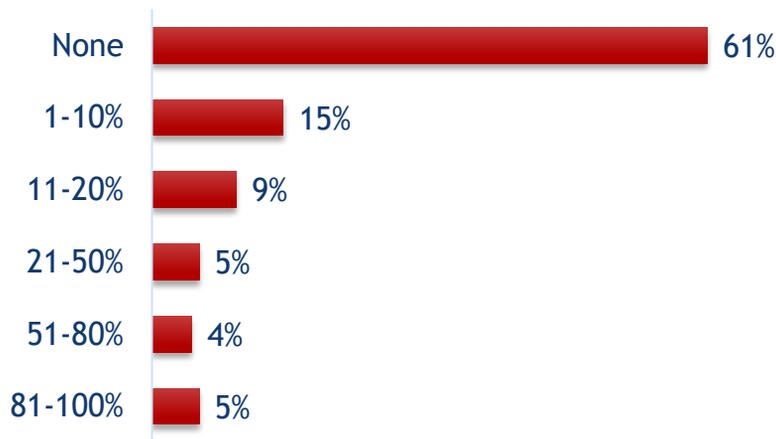


End the partisan gridlock and work together is the number one thing small businesses want Congress and the Administration to address—this indicator jumped significantly over the past year and is the highest it's been since we began asking the question in 2012.

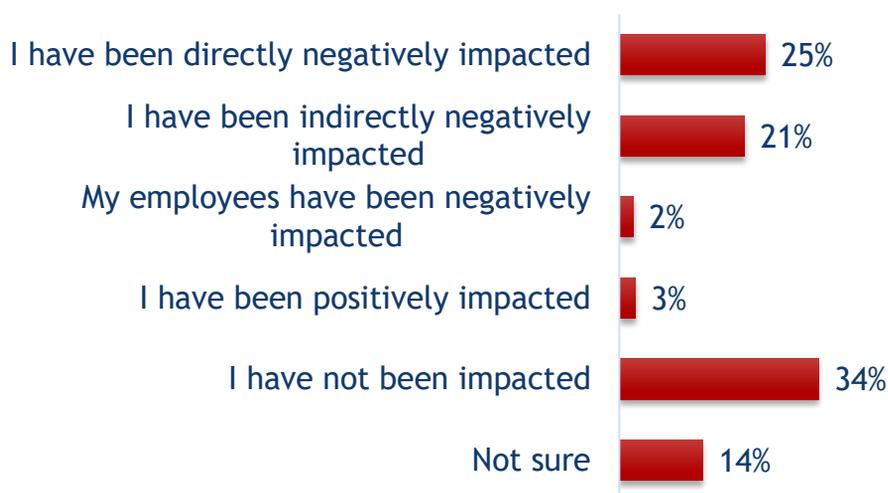
Trade Policy



Please estimate the percentage of goods you use in your business that you directly import.



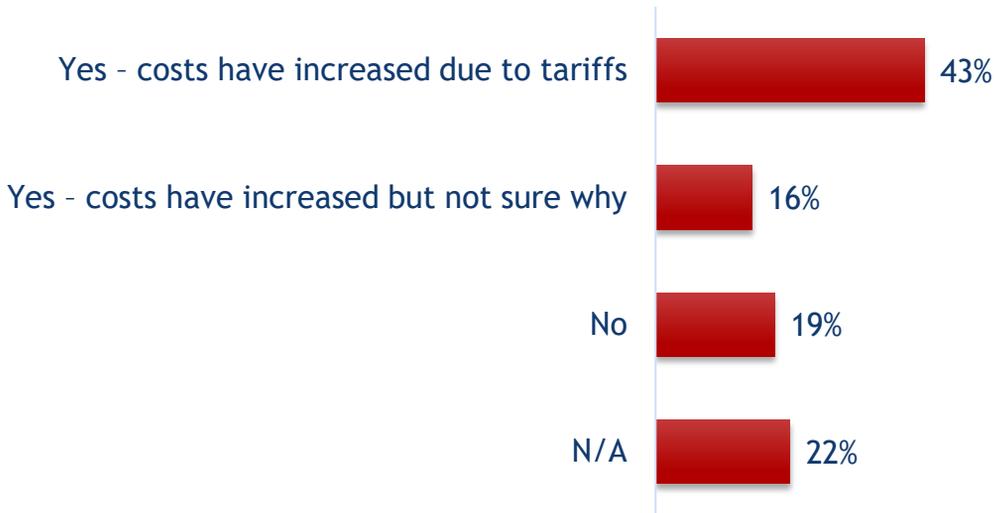
How have new tariffs in the past year impacted your business?



