

# 2025 BUSINESS OWNER REPORT





## LETTER FROM SHARON MILLER, PRESIDENT OF BUSINESS BANKING

We are pleased to present the 2025 Business Owner Report, our annual study that captures the viewpoints, goals and concerns of small and mid-sized business owners across the U.S.

Through the survey, we found that business owners are demonstrating resilience in the face of an evolving business landscape and ongoing economic pressures. We are inspired to see that many are approaching the next 12 months with cautious optimism, with nearly three out of four expecting revenue increases and roughly four out of five planning to obtain financing using business credit cards, personal savings and traditional bank loans. In the coming year, over half plan to expand their businesses, and just under half plan to hire.

Approximately half of these business owners believe that local, national and global economies will improve over the next year. Meanwhile, challenges we are all keeping an eye on —such as interest rates, tariff policies, inflation and supply chains —are their top concerns heading into 2026.

As we enter the second half of the decade, growth and innovation are top priorities for business owners. Nearly all plan to adopt digital tools and AI over the next five years, using them to accept more forms of digital payments, make daily tasks more efficient for employees and increase cybersecurity measures. This is particularly exciting because we believe AI is not just a tool – it is a catalyst for growth, helping entrepreneurs work smarter, not harder.

The report also found that business owners view cultural events, such as concerts or sports, as opportunities to connect with their local communities and grow. More than half of business owners tied their businesses to cultural events by developing tailored promotions, social media content or marketing campaigns. This strategy paid off, with approximately half reporting increased sales or social media followings. Looking ahead, roughly four out of five plan to make similar modifications in the future.

Every day, we speak with entrepreneurs who are the heartbeat of their communities. What we find most inspiring is their unwavering resilience, agility and cautious optimism, and we are not surprised to see those attributes reflected in our latest survey findings.

### METHODOLOGY:

Ipsos conducted the 2025 Bank of America Business Owner Report survey online between September 11 and September 23, 2025, using a pre-recruited online sample of business owners. Ipsos contacted a national sample of 819 small business owners in the United States with annual revenue between \$100,000 and \$4,999,999 and employing between two and 99 employees. Ipsos also interviewed a national sample of 253 medium-sized business owners in the United States with annual revenue between \$5,000,000 and \$49,999,999 and employing between two and 499 employees. The final results for the national small, medium-sized, and combined (small and medium-sized) business owner samples were weighted to their respective national benchmark standards for size, revenue and region.

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# BUSINESS & ECONOMIC TRENDS

## 12-Month Outlook

Business owners are entering into the next 12 months with steady yet cautious optimism.



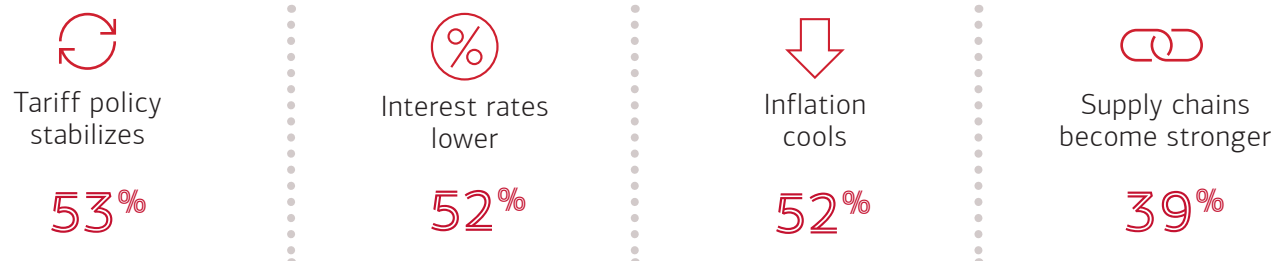
74%

Believe their revenue will increase (down from 78% in 2024)

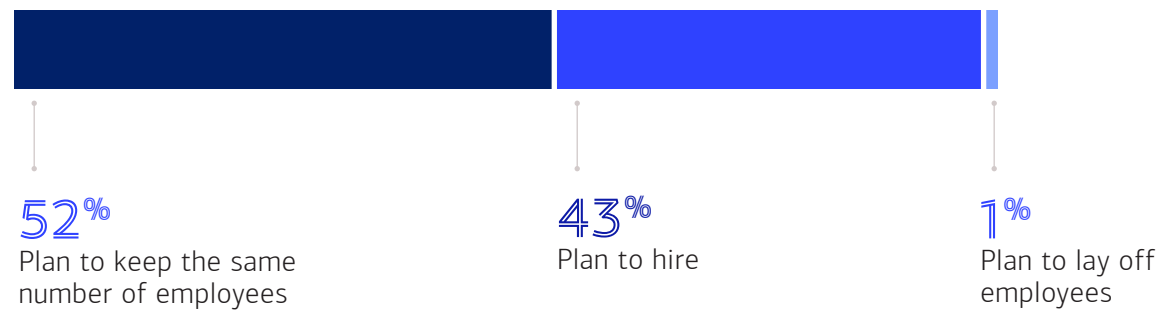
They believe their economies will improve.



