



SMALL BUSINESS
FOR AMERICA'S FUTURE

One of the Hardest Economies of Their Careers: Costs From Every Direction Squeeze Main Street

October 13, 2026

About Small Business for America's Future

- Small Business for America's Future is a national coalition of business owners and leaders working to provide small businesses a voice at every level of government.
- We're committed to ensuring policymakers prioritize Main Street by advancing a just and equitable economic framework that works for small business owners, their employees and their communities.





Key Findings

Costs From Every Direction Squeeze Main Street

Between Aug. 13 and Oct. 5, 2026, Small Business for America's Future surveyed 1,171 small business owners in its network to gauge how rising costs are affecting their businesses, their customers and their own households. The findings show owners are living through one of the hardest economies of their careers. Costs are rising on nearly every front while customers spend less. Owners are covering the gap by cutting their own pay and putting off investments, and most say Washington puts large corporations ahead of Main Street.

Top findings

- **75% call this one of the hardest economies of their careers**, including 35% who say it is the hardest they have experienced. Asked which period compares most closely, 53% of them name the COVID-19 pandemic and 30% the Great Recession.
- **83% are concerned about the financial health of their business** over the next 12 months, including 44% who are very concerned.
- **72% say running their business is harder than a year ago**, and 85% of them name inflation and rising prices as a reason.
- **More than half report higher costs in six of nine categories** over the past 12 months: utilities (72%), fuel (68%), transportation, shipping or supplies (64%), business services (64%), healthcare and health insurance (54%), and employee wages and benefits (53%).
- **46% say their customers are spending significantly less.**
- **64% have cut or skipped their own pay** to keep their business running.
- **67% have delayed, canceled or scaled back investments** in equipment, facilities or technology because of uncertainty about federal economic policy, and 57% have done the same with hiring.
- **78% say Washington puts large corporations first** when making decisions that affect the cost of doing business. Just 5% say small businesses come first.
- **61% say immigration enforcement has hurt the small business economy.**



Costs From Every Direction Squeeze Main Street

A Deeper Look at the Findings: One of the hardest economies of their careers

- **75% call this one of the hardest business environments** they have experienced, including more than a third (35%) who say it is the hardest ever.
- **75% describe the overall state of the economy for small businesses as weak**, including 39% who call it very weak.
- **53% say their business's financial situation is worse than a year ago**, including 23% who say it is much worse.

Costs rising from every direction

Asked which costs have increased for their business over the past 12 months, owners named utilities (72%), fuel (68%), transportation, shipping or supplies (64%), business services such as technology, legal and financial services (64%), healthcare and health insurance (54%), employee wages and benefits (53%), inventory or raw materials (47%), tariffs on goods or materials (39%), and commercial rent or property costs (34%).

- **78% say cost increases have hurt their ability to operate or grow**, including 42% who call the impact significant.
- **Among the 72% who say running their business has gotten harder, the reasons cited most are inflation and rising prices (85%)**, high fuel prices (61%), reduced customer spending (56%), rising utility and energy costs (55%), healthcare costs (47%), higher wages and labor costs (47%), and tariffs and trade policy uncertainty (43%).
- **Among small businesses with employees, 76% say rising living costs are pressuring them to raise wages**, and 47% say they cannot afford to right now.



Costs From Every Direction Squeeze Main Street

Customers pulling back

- **77% have seen customers spend less, delay purchases or trade down.**
- **Among the 77% who see customers pulling back, 84% blame inflation and higher prices for everyday goods, and about half point to higher utility bills (52%) and transportation or commuting costs (49%).**

Owners paying the price personally

- **64% have reduced or skipped their own pay in the past 12 months to keep their business running, including 50% who have done it multiple times.**
- **47% say their business no longer supports their personal living expenses the way it did in prior years: 30% are drawing on savings or other income, and 17% are struggling significantly to cover expenses.**
- **52% say their personal debt has increased over the past year, 37% have pulled money from personal savings to cover business expenses, and 28% have considered closing or selling their business.**
- **66% say their personal financial stress is the highest they have experienced (29%) or higher than most periods in their lives (37%).**

Business growth on hold

- **Because of uncertainty about federal economic policy, 67% have delayed, canceled or scaled back investments in equipment, facilities or technology, including 15% who canceled them outright; 57% have done the same with hiring, and 56% with expanding into new markets or locations.**



Costs From Every Direction Squeeze Main Street

Tariffs and the refund process

- **59% say tariffs or trade-related cost increases have made it harder to afford the day-to-day costs** of running their business. Among them, 63% have accepted lower profit margins rather than raise prices, and 50% have delayed planned investments.
- **Only 3% of small businesses surveyed have filed a refund claim** since the Supreme Court ruled in February 2026 that most emergency tariffs were unlawful. Another 35% paid those tariffs indirectly through higher supplier prices and cannot claim a direct refund.

Healthcare costs

- **Among owners who buy their own coverage through the ACA marketplace, 90% saw their premiums rise** after the enhanced premium tax credits expired at the end of 2025, and 71% say keeping coverage is a significant financial strain or that they have downgraded or dropped it.
- **74% of employers are concerned rising health insurance costs will make it harder to hire and keep the employees** they need.

Energy costs and AI data centers

- **85% say energy costs have hurt their business over the past year**, including 27% who say the impact forced changes in how they operate. Among them, 32% say their energy costs rose 20% or more.
- **73% are concerned that growing electricity demand from AI data centers** could raise electricity costs for small businesses like theirs.



Costs From Every Direction Squeeze Main Street

A Deeper Look at the Findings: Immigration enforcement adds to the strain

- **61% say federal immigration enforcement has had a negative economic impact on small businesses**, including 42% who say significantly negative; 13% say the impact has been positive.
- **Owners report seeing the effects in their communities or industries**, including workers not showing up or leaving jobs out of fear of enforcement (33%) and customers staying home or avoiding businesses out of fear (22%).
- **50% say the economic costs of enforcement to small businesses and local economies are too high** and policy needs to change.

The Middle East conflict

- **74% are concerned that U.S. military action in the Middle East could increase costs for their business.**

Washington puts large corporations first

- **78% say elected officials in Washington put large corporations first** when making economic policy decisions that affect the cost of doing business, including 66% who say by a wide margin. Just 5% say small businesses come first.
- **78% say making it affordable to run a small business is a low priority in Washington** or not a priority at all.
- **67% are not confident that the president considers the impact on small businesses** when making major economic policy decisions, such as tariffs, global conflicts that affect energy prices and the restructuring of federal spending.

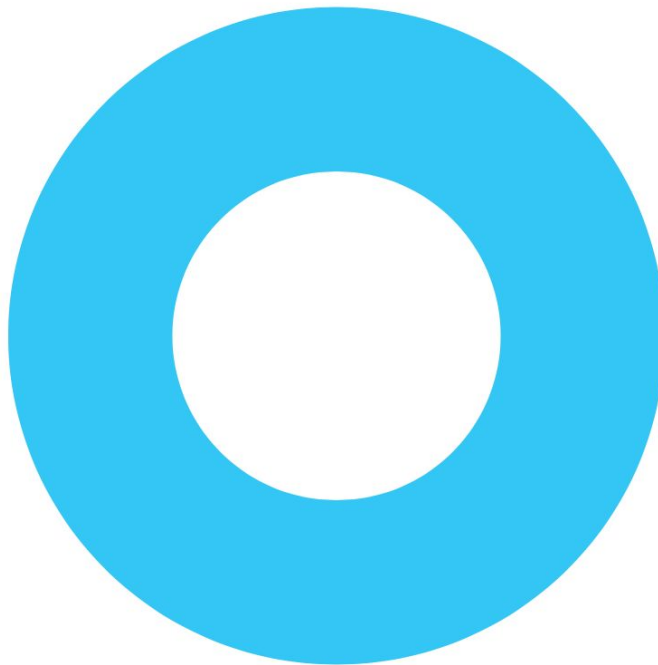


An overhead, top-down view of a collaborative office workspace. Several people are seated around a large wooden table, working on various devices including desktop monitors, laptops, and tablets. The workspace is cluttered with office supplies such as keyboards, mice, notebooks, pens, a coffee cup, and a small potted plant. The entire image is overlaid with a semi-transparent blue filter. The text "Survey Results" is centered in the middle of the image in a white, sans-serif font.

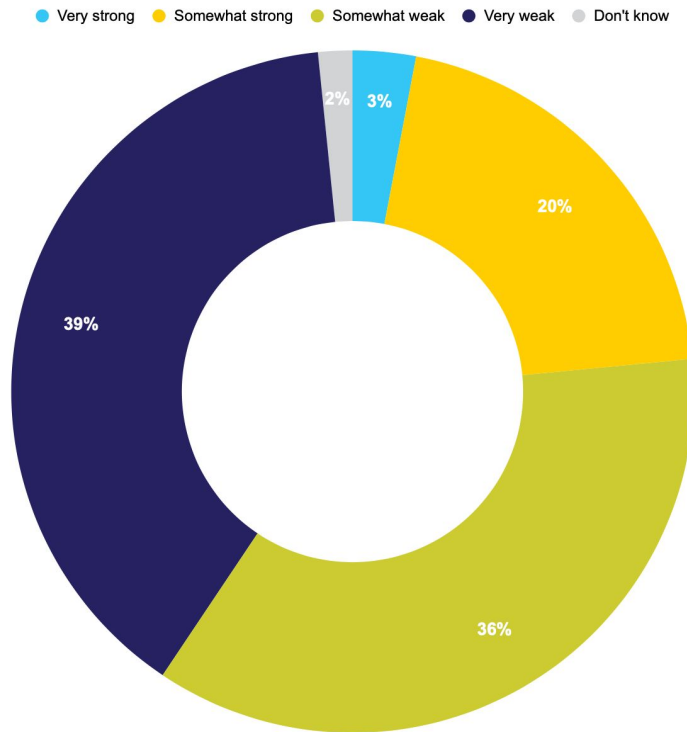
Survey Results

Q1: Are you a small business owner?

● Yes

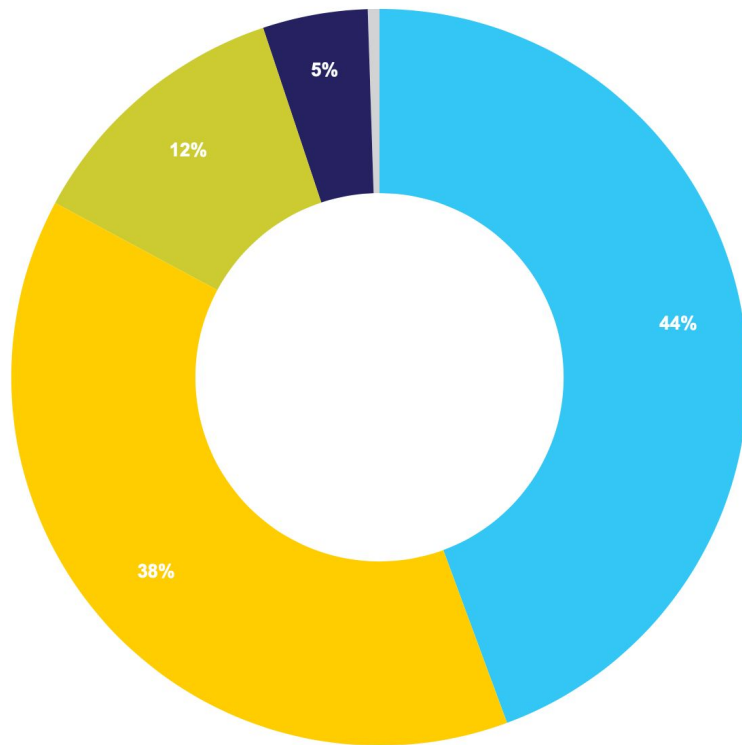


Q2: How would you describe the overall state of the economy for small businesses today?



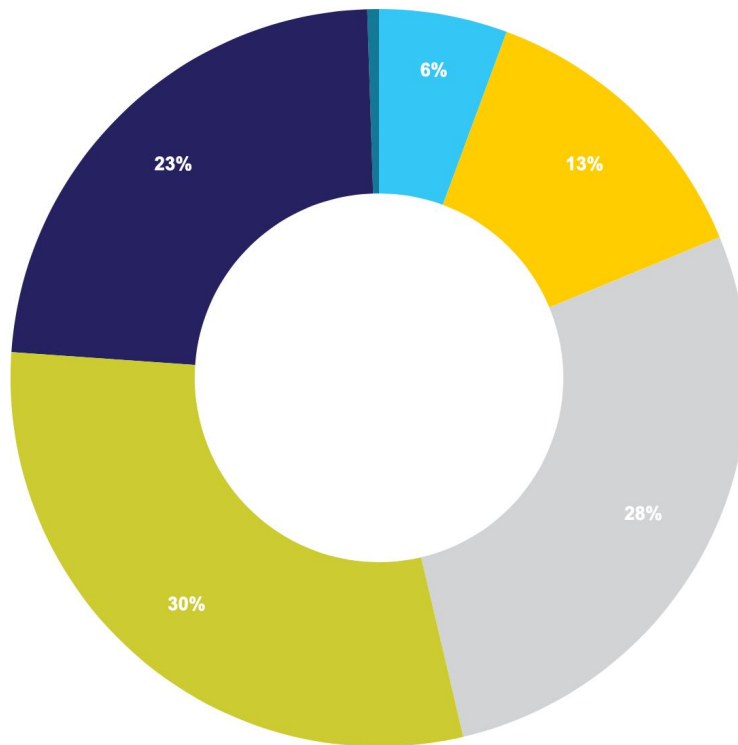
Q3: How concerned are you about the financial health of your business over the next 12 months?

● Very concerned ● Somewhat concerned ● Not very concerned ● Not at all concerned ● Don't know



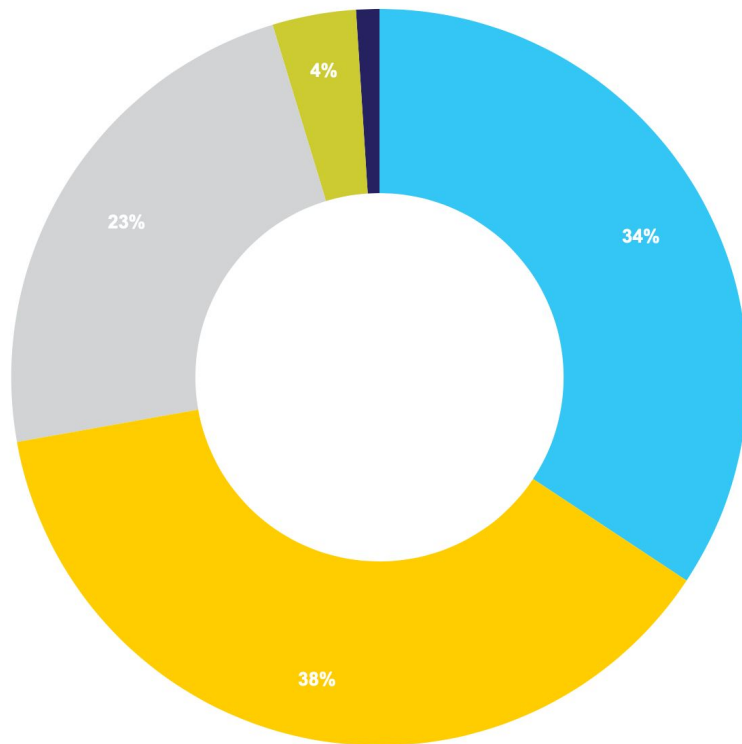
Q4: Compared to one year ago, how would you describe your business's financial situation today?

● Much better ● Somewhat better ● About the same ● Somewhat worse ● Much worse ● Don't know

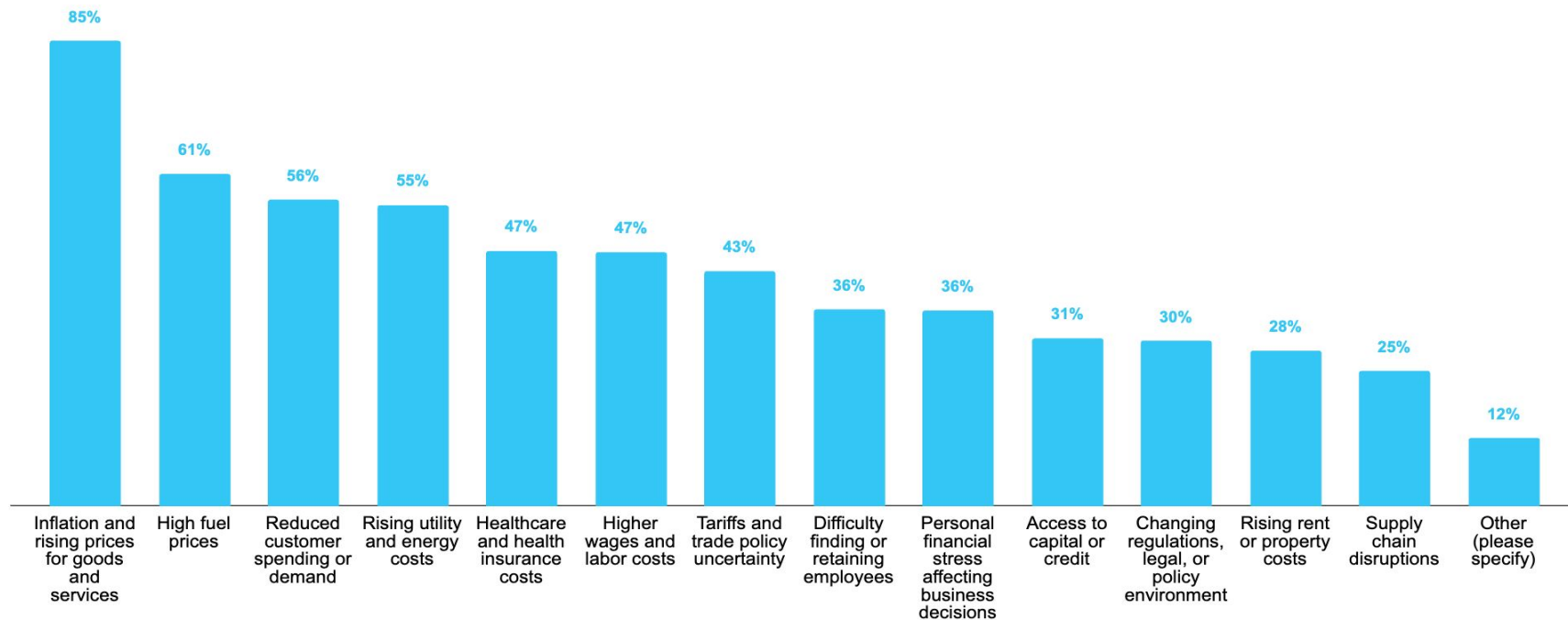


Q5: Compared to one year ago, is it easier or harder to run your small business?