Just three percent of small businesses say tariffs have positively impacted their business while nearly half say they have been negatively impacted.

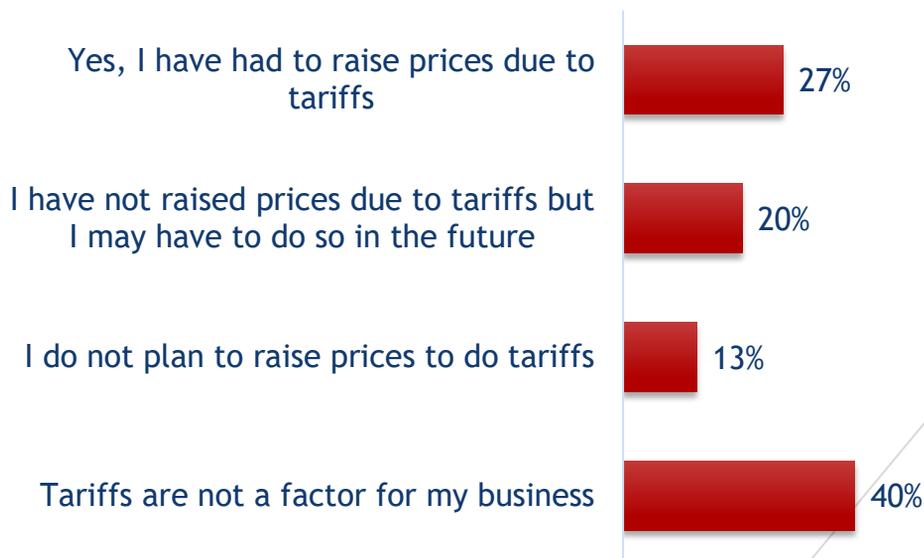


Has your business incurred increased prices from U.S. vendors due to new tariffs?

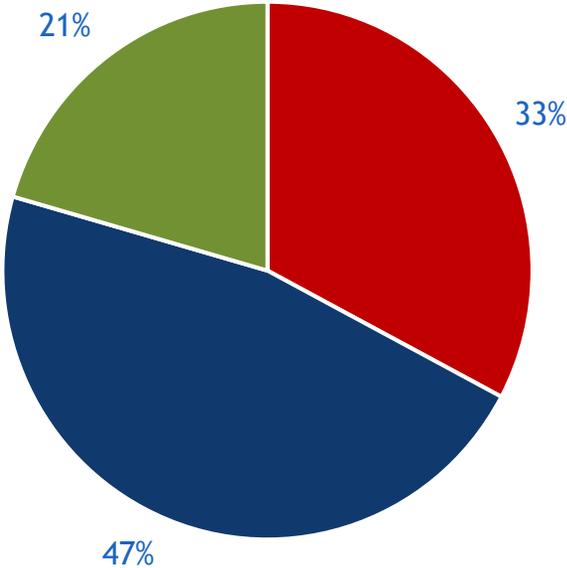


The majority of small businesses say they have incurred increased costs, and among those, 74% say those cost increases are due to tariffs.

Have tariffs been a factor in your price calculations this year?



What is your overall view of the current trade and tariff policy?



■ It is on the right track ■ It is on the wrong track ■ Not sure

Nearly half of small-business respondents say they believe the current trade and tariff policy is on the wrong track.



Demographics



Full-time Employees



Business structure



Years in operation



Please select which of the following is most accurate with regards to doing business with the federal government.