Business owners' confidence in the national economy will improve if:



Over half of business owners expect to maintain staff levels while also expanding their business.



**83%** of business owners intend to obtain financing. Of those, they plan to use:



Almost half (**49%**) of business owners are not planning to refinance a business loan.

Inflation, tariff policy, the U.S. political environment and interest rates are expected to remain top-of-mind for business owners.

Concerns in the next 12 months, ranked in order:	Fall 2025	Fall 2024
Inflation	70%	70%
Tariff policy	64%	n/a
U.S. political environment	64%	67%
Interest rates	58%	62%
Recession	57%	62%
Health care costs	56%	55%
Commodities prices (e.g., oil, gas)	55%	59%
Strength of the U.S. dollar	54%	58%
U.S. and/or global stock market	53%	56%
Consumer spending	53%	53%
Supply chain	50%	51%
Corporate tax rates	45%	56%
Credit availability	40%	45%
Labor shortages/hiring challenges	40%	46%
Succession planning	36%	n/a
\$15 federal minimum wage	33%	45%



# Recent Trends



In the past two years, **45%** of business owners applied for a business loan or credit. Of those, **93%** were approved.

Over the last 12 months:

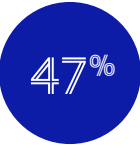


On average, costs have increased by **18%.**



On average, they have raised prices by **12%.**

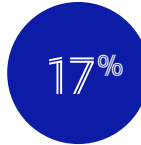
**58%** of business owners say that the current interest rate environment is impacting their borrowing decisions. However, those impacted have mixed responses.



Are **less likely** to take out a loan



Are **more likely** to take out a loan



Are **less likely** to refinance a loan



Are **more likely** to refinance a loan





**75%** of business owners say they are currently being **impacted by supply chain issues**, holding steady with last year. Those impacted are:

- **52%**
- Raising prices of goods/services

- **32%**
- Having difficulty sourcing products/supplies



**88%** of business owners say they are currently being **impacted by inflation**, consistent with last year. Those impacted are:

- **64%**
- Raising prices of goods/services

- **39%**
- Reevaluating cash flow and spending for the year ahead



Roughly three-in-five business owners (**61%**) say they are currently being **impacted by labor shortages**, increasing five percentage points from Fall 2024. As a result, those impacted are:

- **50%**
- Working more hours due to staff shortages

- **40%**
- Raising wages to attract more competitive talent

# FIVE YEAR REVIEW WITH BUSINESS AND ECONOMIC FORECAST

Taking a mid-decade pulse, business owners weighed in on the last five years and their expectations for the next five.