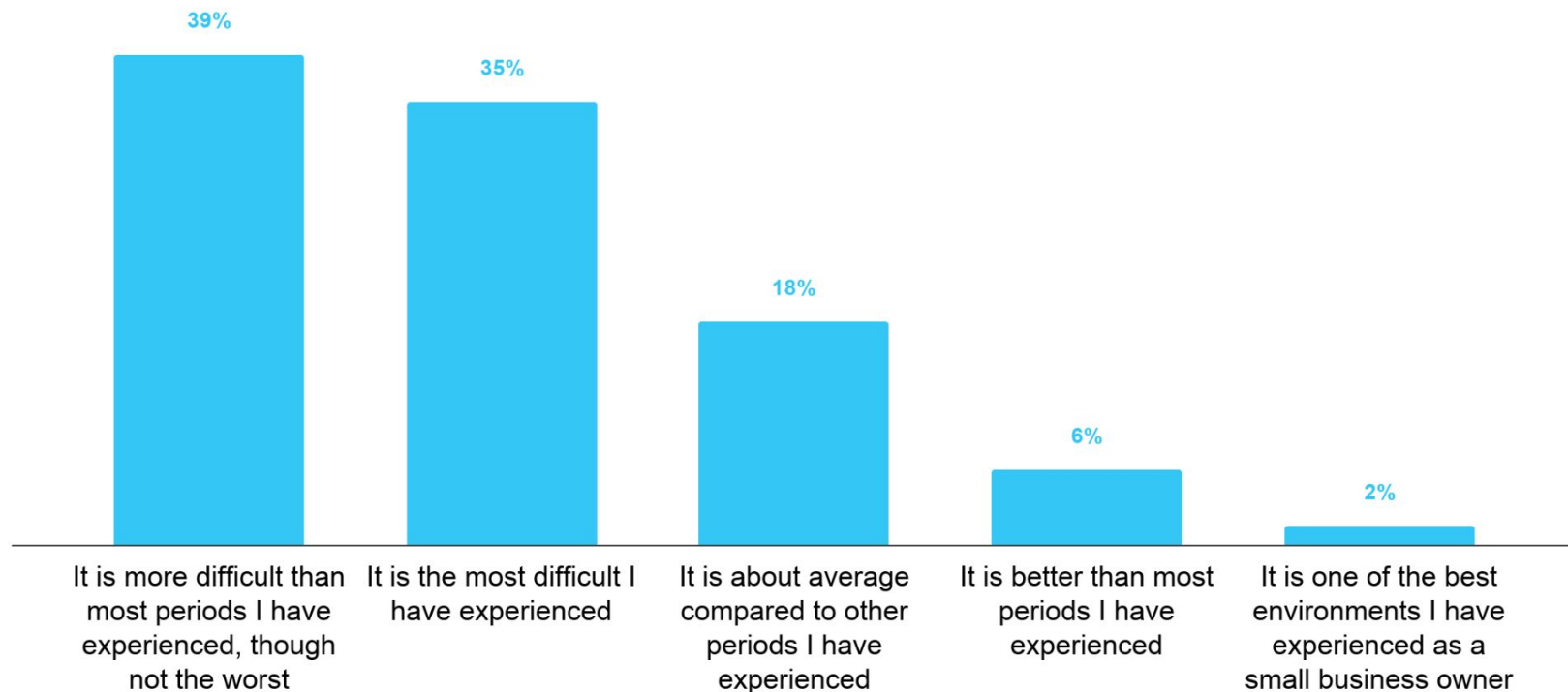
● Much harder ● Somewhat harder ● About the same ● Somewhat easier ● Much easier



Q6: You indicated it has become harder to run your small business. Which of the following is contributing to that over the last year? Please select all that apply. (Asked of those who answered Q5 as “Somewhat harder” or “Much harder”)

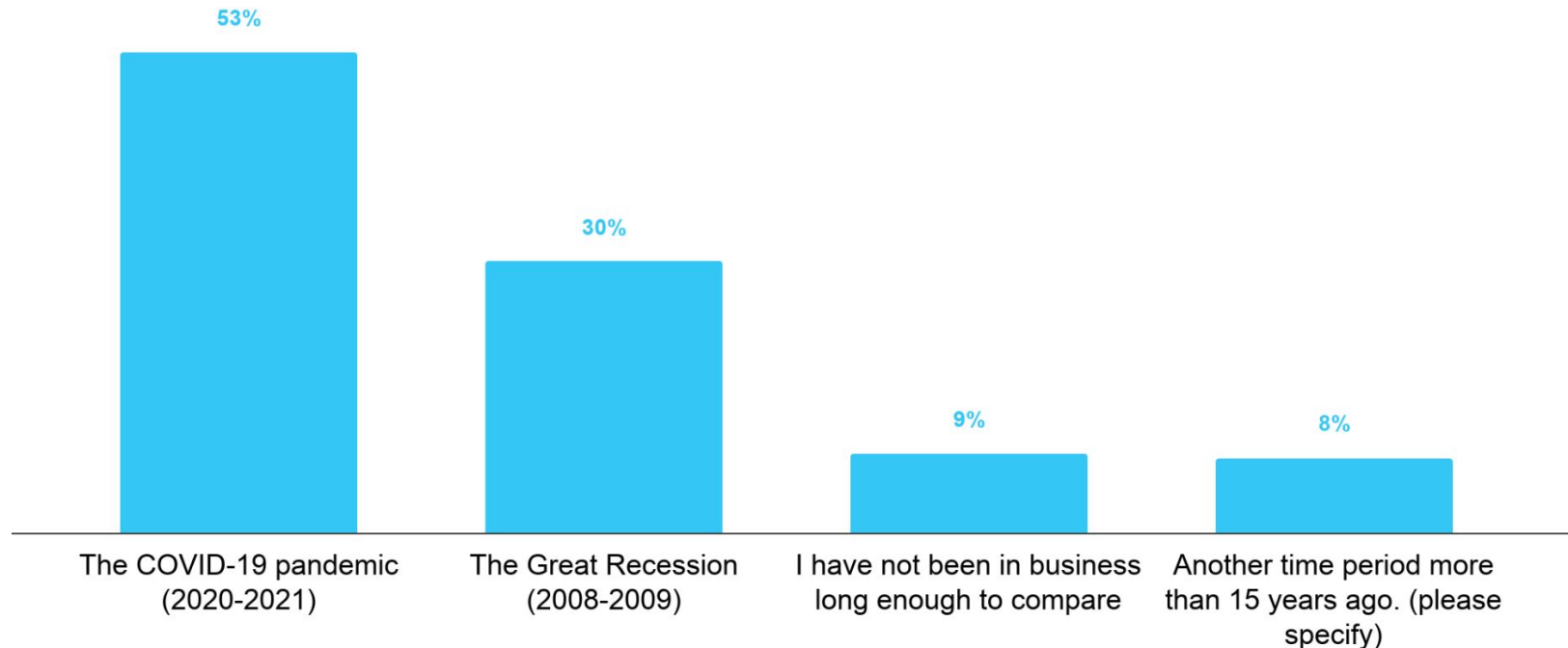


Q7: How does the current business environment compare to others you have experienced in your time as a small business owner?

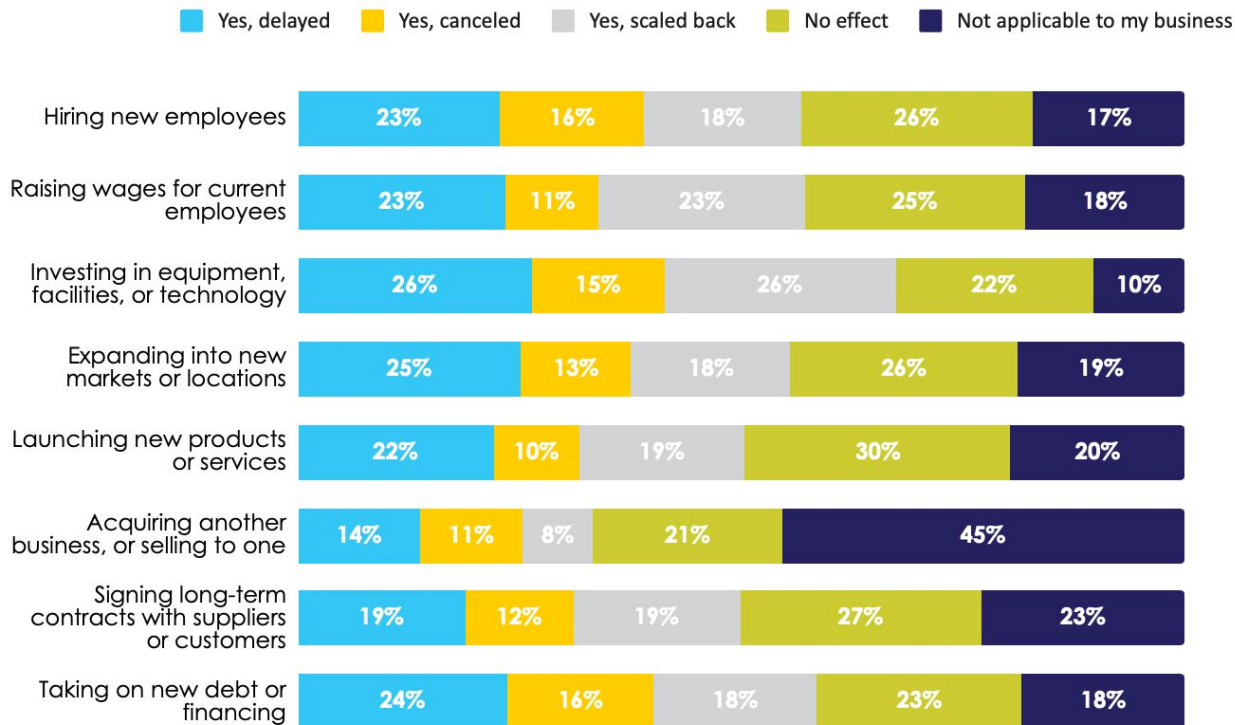


Q8: Which of the following periods was most comparable to what you are experiencing now in terms of difficulty?

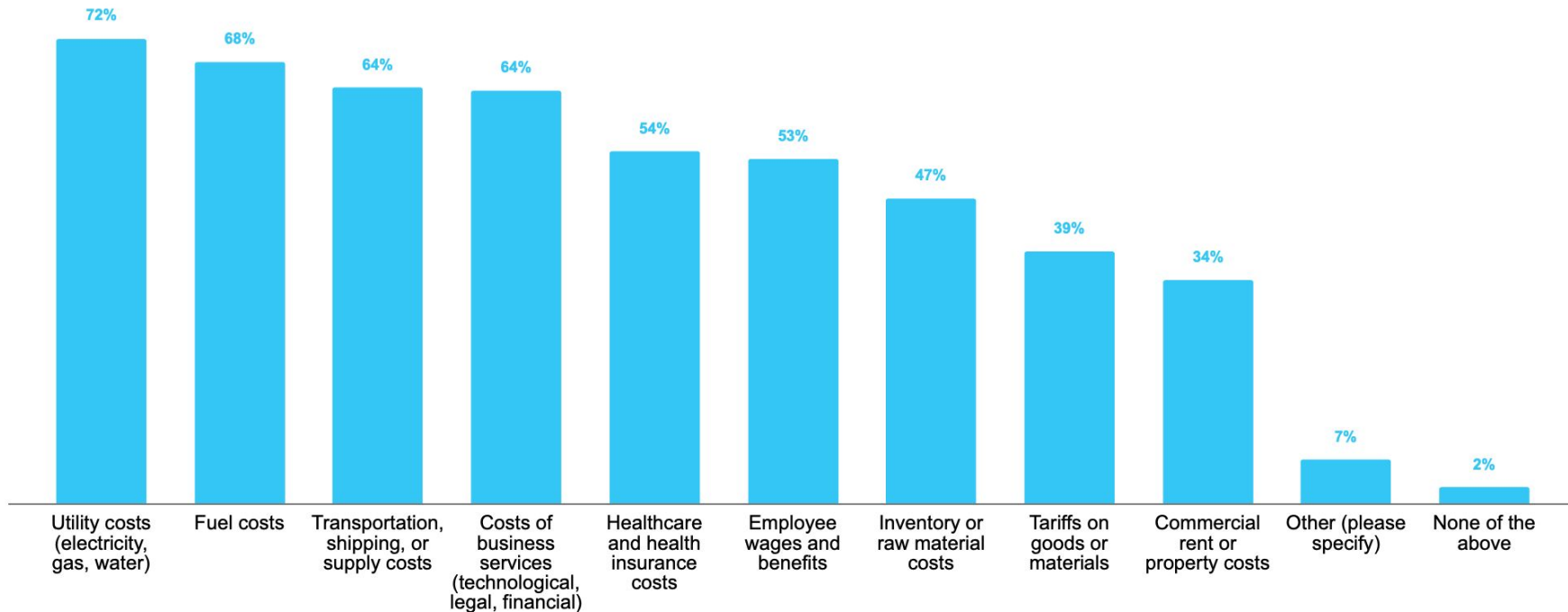
(Asked of those who answered Q7 as "It is the most difficult I have experienced" or "It is more difficult than most periods I have experienced, though not the worst")



Q9: In the past year, has uncertainty about federal economic policy caused your business to delay, cancel, or scale back any of the following? Select one response per row.

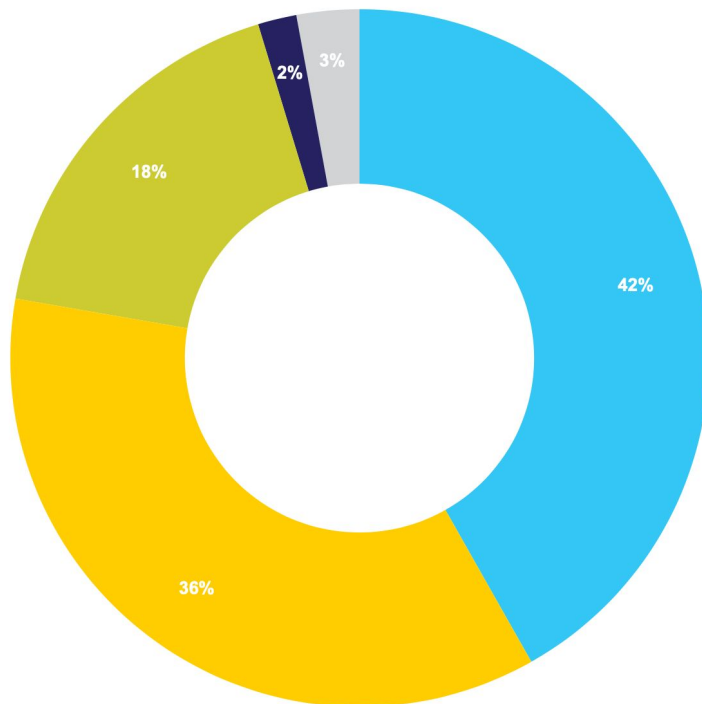


Q10: In the past 12 months, which, if any, of the following costs have increased for your business? Please select all that apply.

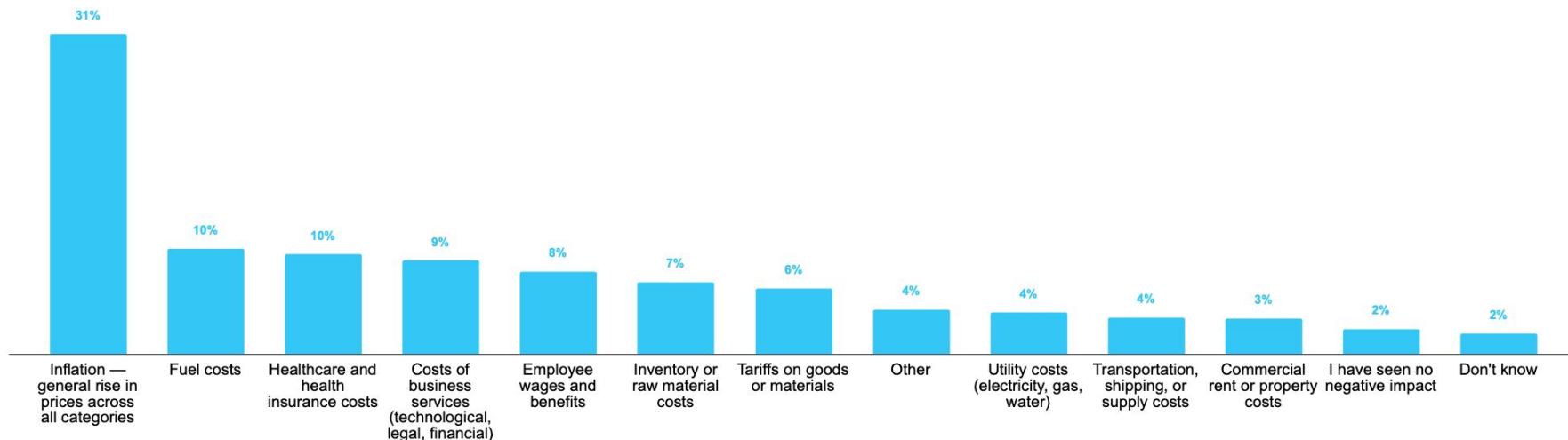


Q11: Overall, how much have cost increases affected your ability to operate or grow your business in the past year?