I am a current prime contractor

I am a current subcontractor

I am working to become a prime or sub contractor with a federal agency

I have previously been a prime or sub contractor, but don't have any current projects

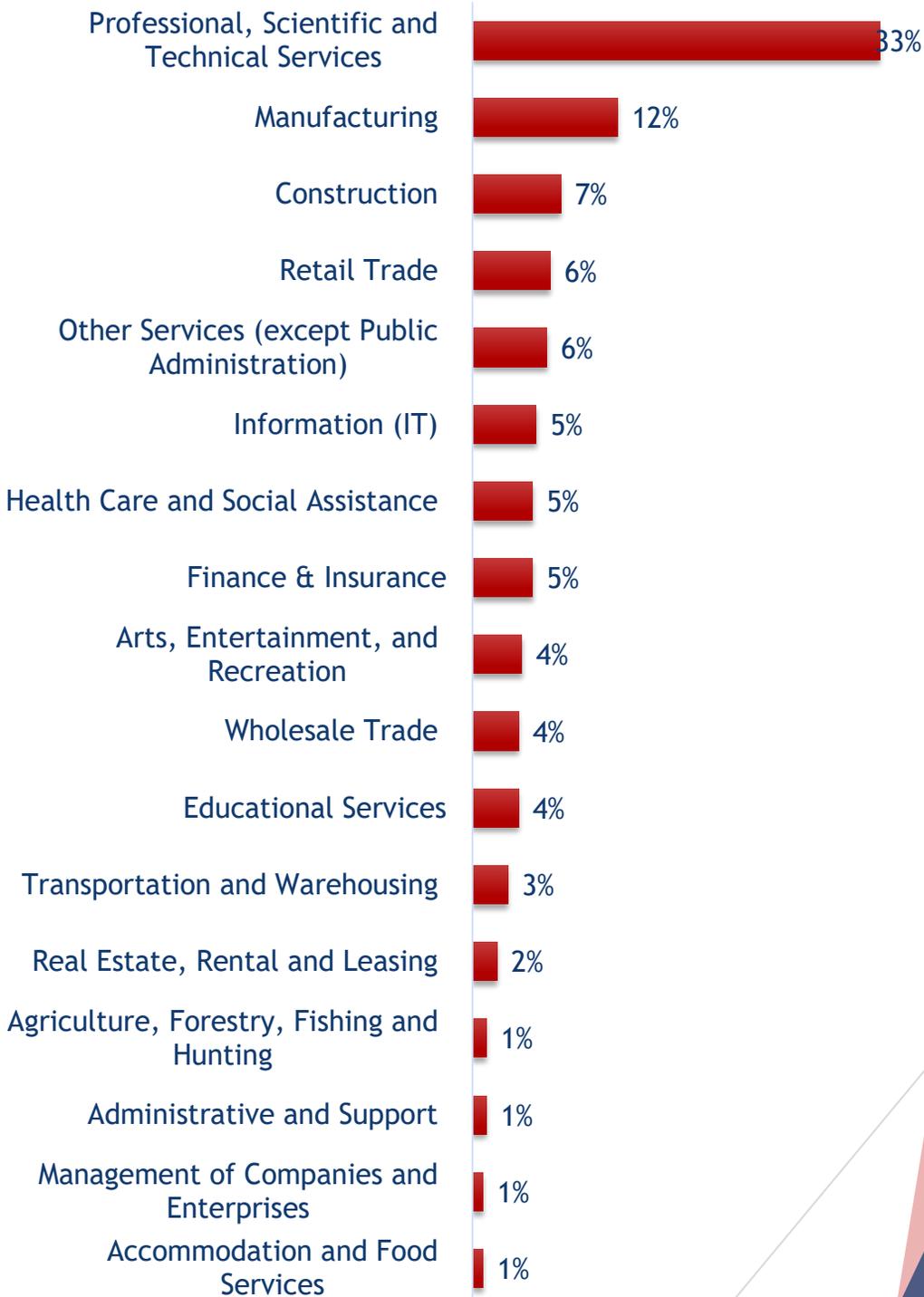
I have not and do not plan to do business with the federal government



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



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





Methodology

- ▶ This survey was conducted online among more than 430 small-business owners from every state and every industry in the nation Jan. 14 - March 6, 2026.