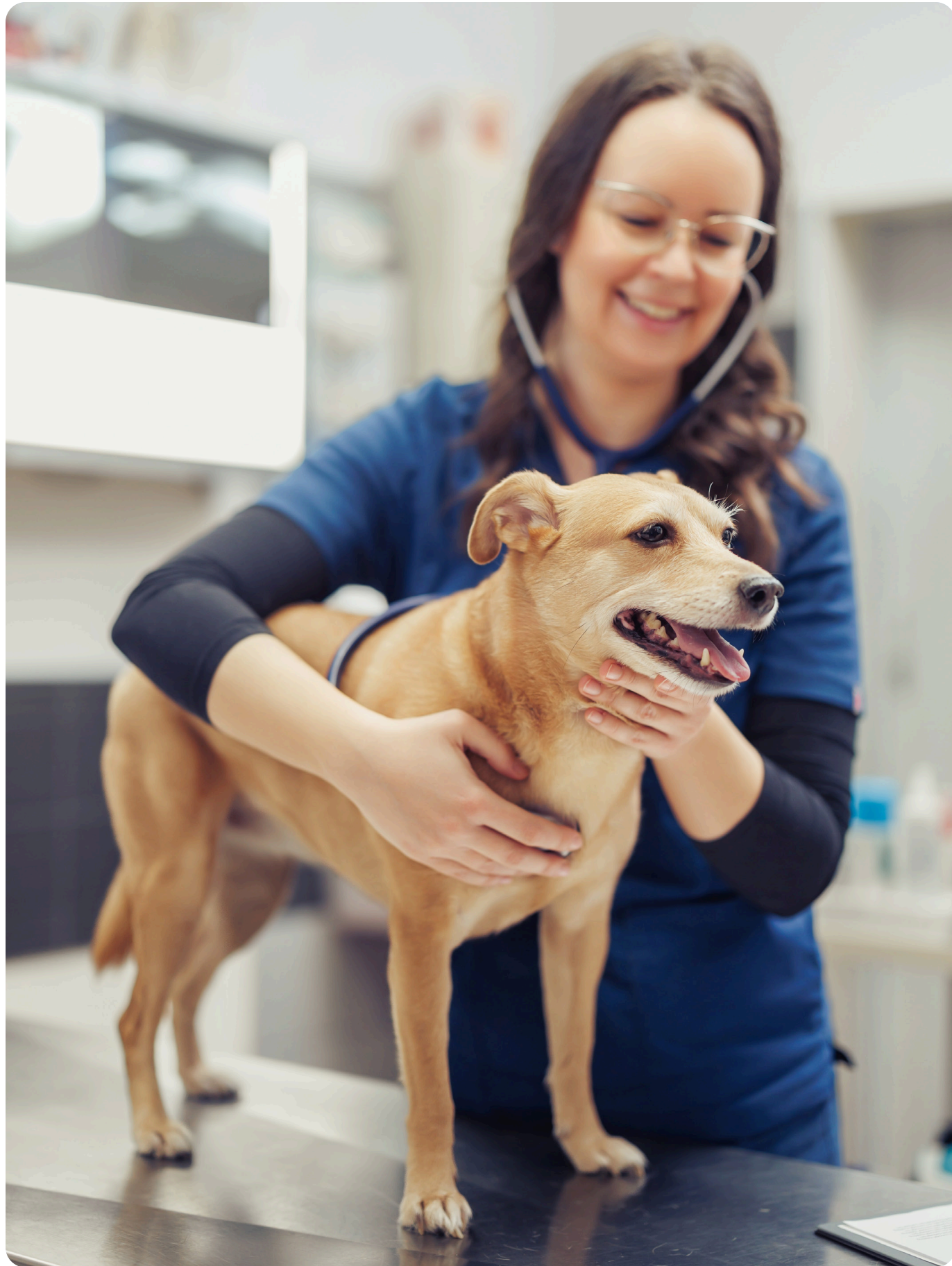
## The Last Five Years

Nearly four-in-five business owners (**79%**) say their revenues have increased or stayed the same over the last five years.



Business owners have seen numerous changes to the business landscape. The changes that impacted them the most include:



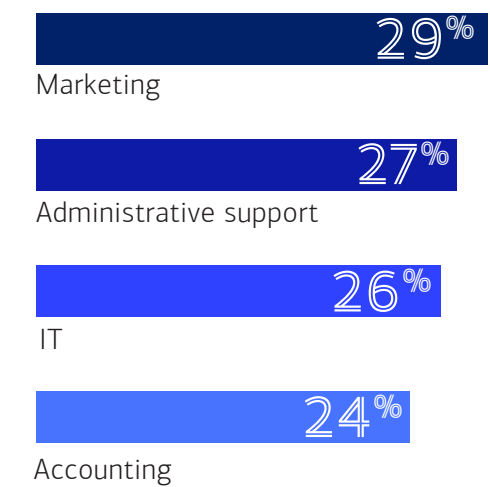


## The Next Five Years

Business owners plan to prioritize the following:

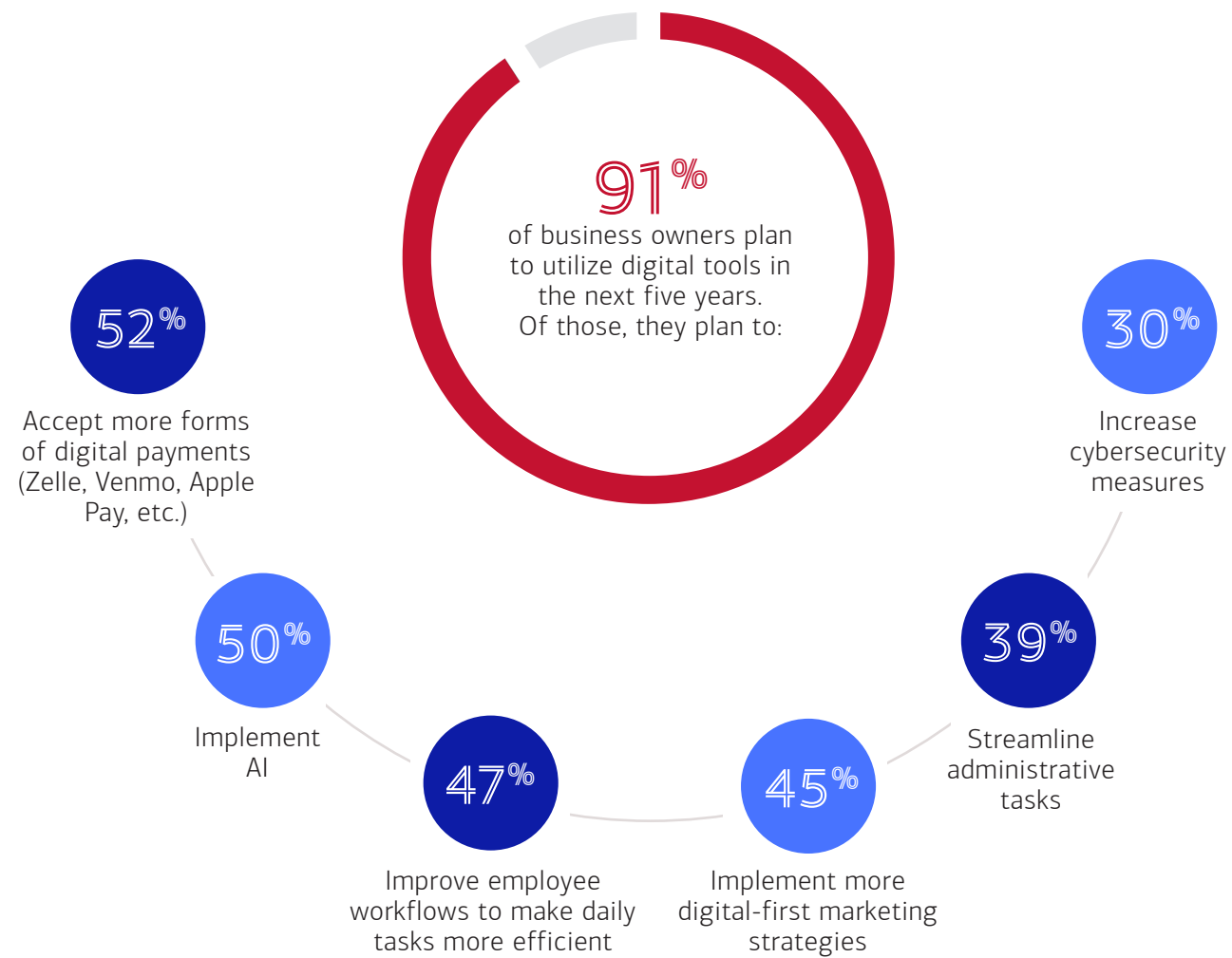


**28%** also plan to hire more staff, mostly to work in the following roles:



# DIGITAL TRANSFORMATION

Nearly all business owners plan to adopt digital tools over the next five years as they look to modernize and grow.





— Most business owners (77%) have integrated AI into their operations over the past five years.

They are using it for:



Marketing

50%



Content production

38%



Customer service

37%



Inventory management

28%



# CULTURAL EVENTS

Over half (**58%**) of business owners have modified their operations during major cultural events like sports games and concerts. They did so by:



Offering targeted promotions and discounts

46%



Posting on social media and/or the business website to create buzz

43%



Implementing themed marketing campaigns

36%



Exploring sponsorship opportunities

31%

Those who did so benefited from these modifications:



**51%**  
Reported increased sales

**47%**  
Reported increased social media following



# SUCCESSION PLANNING

Business owners are divided when it comes to succession planning, with a majority (**70%**) not focused on exiting in the next five years.



60% have a plan in place,

While 40% have yet to prepare for the future of their business

The most popular exit strategies for those with succession plans are:

Transitioning the business to a family member 32%

Selling to a strategic buyer 23%

Obtaining a financial buyer 15%