● Significant negative impact ● Moderate negative impact ● Minor negative impact ● Positive impact — higher costs have helped my business ● Don't know

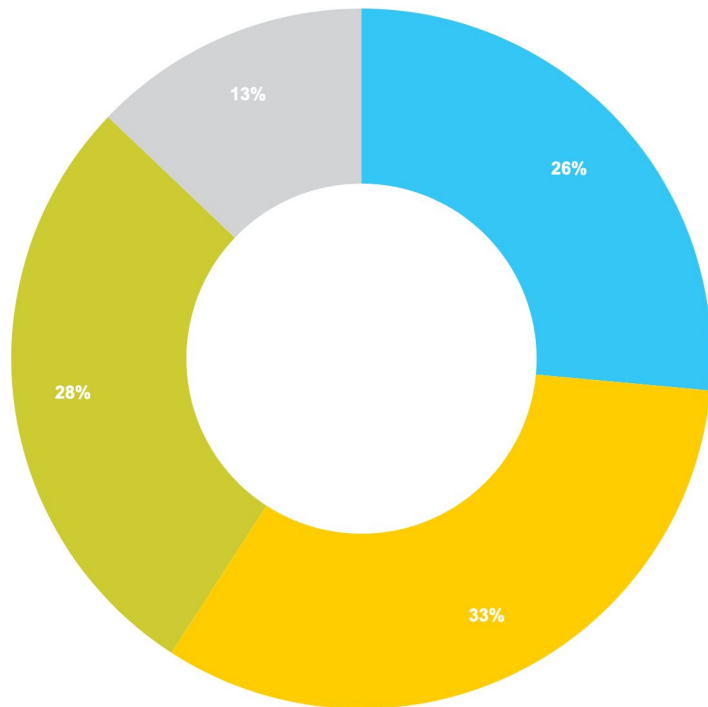


Q12: Which ONE of the following has had the greatest negative financial impact on your business over the past 12 months? (Select one)



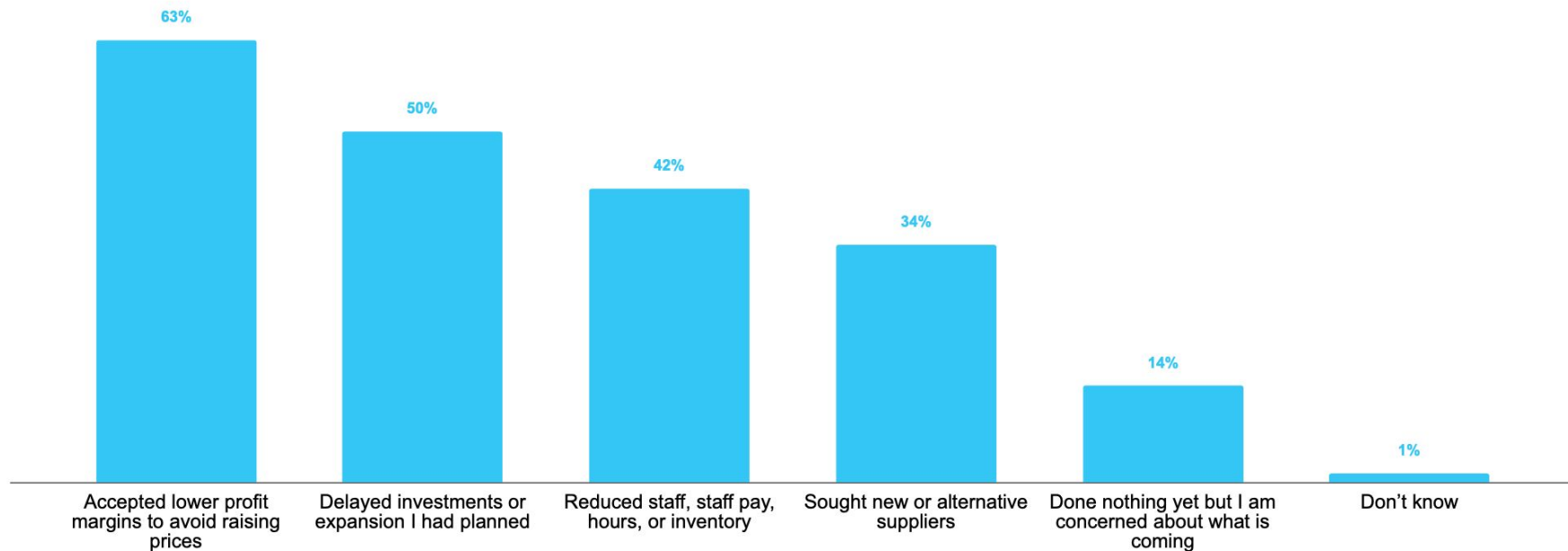
Q13: Over the last 12 months, have tariffs or trade-related cost increases made it harder for you to afford the day-to-day costs of running your business?

● Yes, significantly harder ● Yes, somewhat harder ● No noticeable impact ● Don't know / Not applicable

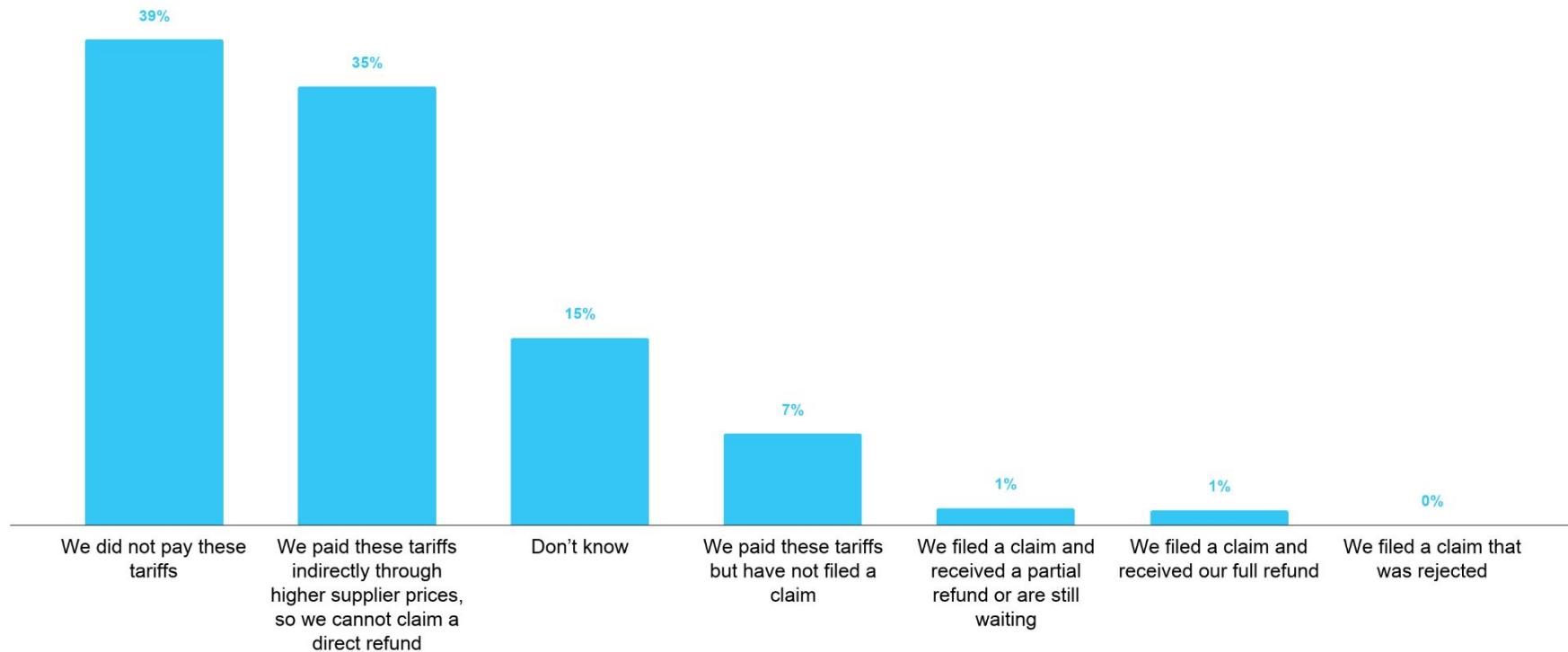


Q14: In response to those cost increases, which of the following have you done? Please select all that apply.

(Asked of those who answered Q13 as "Yes, significantly harder" or "Yes, somewhat harder")

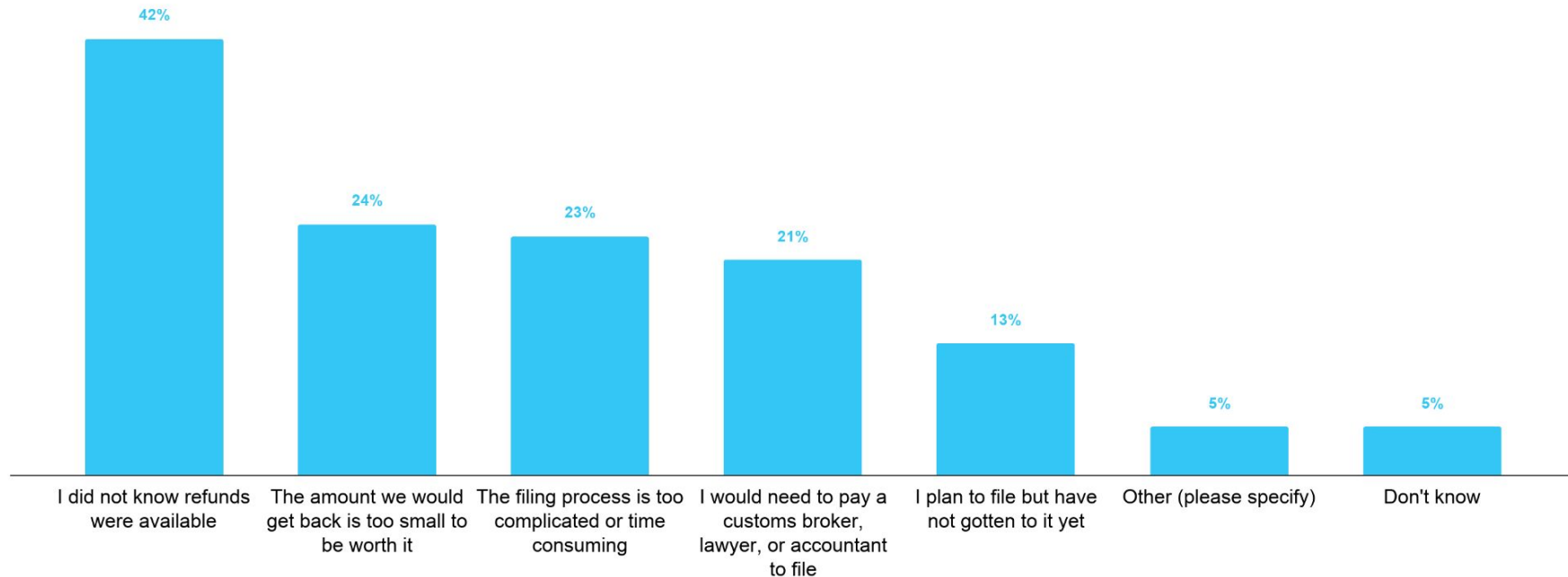


Q15: In February 2026, the Supreme Court ruled that most of the tariffs imposed under emergency powers in 2025 were unlawful. The federal government is now refunding those tariffs to businesses that paid them, through a claims portal run by U.S. Customs and Border Protection. Which of the following best describes your business's experience with the tariff refund process? (Select one)

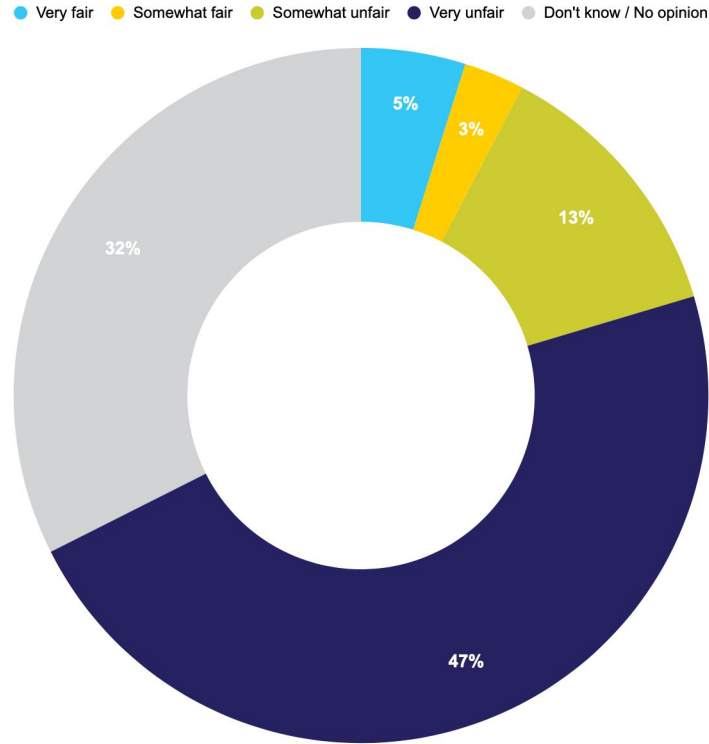


Q16: What are the reasons you have not filed a claim? Please select all that apply.

(Asked of those who answered Q15 as "paid but have not filed")

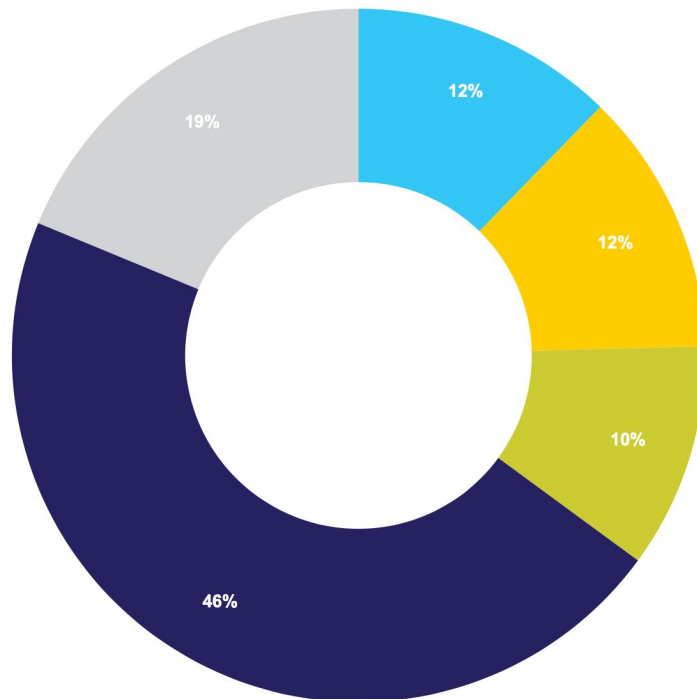


Q17: According to federal court filings, most refund money paid out so far has gone to large importers, while most claims tied to smaller shipments have not yet been processed. How fair or unfair do you think the tariff refund process has been to small businesses?



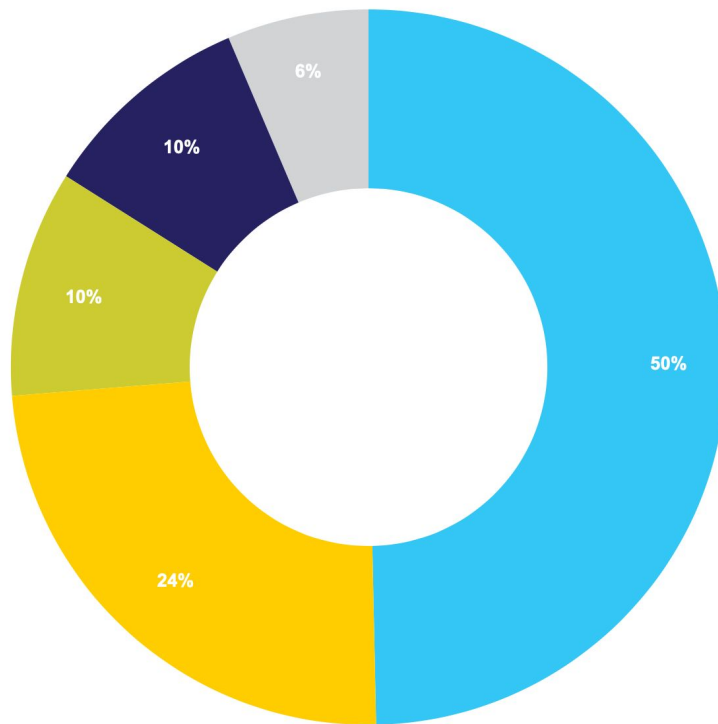
Q18: Since the Supreme Court ruling, the administration has used other trade laws to keep tariffs in place. A temporary 10% tariff on most imports expired on July 24 and was immediately replaced by new tariffs of 10% to 12.5% covering nearly all imported goods. Separate tariffs remain on products such as steel, aluminum, autos, and semiconductors. Do you support or oppose continuing broad tariffs on most imported goods?

● Strongly support ● Somewhat support ● Somewhat oppose ● Strongly oppose ● Don't know / No opinion

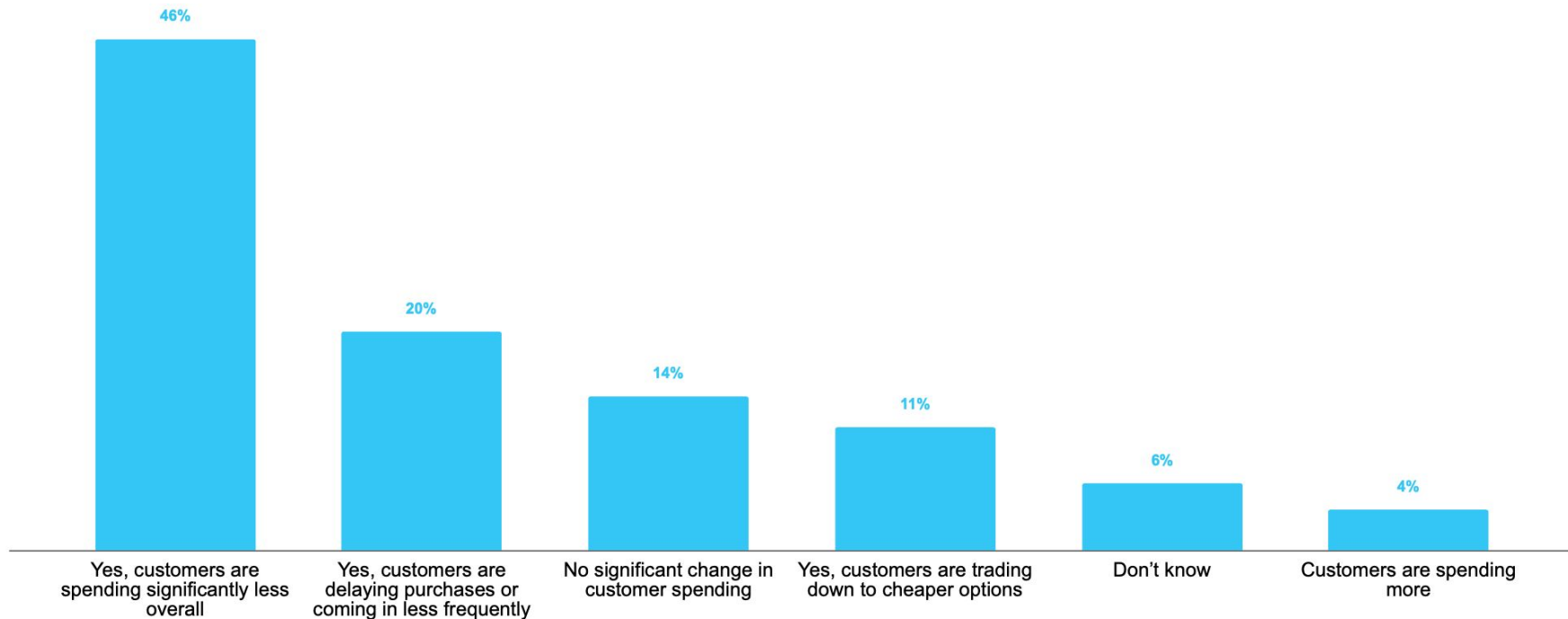


Q19: How concerned are you, if at all, that U.S. military action in the Middle East could increase costs for your business?

Very concerned Somewhat concerned Not very concerned Not at all concerned Don't know / No opinion

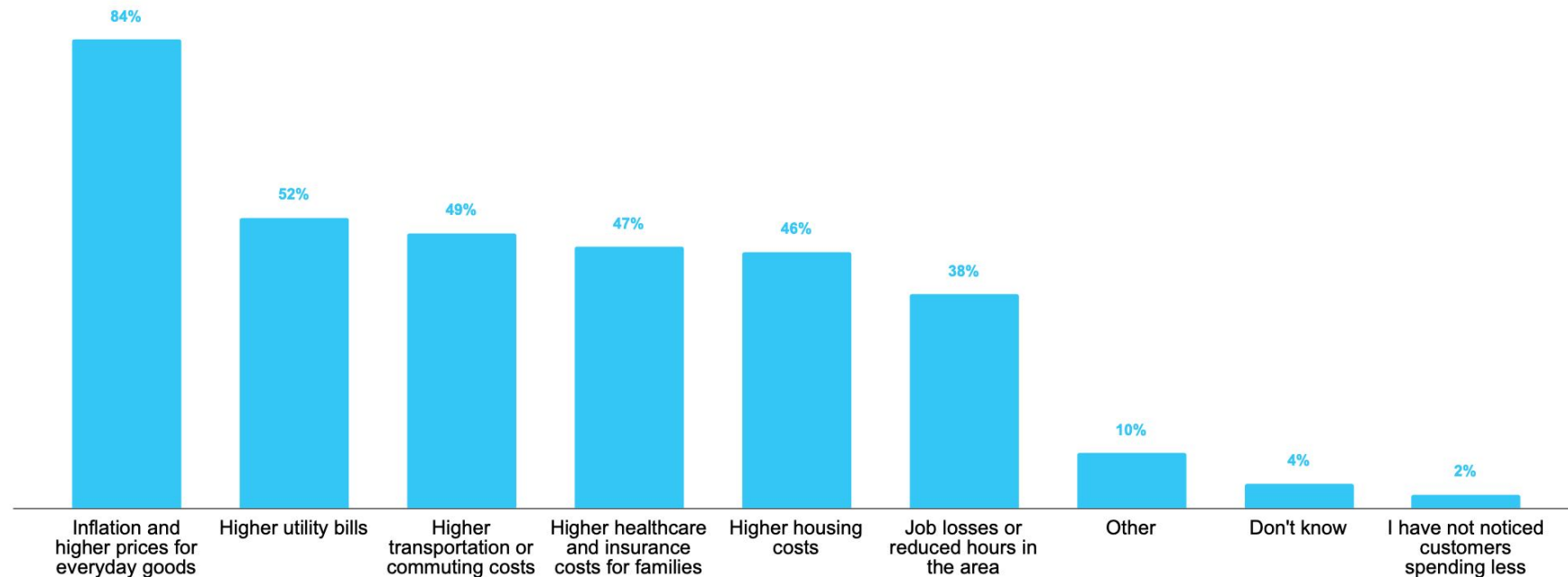


Q20: Over the past year, have you noticed any changes in your customers' spending behavior? Please select all that apply.



Q21: In your view, what are the primary reasons customers in your community seem to have less money to spend? (Select all that apply)

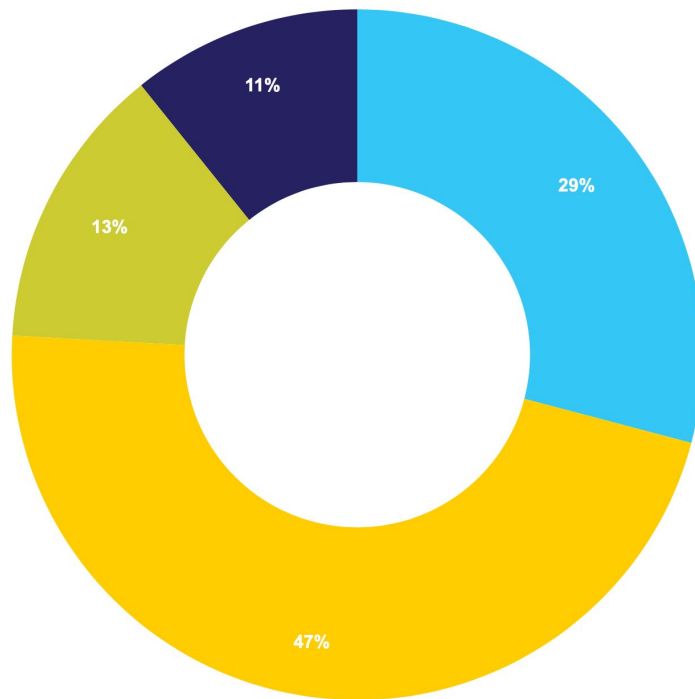
(Asked of those who answered yes in Q20)



Q22: Are rising costs of living creating pressure on you to increase wages for your employees?

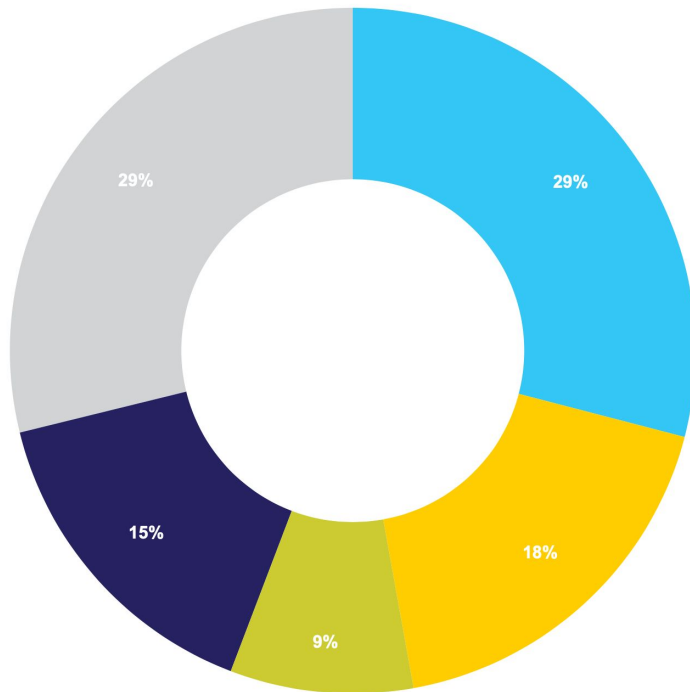
(Asked only of owners with employees)

- Yes, and I have already raised wages to keep up with rising costs
- Yes, but I cannot afford to raise wages right now
- Somewhat, but it has been manageable so far
- No, this has not been a significant issue

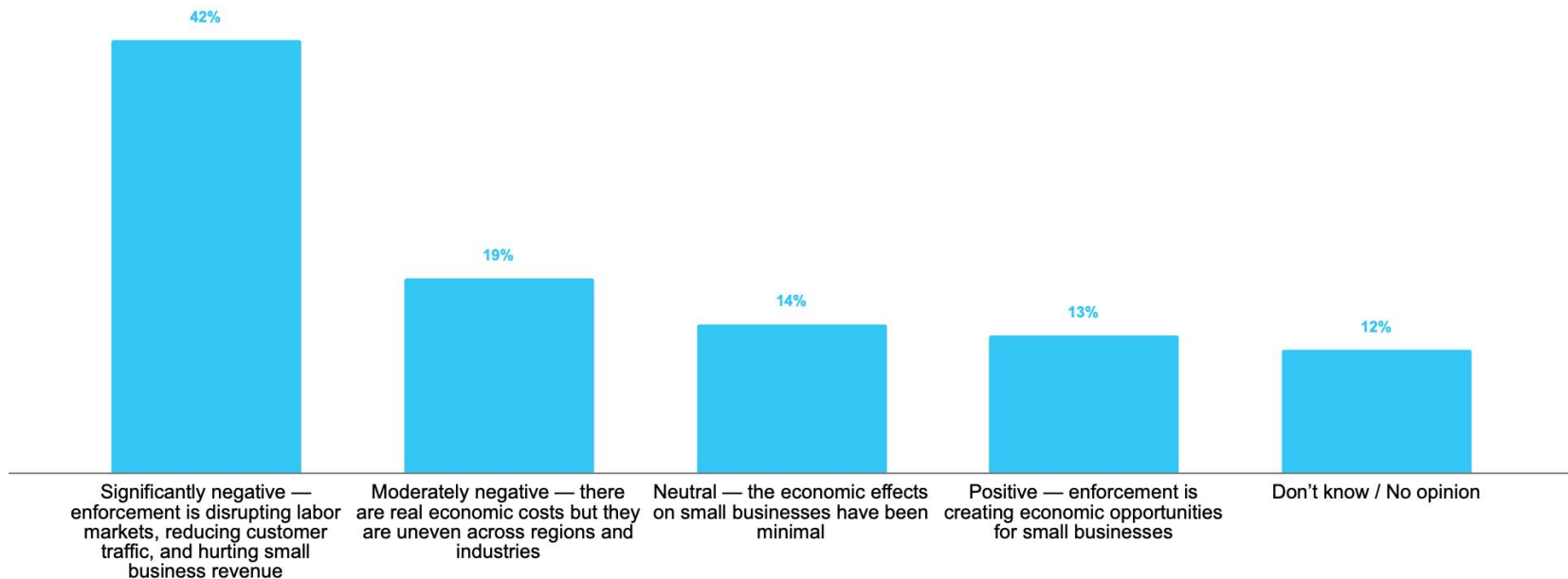


Q23: If your employees lose access to Medicaid or other public health coverage, how concerned are you about the impact on your ability to retain and support your workforce?

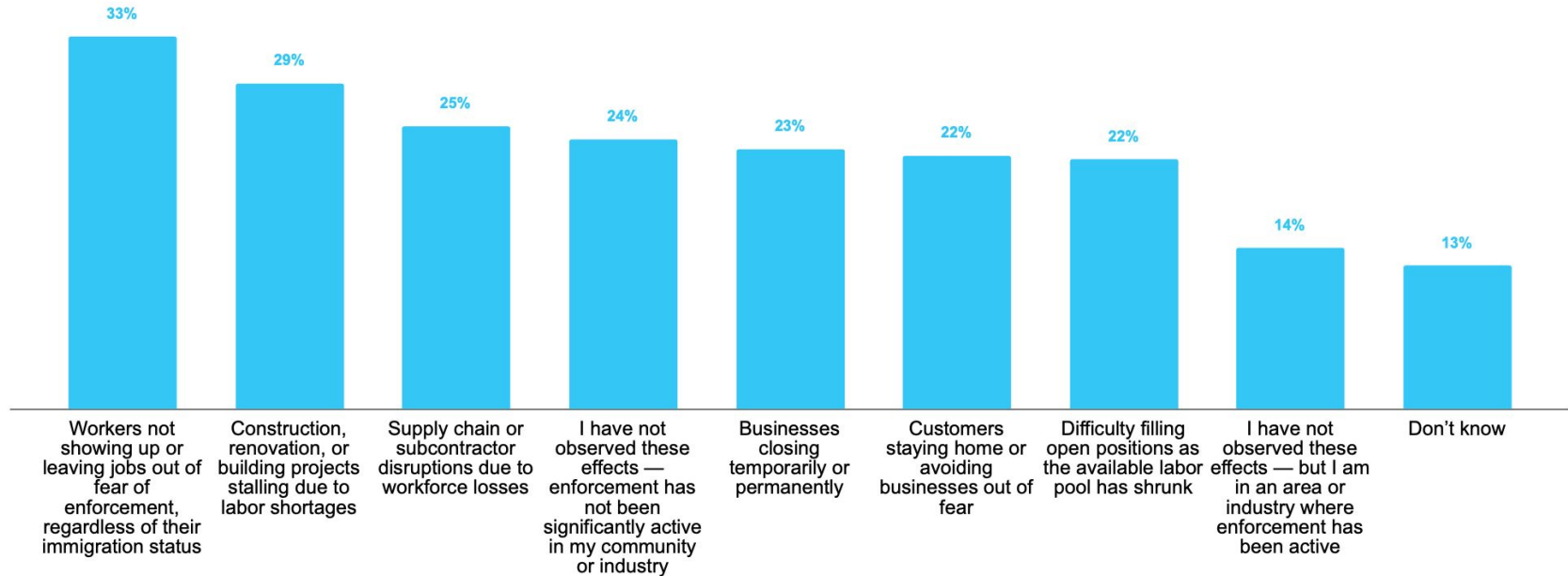
● Very concerned ● Somewhat concerned ● Not very concerned ● Not at all concerned ● Don't know / Not applicable



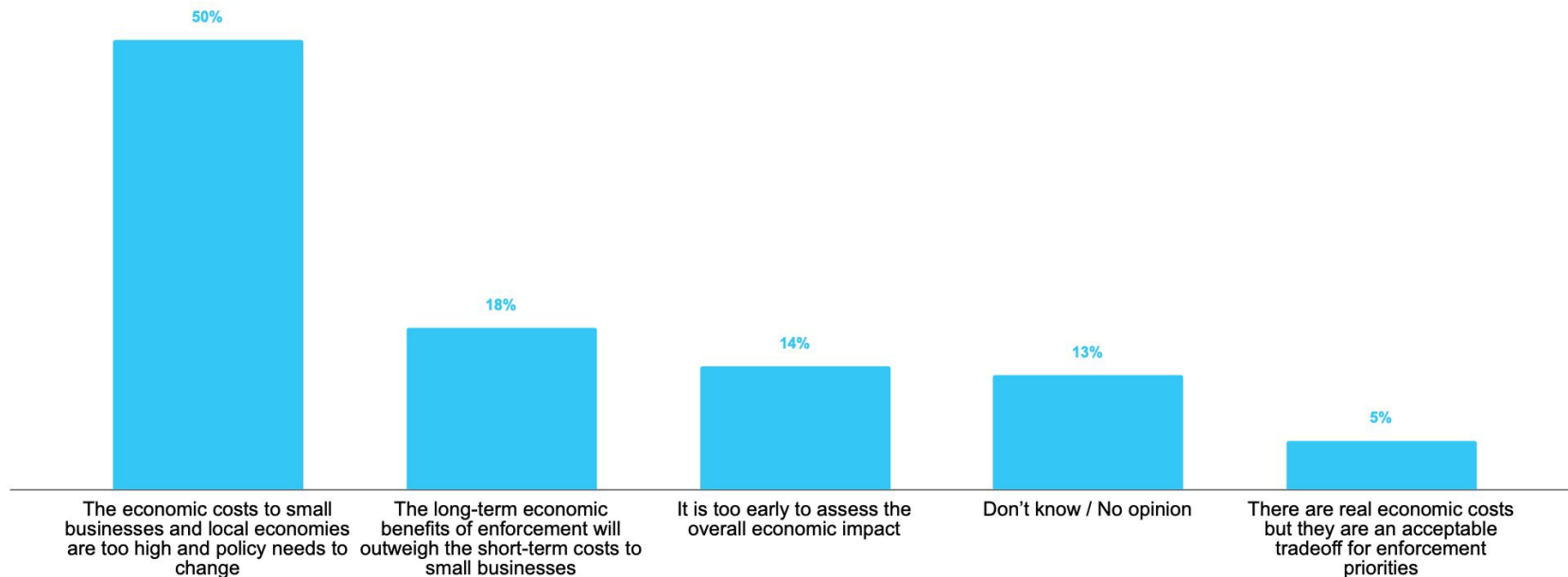
Q24: Based on what you know about how federal immigration enforcement is being carried out, what do you think the overall economic impact on small businesses has been?



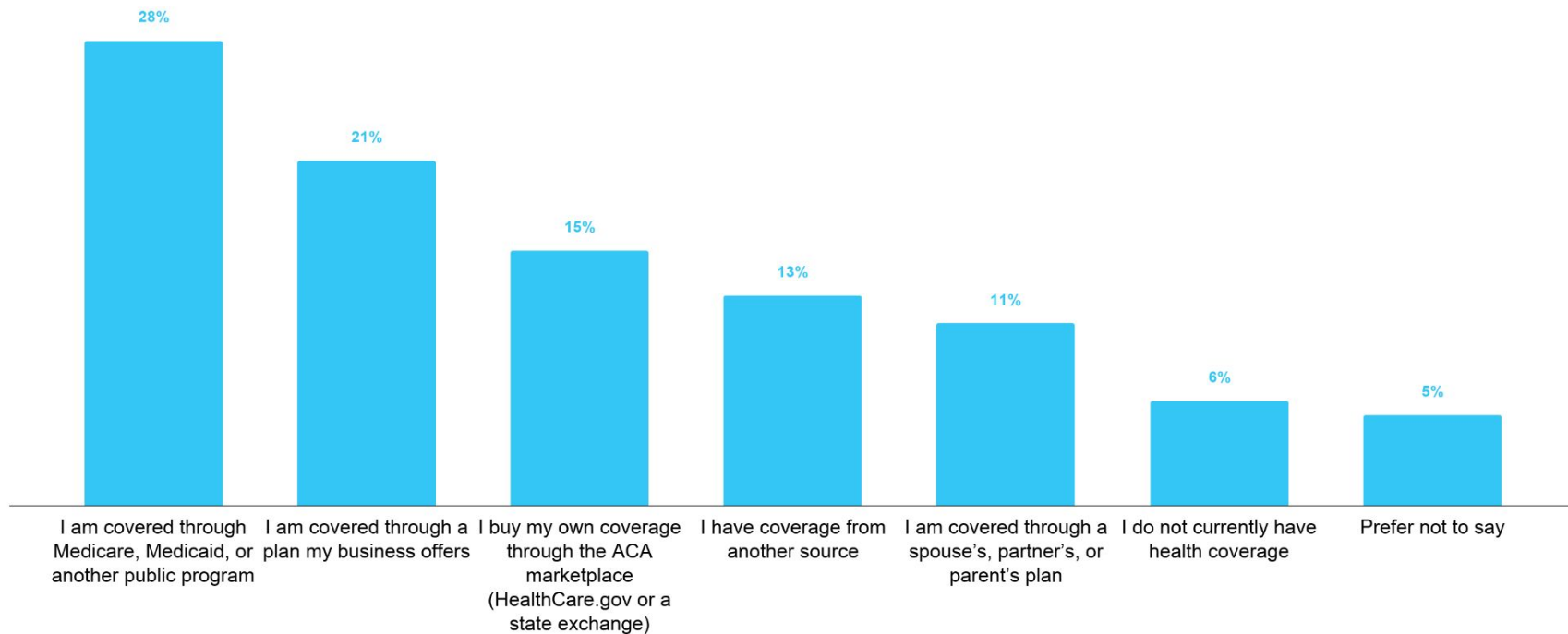
Q25: Which of the following economic effects of federal immigration enforcement have you observed in your community or industry? Please select all that apply.



Q26: Thinking about the overall economic impact of current federal immigration enforcement policies on small businesses, which of the following comes closest to your view?

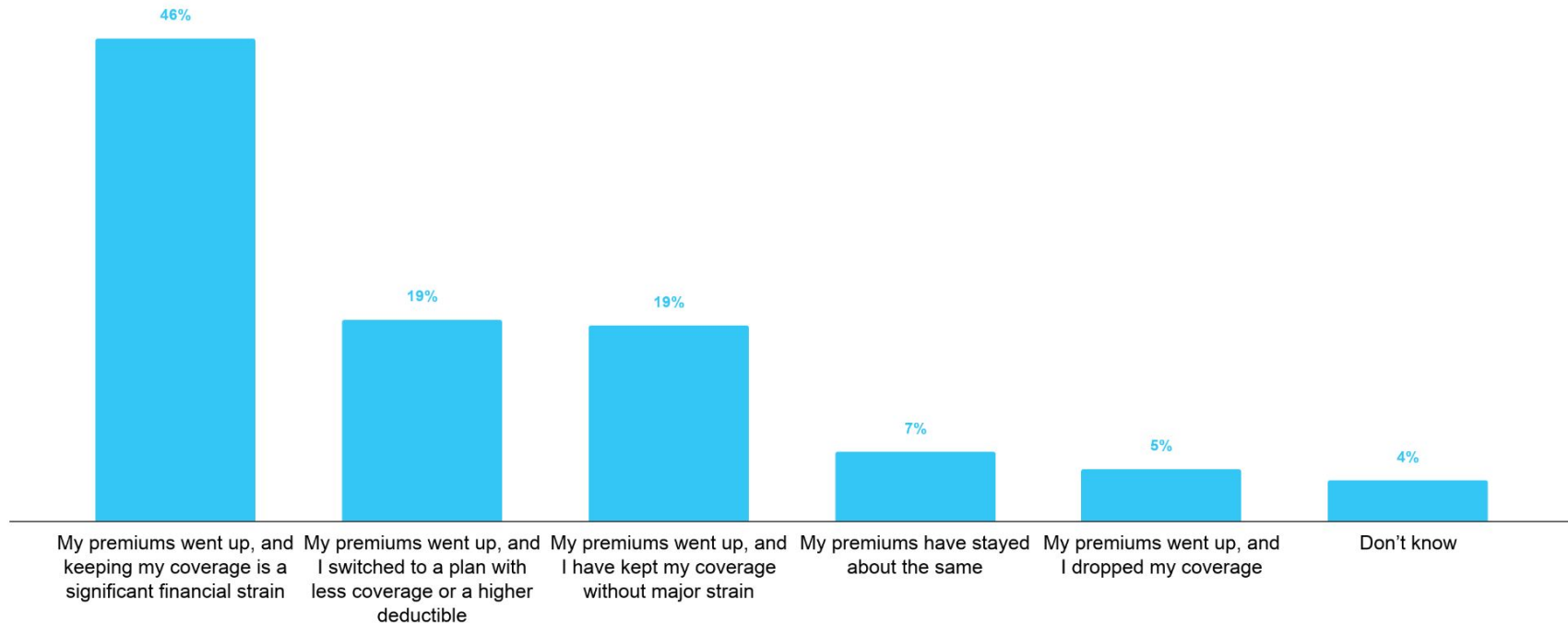


Q27: Which of the following best describes how you currently get health coverage for yourself? (Select one)



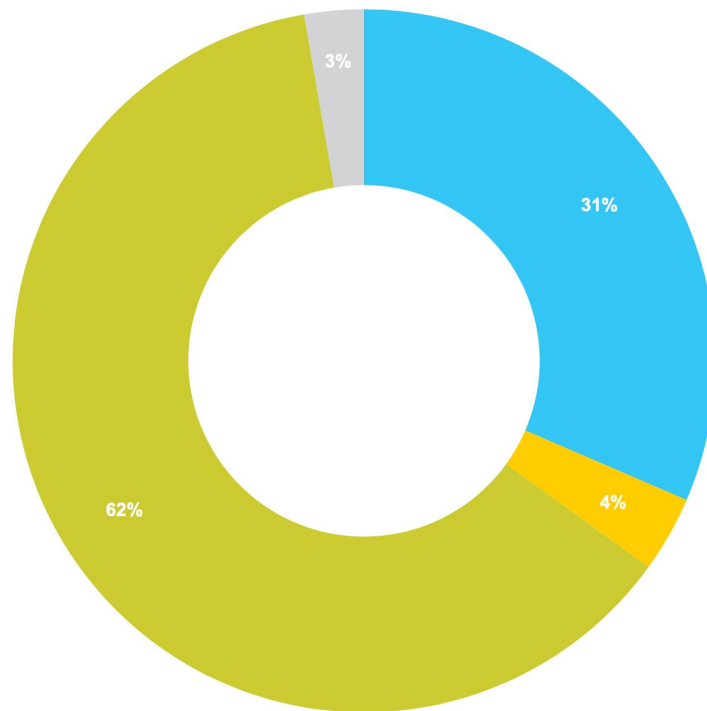
Q28: The enhanced premium tax credits that lowered the cost of ACA marketplace coverage expired at the end of 2025, and average out-of-pocket premiums for marketplace coverage rose sharply this year as a result. Which of the following best describes what has happened with your own coverage in 2026? (Select one)

(Asked of those who answered Q27 as buying through the ACA marketplace)



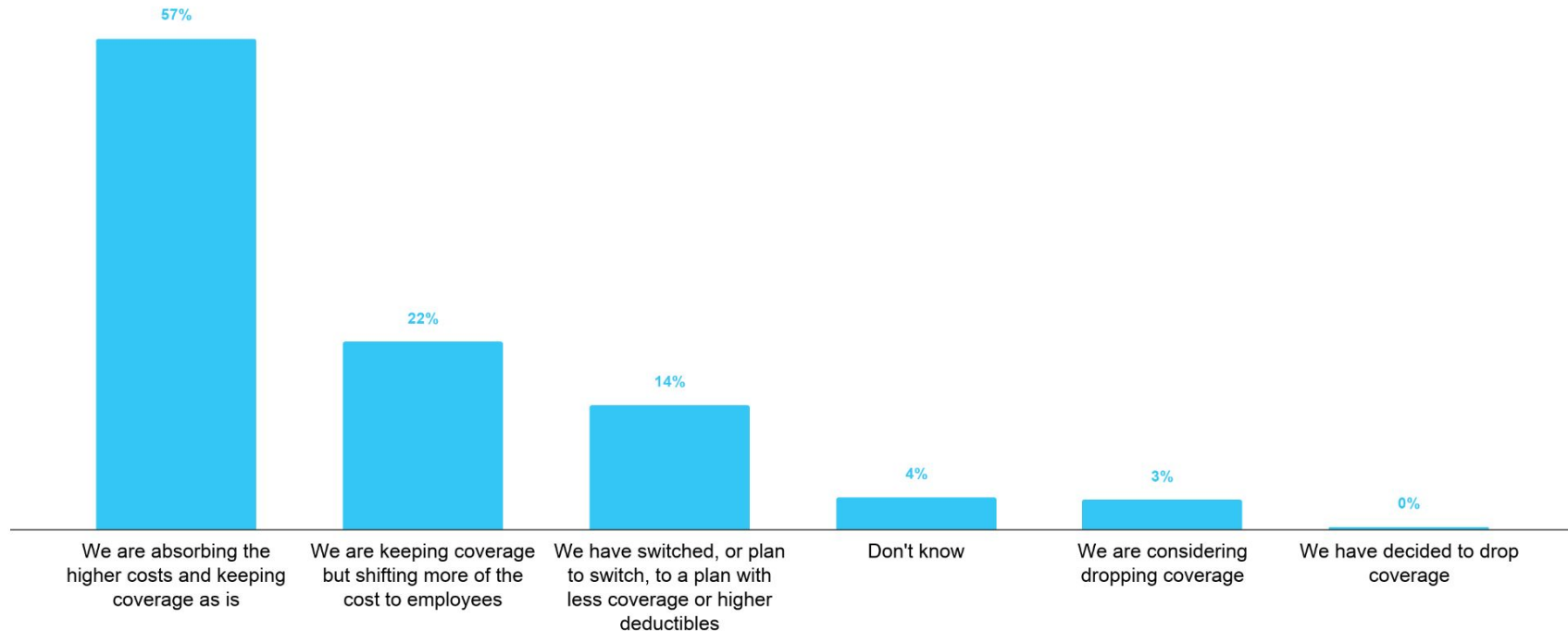
Q29: Does your business currently offer health coverage to your employees? (Select one)

● Yes, a group health insurance plan ● Yes, a health reimbursement arrangement (such as an IC...
● No, we do not offer health coverage ● Don't know



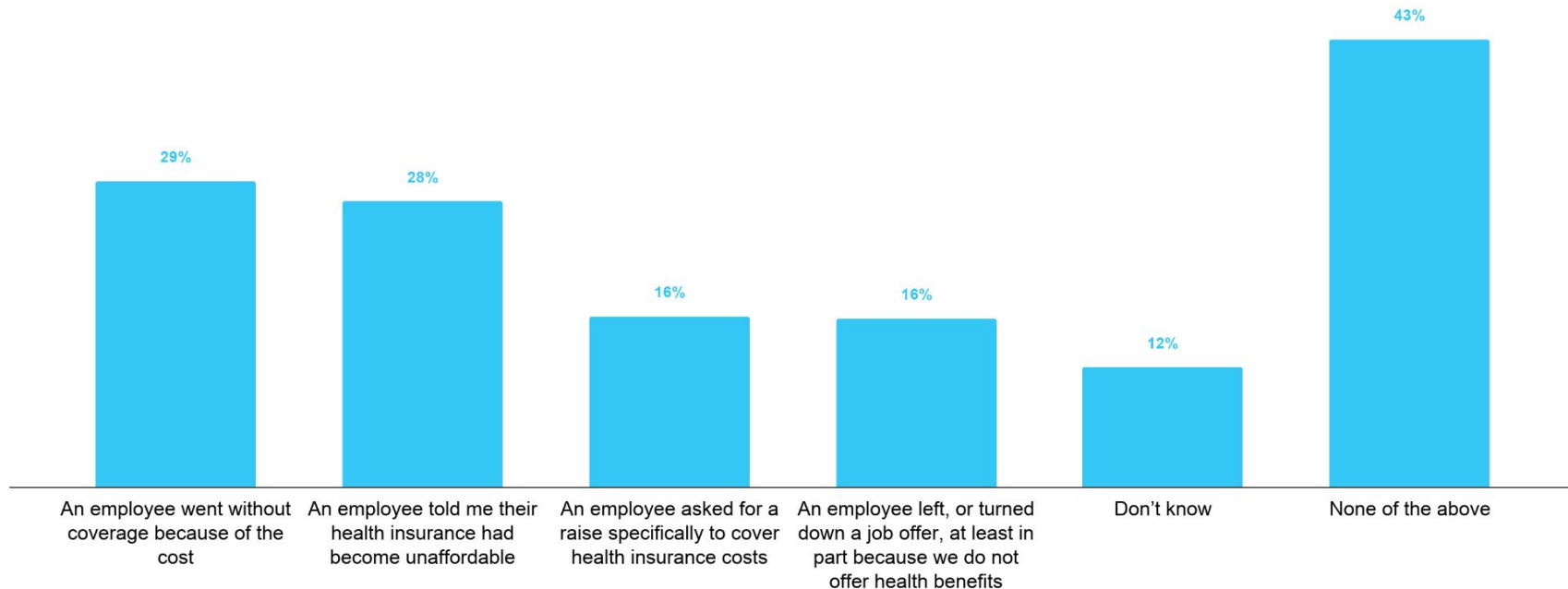
Q30: Premiums for small business health plans rose by a median of 11% for 2026, and insurers' early rate filings point to another round of similar increases for 2027. Which of the following best describes how your business is responding? (Select one)

(Asked only of owners with employees who answered Q29 as having a group plan)



Q31: Some employees at businesses that do not offer coverage buy their own insurance through the ACA marketplace. In the past year, have any of the following happened at your business? Please select all that apply.

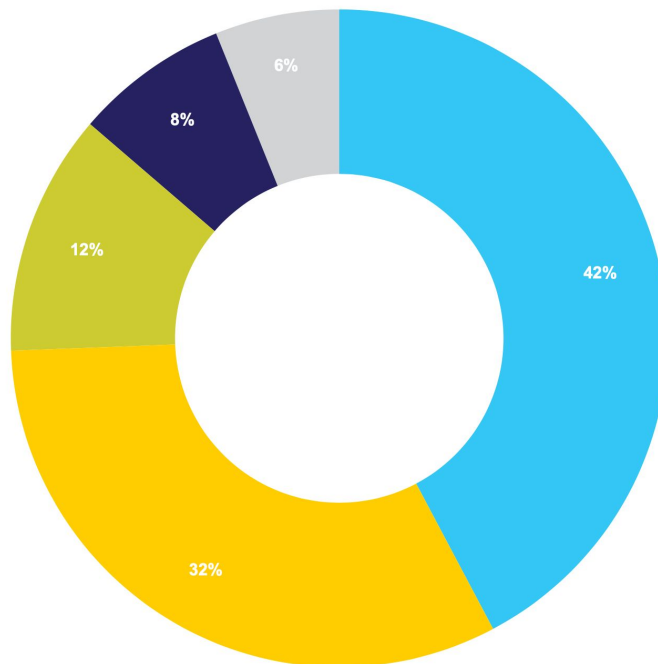
(Asked only of owners with employees that answered Q29 as not offering coverage)



Q32: Looking ahead, how concerned are you that rising health insurance costs will make it harder to hire and keep the employees your business needs?

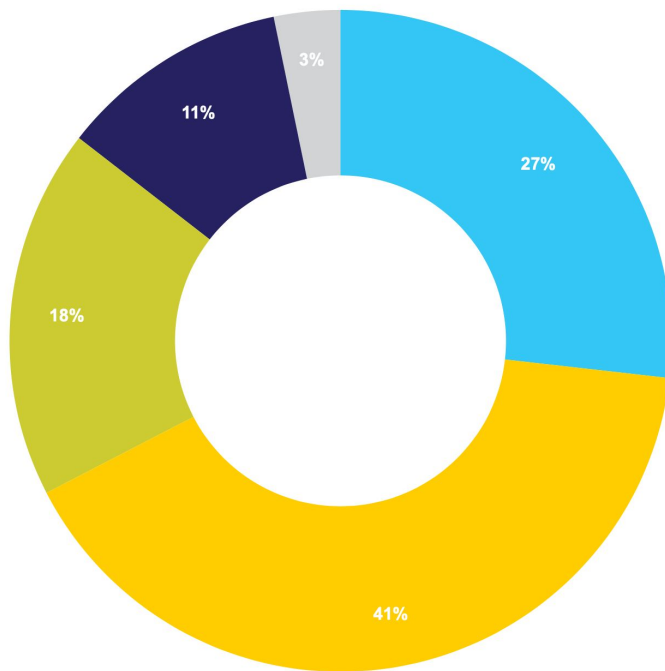
(Asked only of owners with employees)

● Very concerned ● Somewhat concerned ● Not very concerned ● Not at all concerned ● Don't know



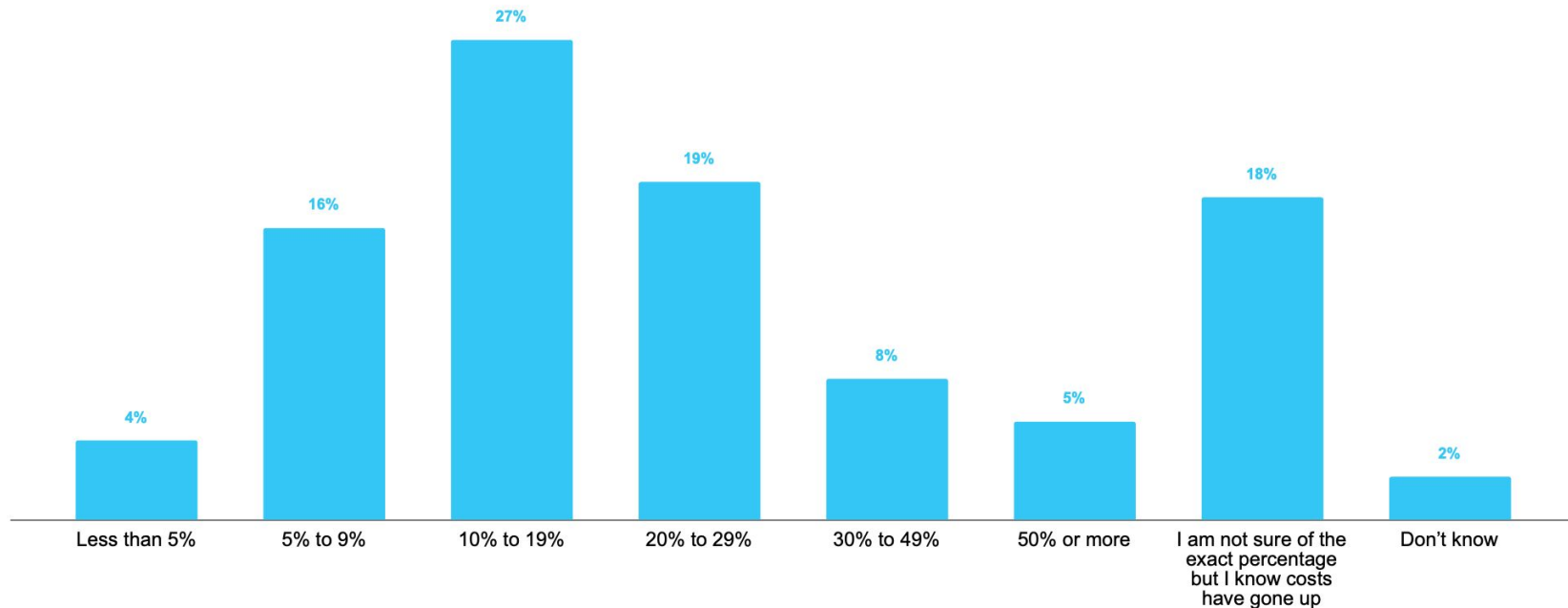
Q33: Over the past 12 months, how have energy costs affected your business?

● Significant negative impact — forced changes in how I operate ● Moderate negative impact — added strain but manageable
● Minor negative impact ● No noticeable impact ● Don't know



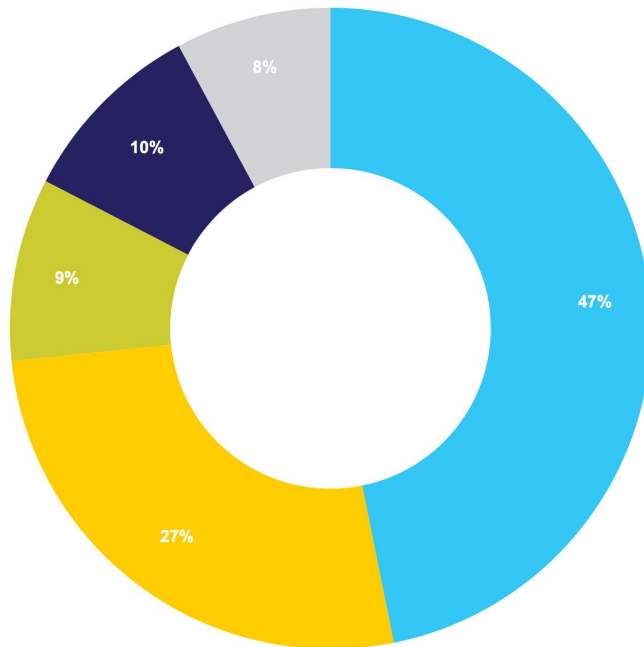
Q34: Approximately how much have your business energy costs increased over the past 12 months?

(Asked of those who answered Q33 as "Significant negative impact" or "Moderate negative impact" or "Minor negative impact")

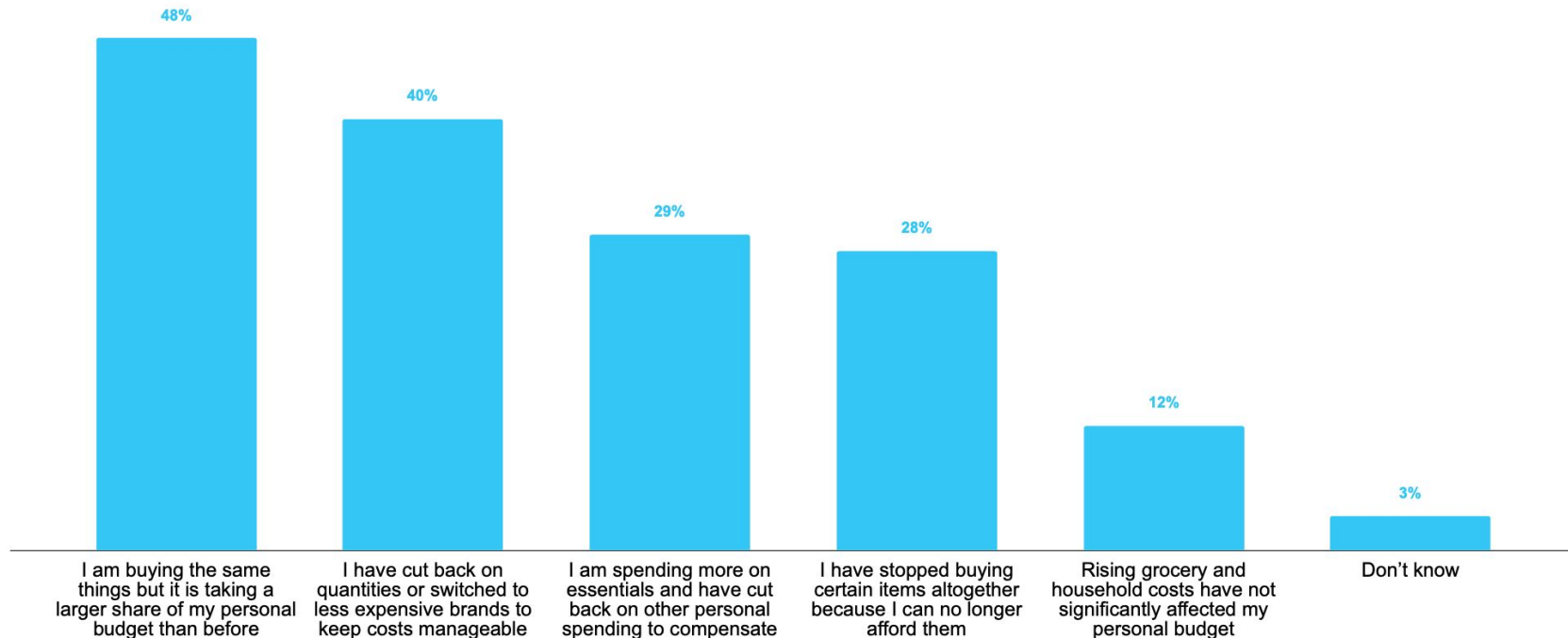


Q35: The expansion of AI data centers is increasing demand on the electrical grid. In some areas, electricity costs have risen as a result. How concerned are you that growing energy demand from AI data centers could raise electricity costs for small businesses like yours?

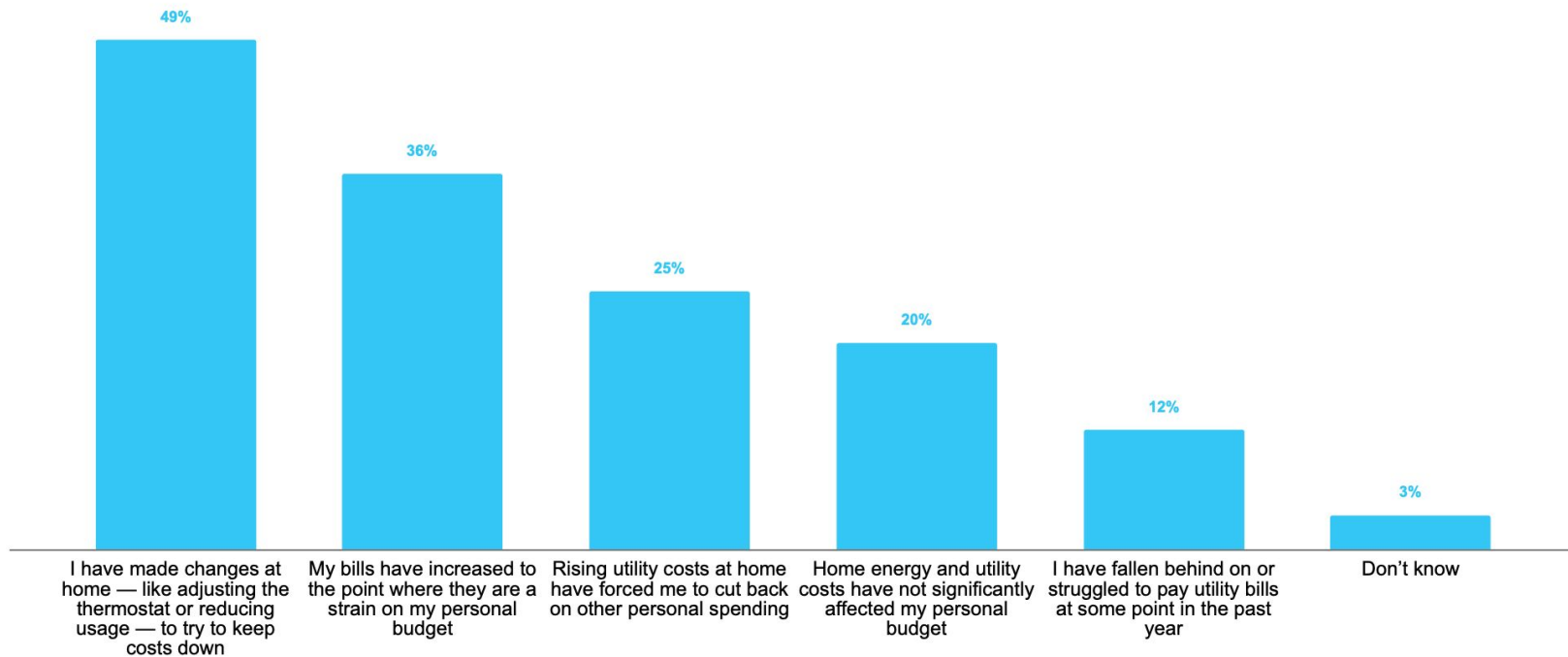
● Very concerned ● Somewhat concerned ● Not very concerned ● Not at all concerned
● Don't know enough about this issue to say



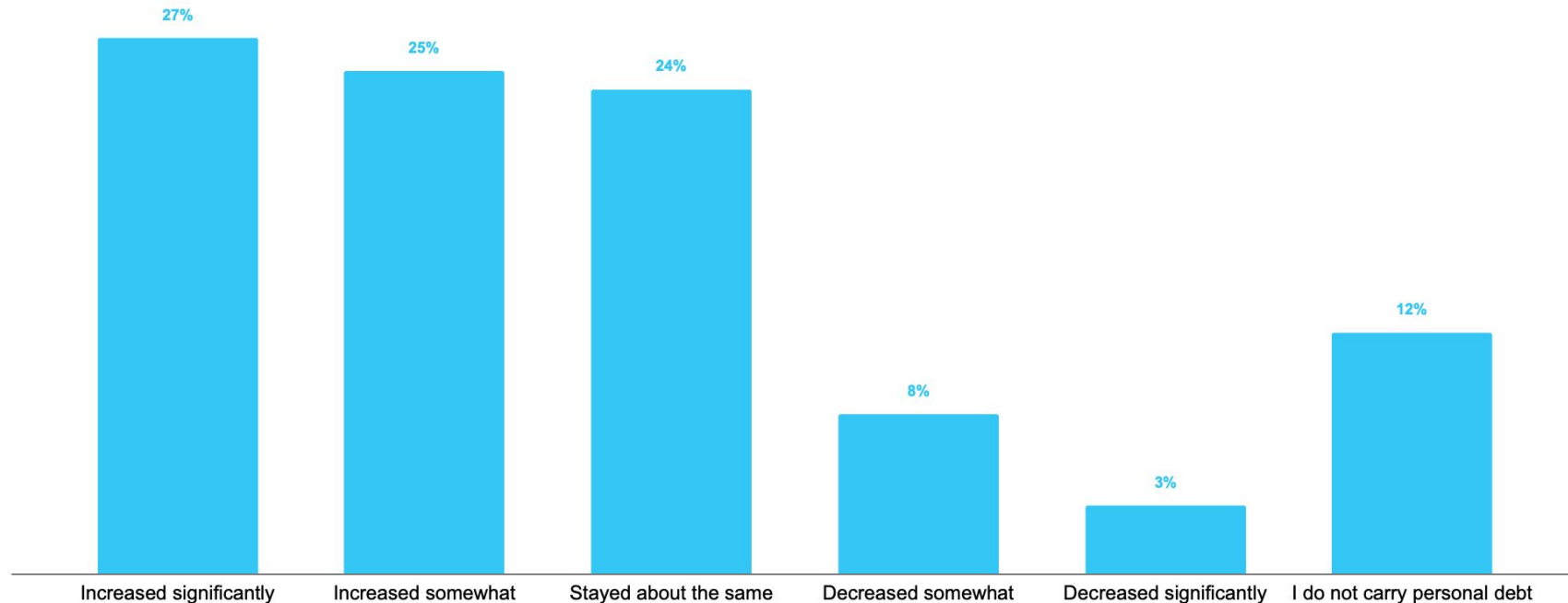
Q36: When it comes to groceries and everyday household essentials, which of the following best describes your situation over the past year? Please select all that apply.



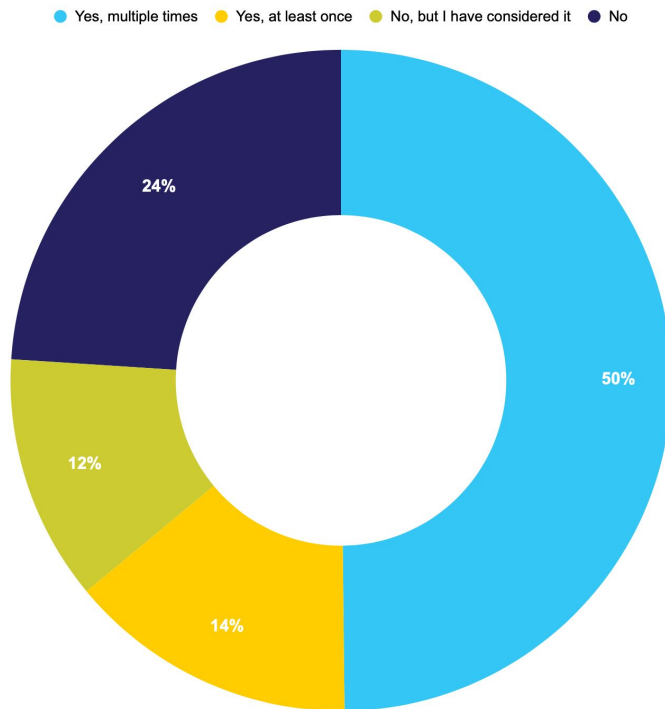
Q37: When it comes to your home energy and utility bills, which of the following best describes your situation over the past year? Please select all that apply.



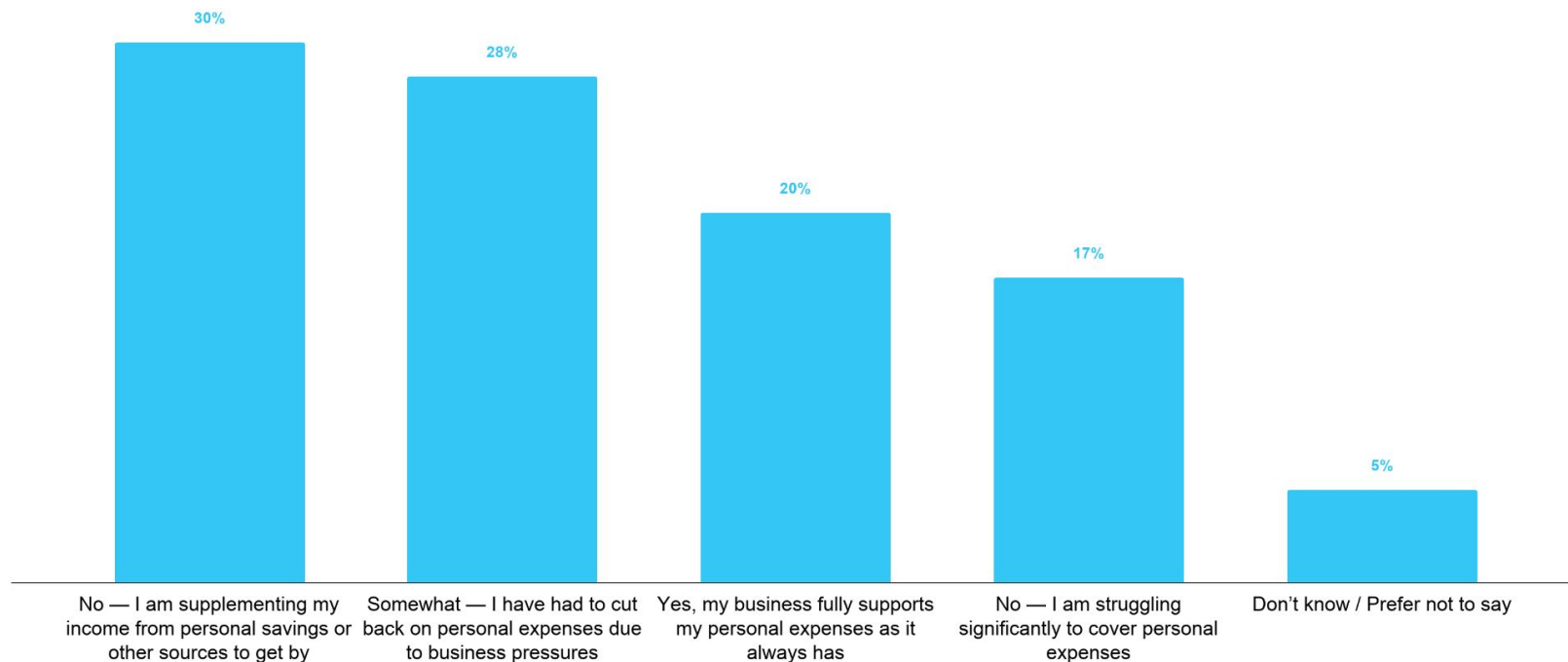
Q38: Compared to one year ago, has your personal debt (credit cards, personal loans, etc.) increased, decreased, or stayed about the same?



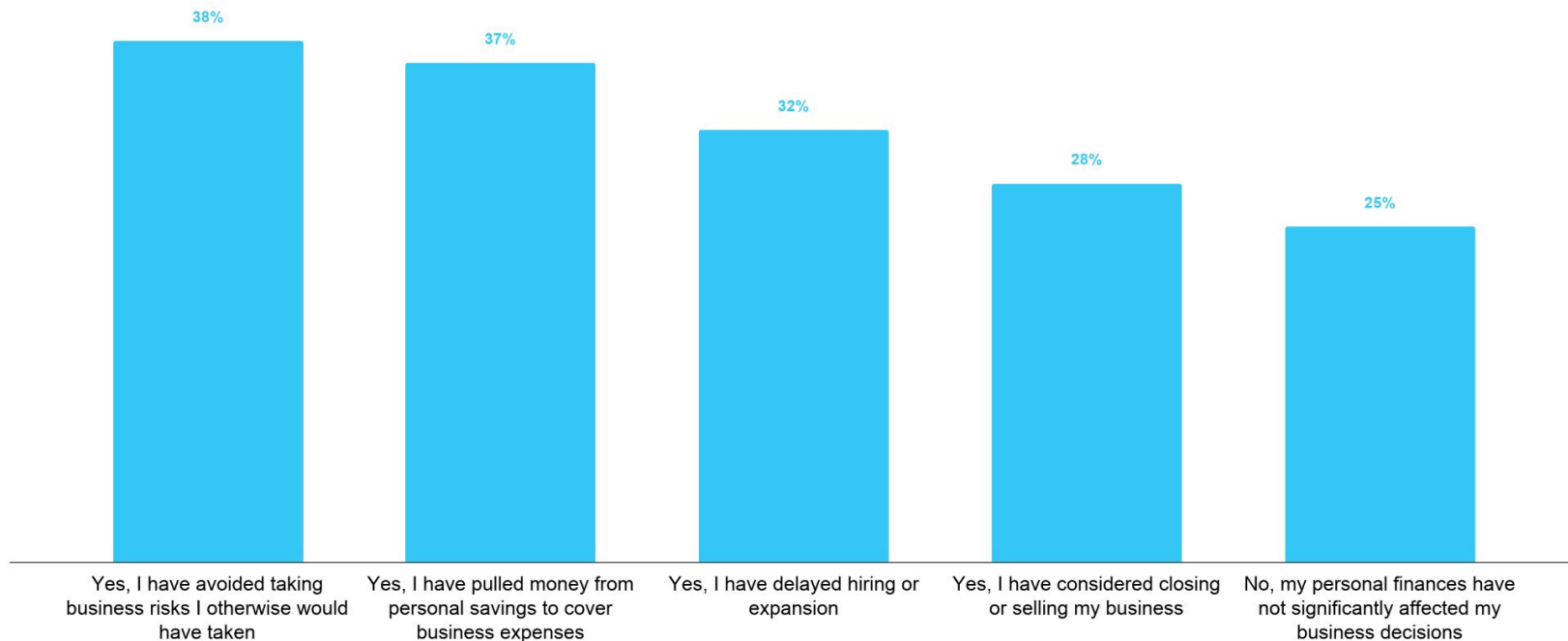
Q39: In the past 12 months, have you reduced your own pay or skipped paying yourself in order to keep your business running?



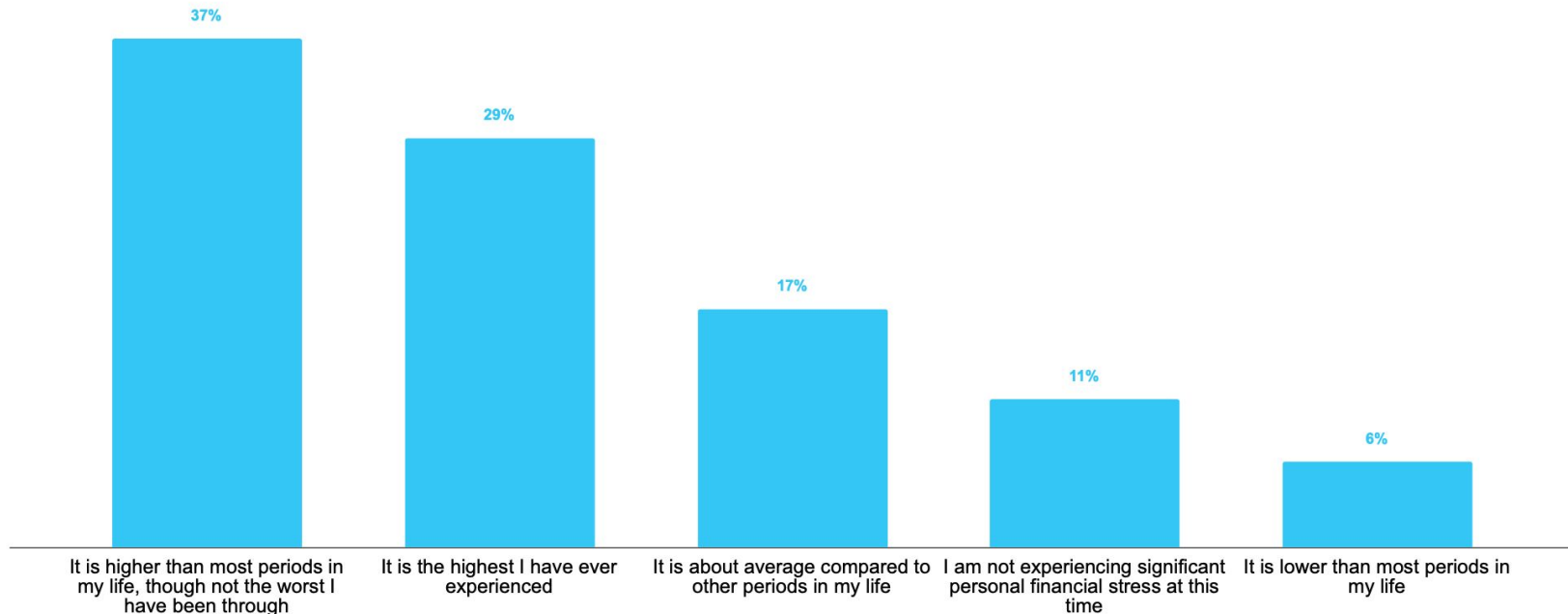
Q40: Is your business currently able to support your personal living expenses the way it did in prior years?



Q41: Has your personal financial situation affected how you run your business? Please select all that apply.



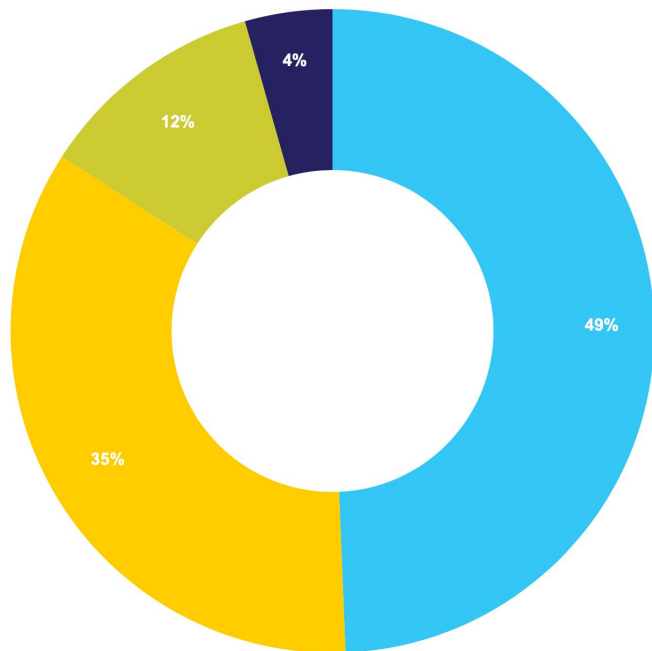
Q42: How would you describe your current level of personal financial stress compared to other periods in your life?



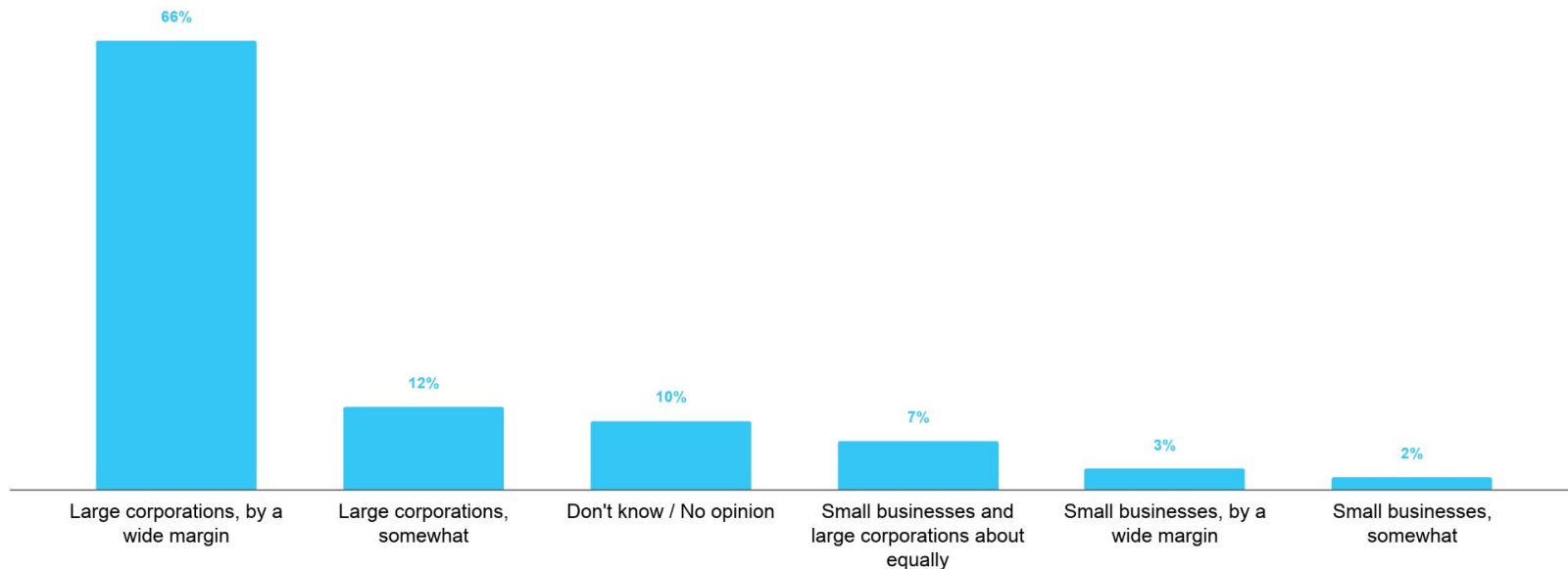
Q43: Which of the following periods was most comparable to what you are experiencing now in terms of personal financial stress?

(Asked of those who answered Q42 as "It is the highest I have ever experienced" or "It is higher than most periods in my life, though not the worst I have been through")

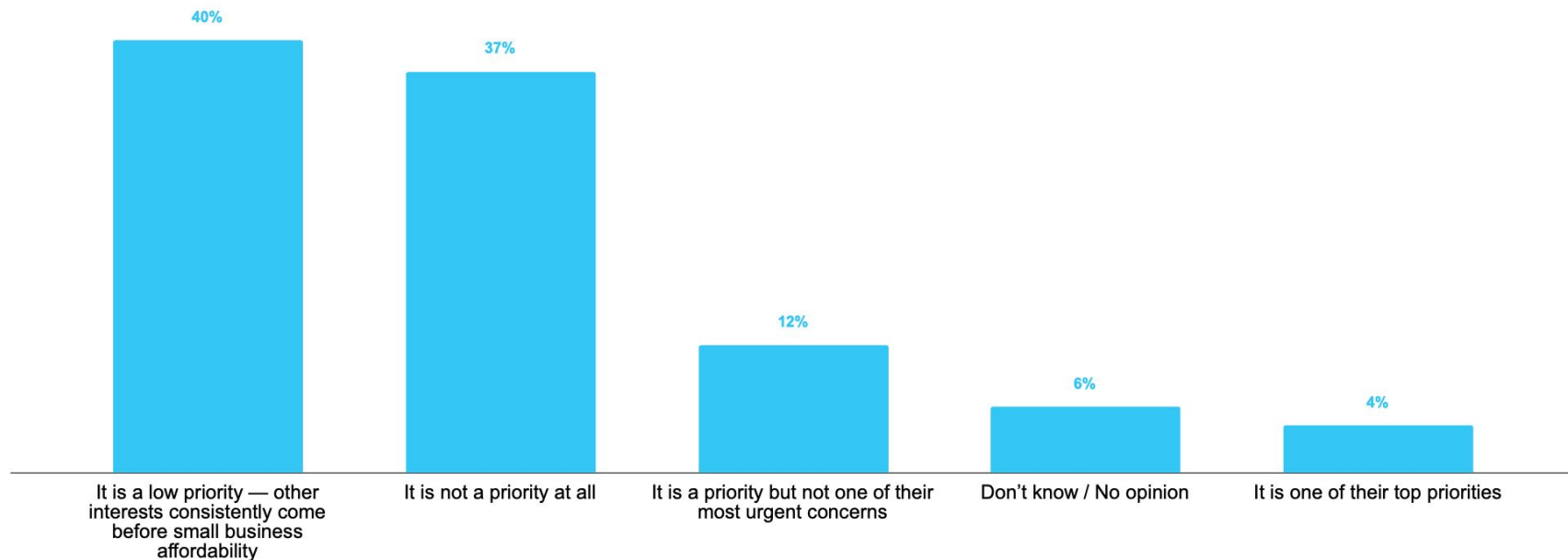
- The COVID-19 pandemic (2020-2021)
- The Great Recession (2008-2009)
- Another period more than 15 years ago
- I have not been managing my own personal finances long enough to compare



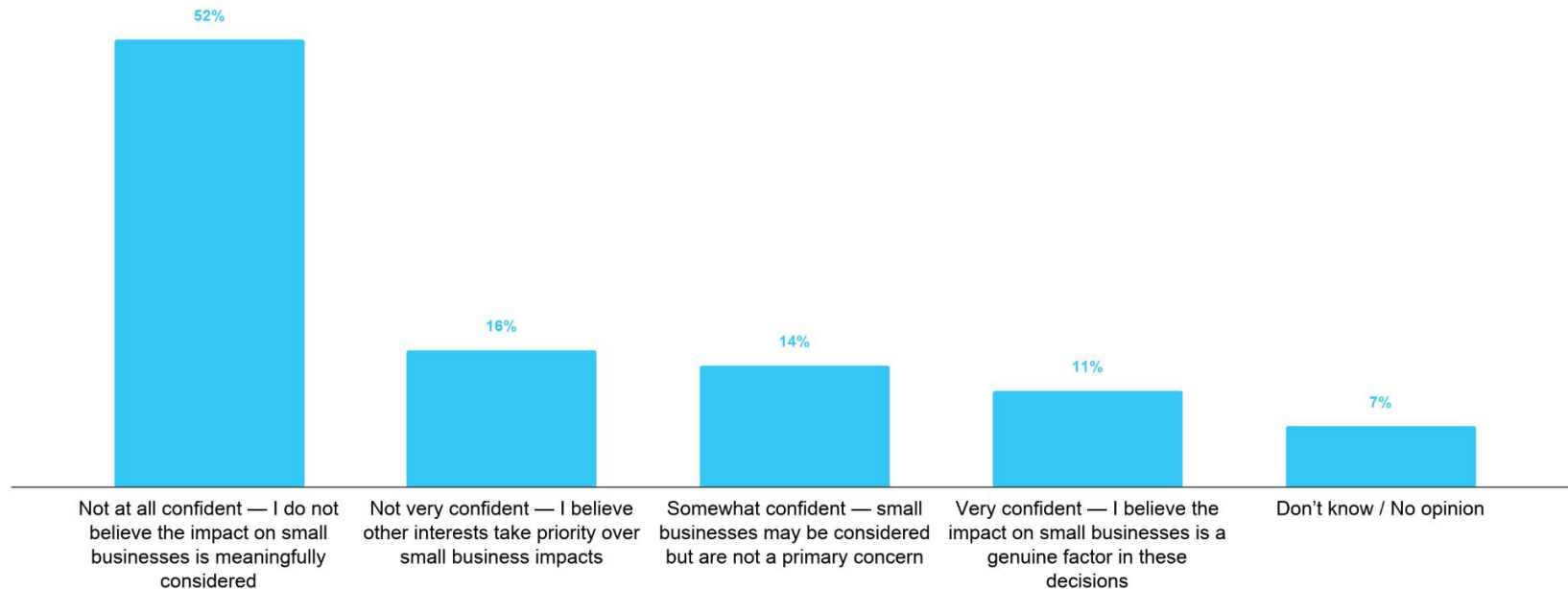
Q44: When elected officials in Washington make economic policy decisions that affect the cost of doing business, whose interests do you think they put first?



Q45: To what extent do you feel elected officials in Washington prioritize making it affordable to run a small business?



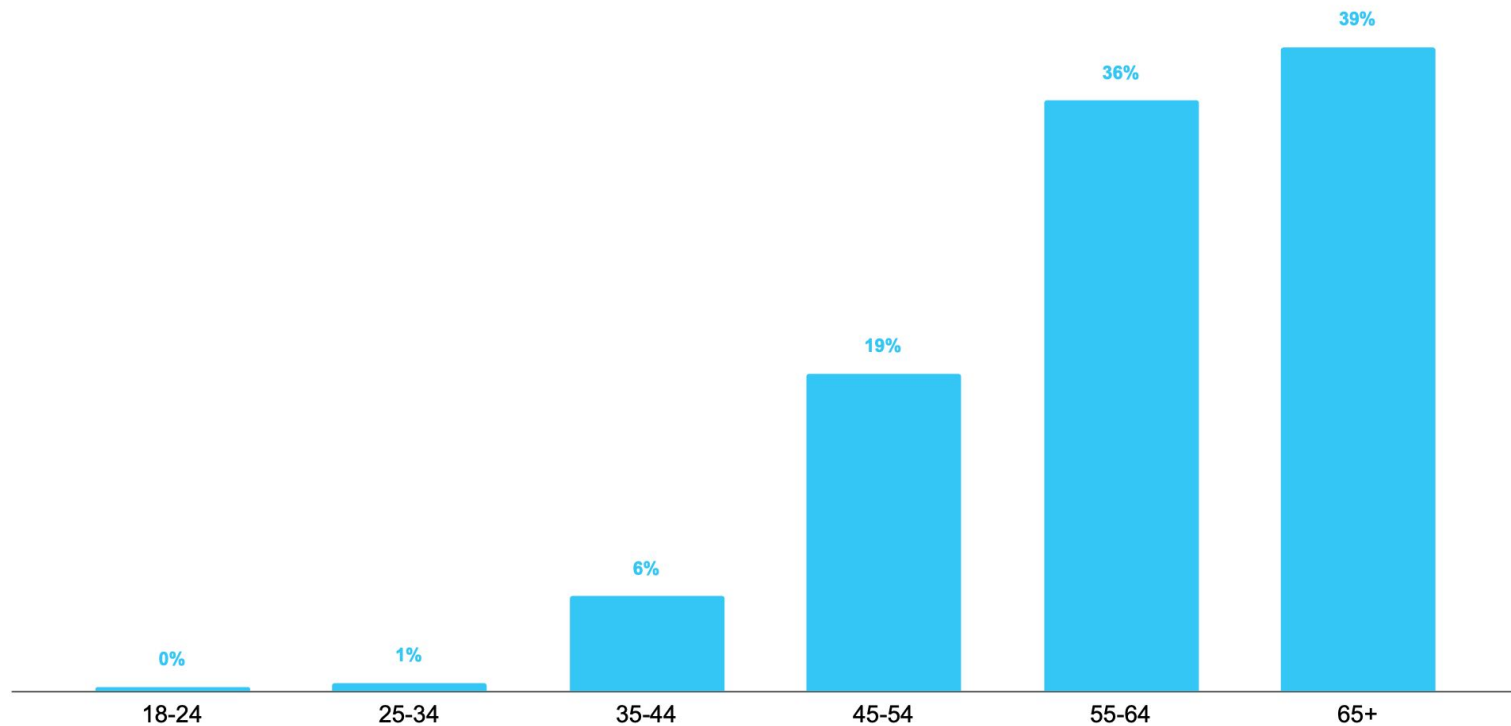
Q46: When the president makes major economic policy decisions — such as imposing tariffs, global conflicts that affect energy prices, or restructuring federal spending — how confident are you that the potential impact on small businesses is being considered?



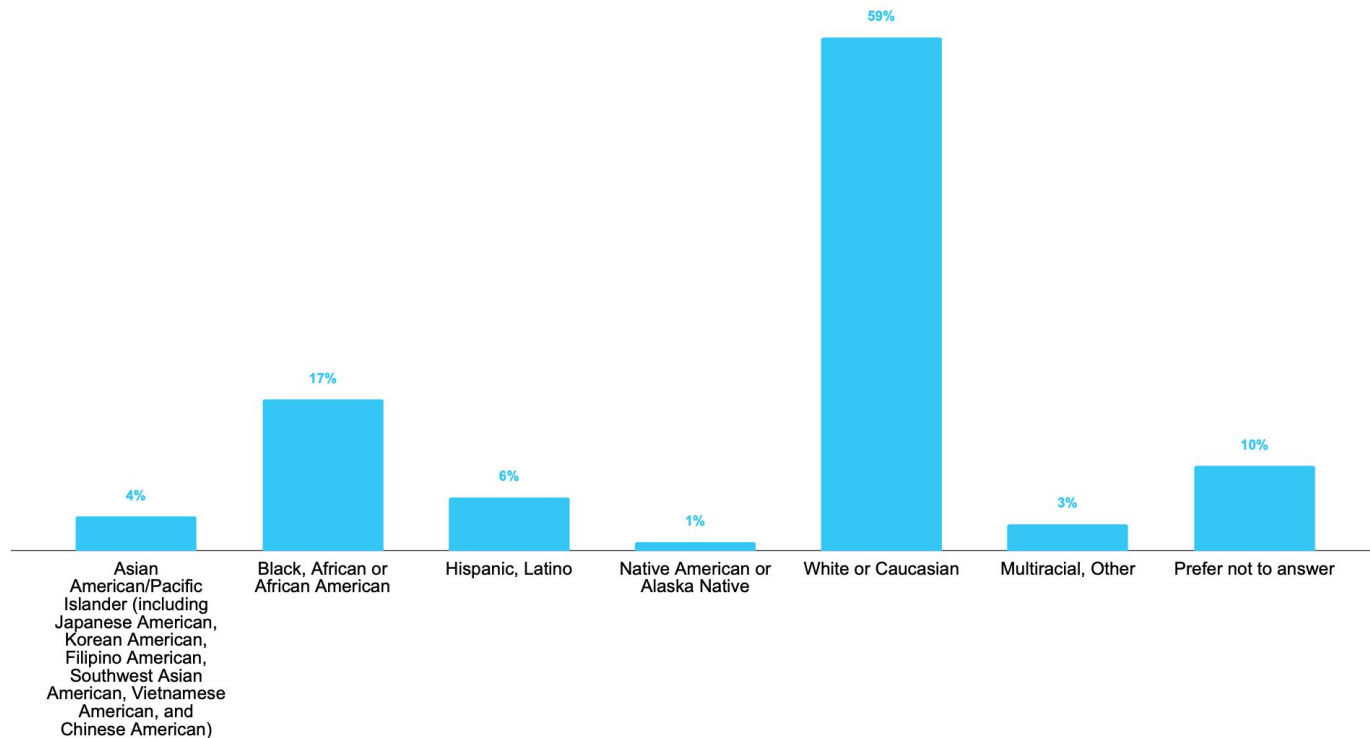
An aerial, high-angle photograph of a wide, paved pedestrian walkway. The ground is composed of large, light-colored rectangular tiles. Several people are walking in different directions, some in groups and some alone. The image has a strong blue color cast. The text "Demographic Data" is overlaid in the center in a white, sans-serif font.

Demographic Data

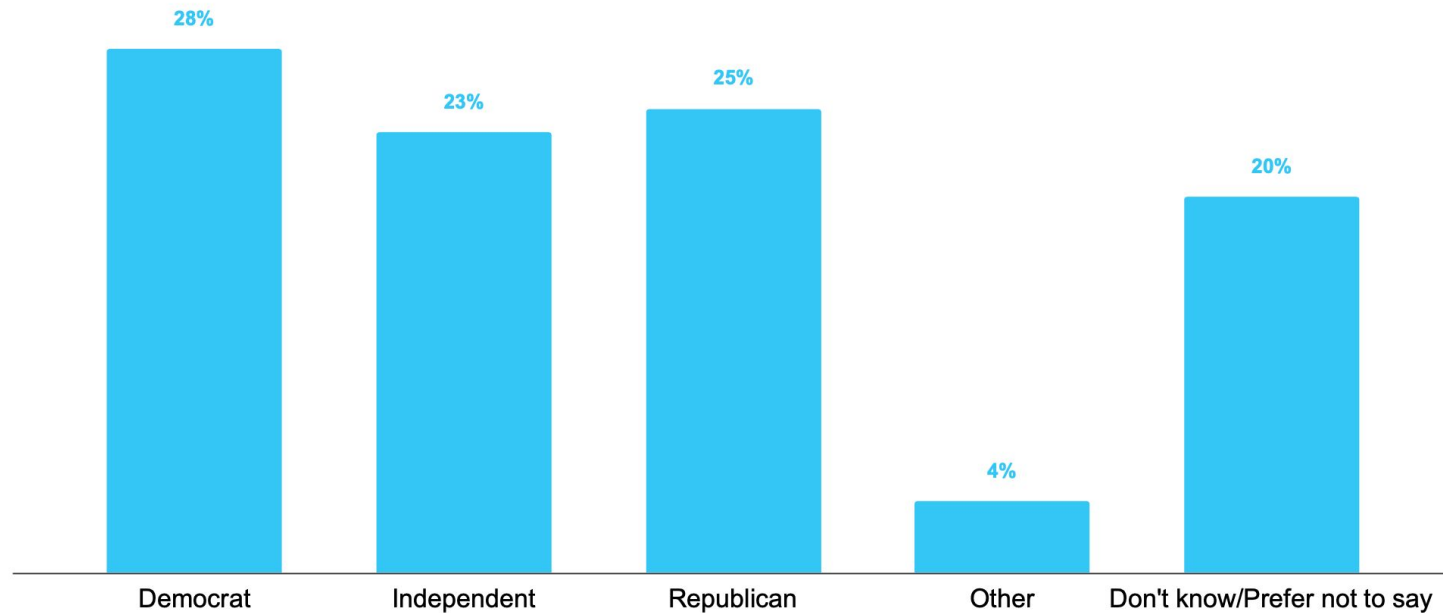
What is your age?



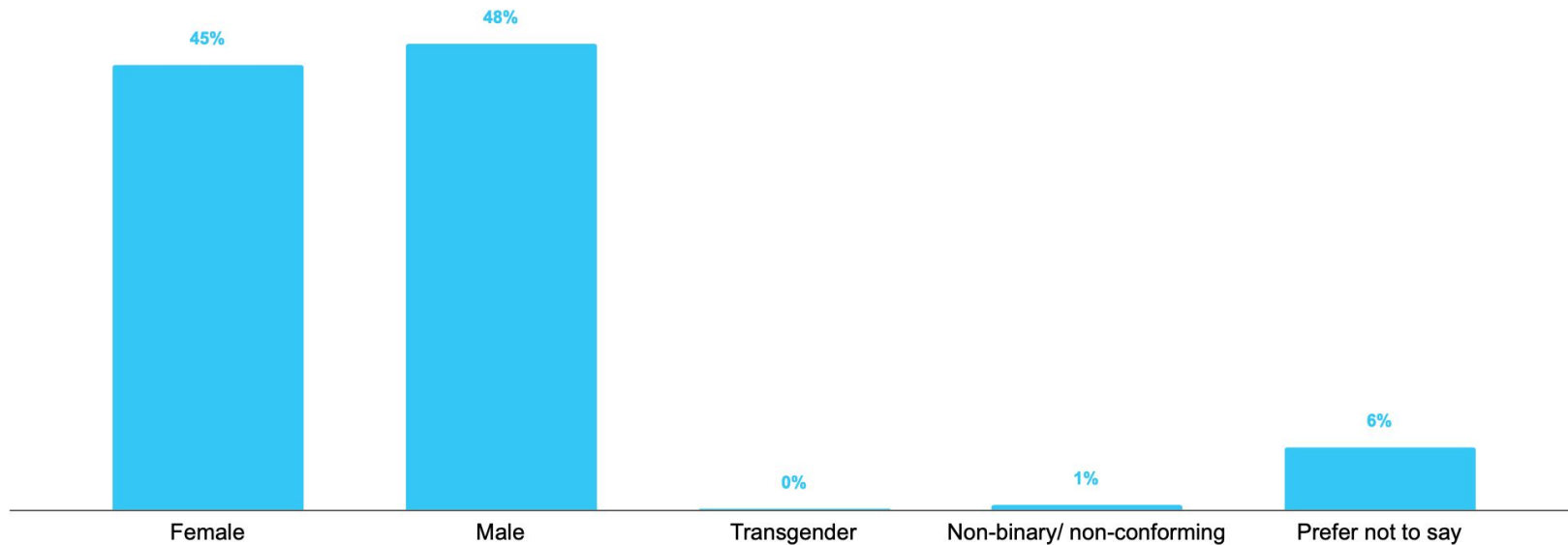
How do you identify yourself?



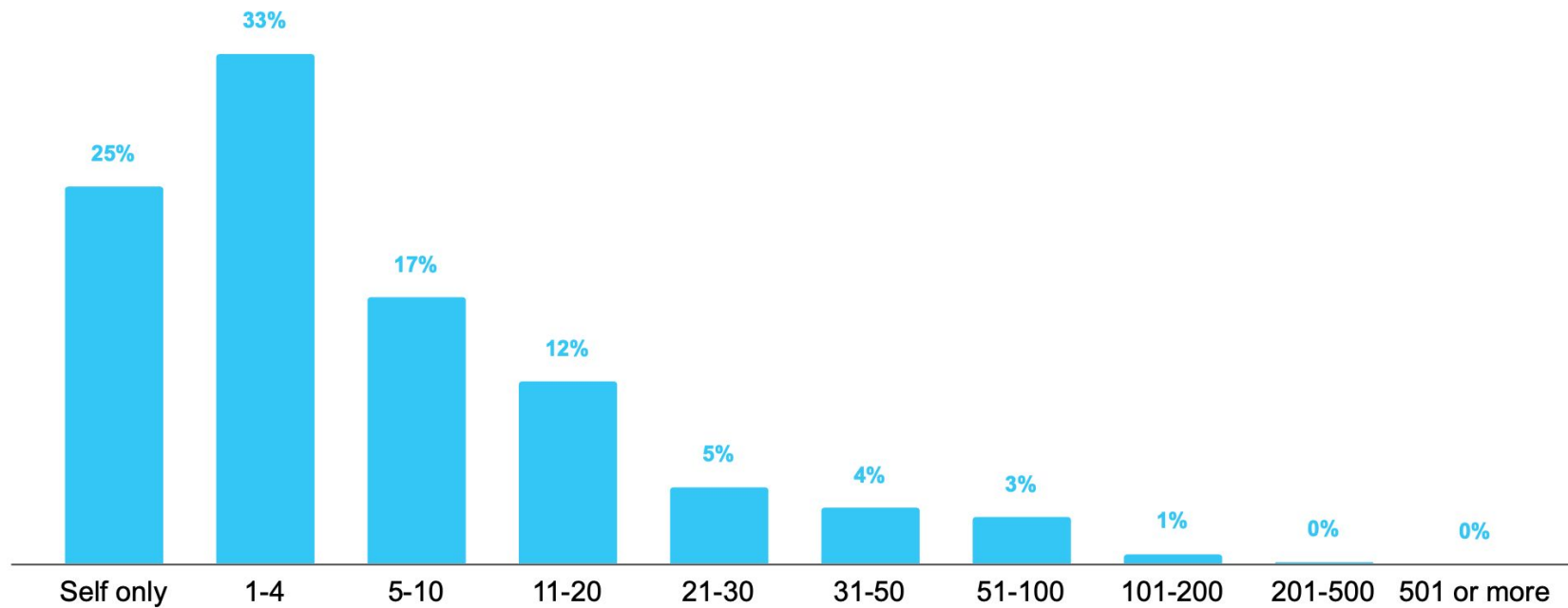
Which best represents how you typically vote in elections?

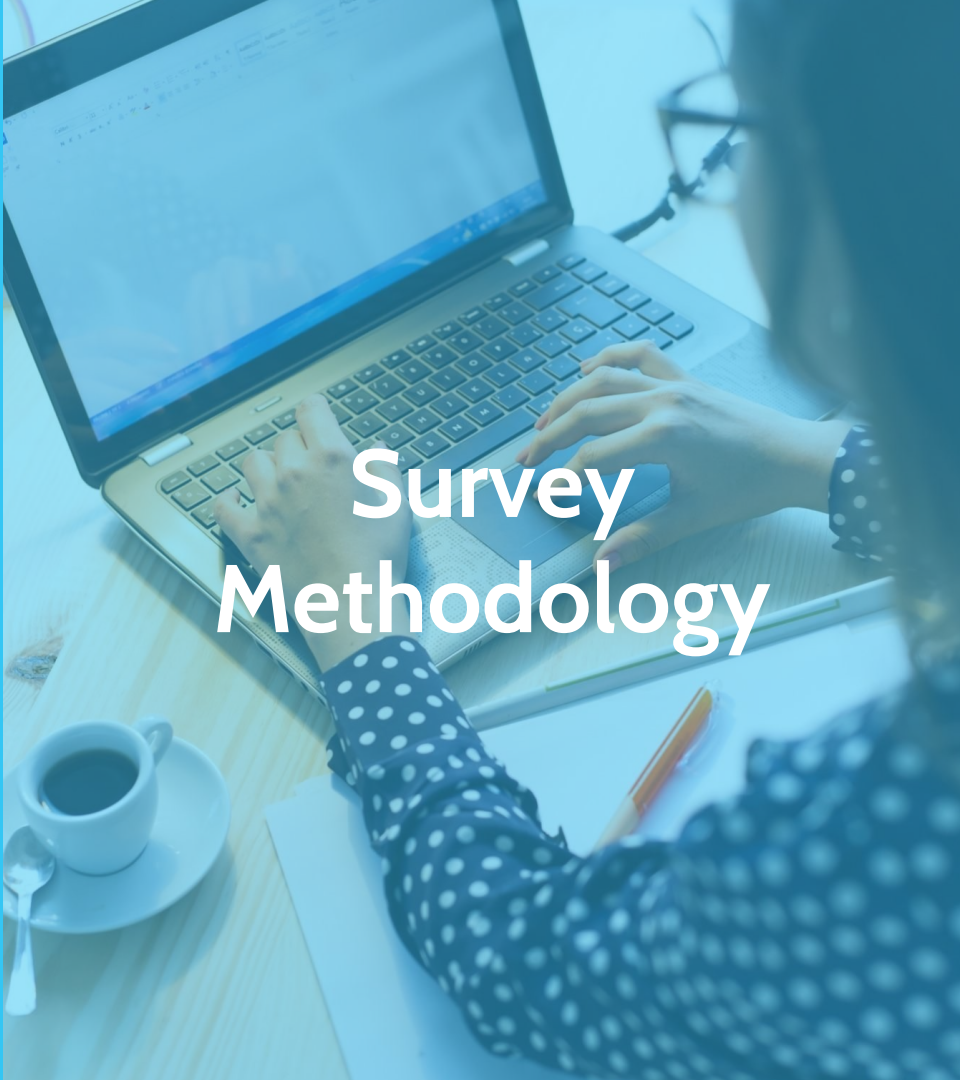


What is your gender identity?



Not including yourself, how many employees do you have?





Survey Methodology

1,171 Total Responses

Methodology:

SurveyMonkey survey of Small Business for
America's Future small business network

Fielded Aug. 13 - Oct. 5, 2026

SMALL BUSINESS
FOR AMERICA'S FUTURE

