



SMALL BUSINESS
FOR AMERICA'S FUTURE

Is Christmas Cancelled?: Affordability Crisis Squeezes Main Street & Customers Alike

Nov. 19, 2025

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

Is Christmas Cancelled for Main Street?

Between Oct. 24–Nov. 5, 2025, Small Business for America's Future conducted a survey of 1,048 small business owners in its network to gauge their sentiment on economic conditions during the crucial fourth-quarter holiday shopping season.

The findings reveal small business owners are entering their most critical sales period facing significant economic headwinds from multiple directions. Tariffs, inflation, and healthcare costs are compounding to create an affordability crisis that is squeezing small businesses and their customers simultaneously. These pressures are raising costs for business operations while simultaneously reducing customers' purchasing power, dampening consumer demand precisely when small businesses depend most heavily on customer spending.

Tariffs crushing competitiveness

Tariff policies are having widespread negative effects on small business operations and outlook:

- **71%** of small business owners surveyed expect tariffs to have a negative impact on consumer spending this holiday season, with **44%** anticipating a very negative impact
- Among businesses affected by tariffs, **60%** report being forced into difficult choices:
 - **One in four** are raising prices and losing customers to larger retailers
 - **35%** are absorbing costs that are shrinking their profit margins
- Overall, **44%** of surveyed businesses report having increased prices due to tariffs



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Customers struggling to spend

The affordability crisis is directly impacting customer purchasing power and translating into decreased demand:

- 68% of small business owners surveyed report their customers have less money to spend compared to last year
- 58% of businesses report decreased demand for their products or services compared to last year, with nearly **one-third (32%)** reporting demand has decreased significantly
- 59% expect their holiday sales or revenue to be worse this year compared to last year, with **one-third (33%)** expecting significantly worse performance
- Only 13% expect better sales performance

Businesses in distress

The challenging economic environment is forcing small businesses into defensive postures:

- Only 5% are actively hiring and expanding
- Just 9% plan to hire or expand in the next six months
- 21% are currently concerned about having to close their business entirely
- 16% are cutting back on staff or operations
- 15% have put growth and hiring plans on hold



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Pessimism about the present

Small business owners describe the current business climate in predominantly negative terms:

- **59%** characterize the business climate for small businesses this holiday season as unfavorable, with **32%** describing it as very unfavorable
- Notably, **65%** of survey respondents have operated their businesses for more than 10 years, indicating these concerns are expressed by experienced business owners who have weathered multiple economic cycles

Pessimism about the future

When asked about the state of the economy for small businesses over the next year in the context of current economic challenges including tariffs, inflation, healthcare costs, the fall government shutdown, and tax policies, pessimism outweighs optimism by more than three to one:

- **57%** of small business owners are pessimistic about the state of the economy for small businesses over the next year,
- Only **17%** express any optimism about economic conditions improving
- **74%** are worried about their business surviving through the next 12 months:



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Holiday-Dependent Businesses Face Even Steeper Challenges

Among the **334** small businesses surveyed in sectors that rely heavily on holiday season success (retail, food & beverages, entertainment, transportation, and advertising/marketing), conditions are worse than the already-dire overall findings:

- **80%** are concerned about surviving the next 12 months (vs. 74% overall)
- **76%** say customers have less money to spend (vs. 68% overall)
- **78%** expect tariffs to negatively impact consumer spending (vs. 71% overall)
- **66%** expect worse holiday sales than last year (vs. 59% overall)

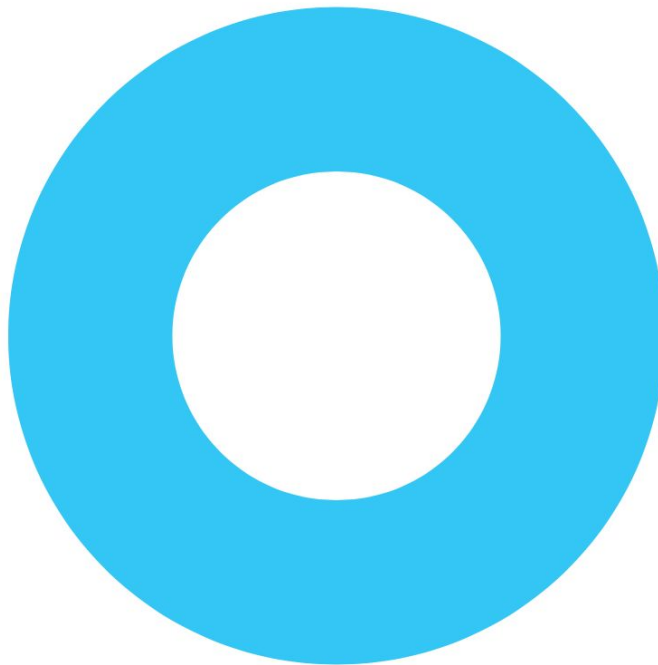


An overhead, top-down view of a collaborative office workspace. Several people are seated around a large wooden table, working on various devices including desktop monitors, laptops, and tablets. The workspace is cluttered with office supplies such as keyboards, mice, notebooks, pens, a coffee cup, and 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

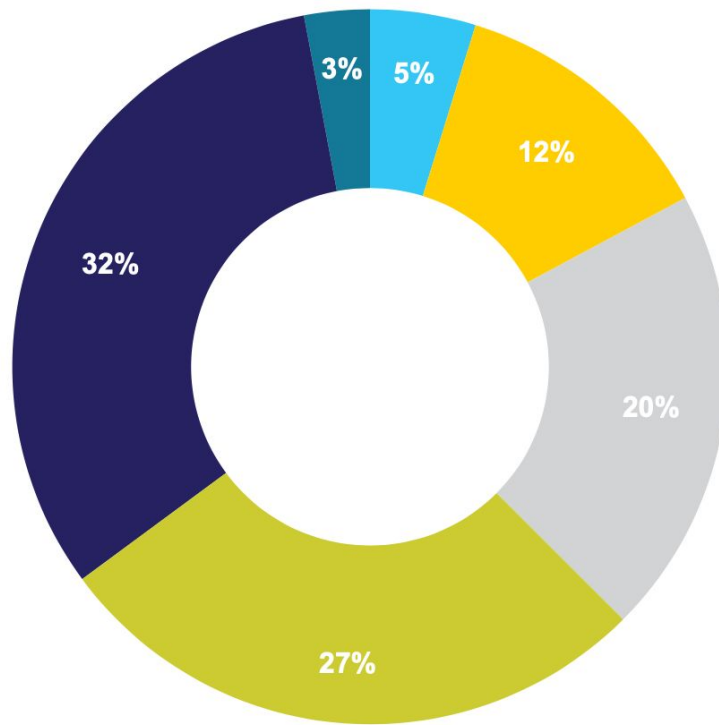
Q1: Are you a small business owner?

● Yes



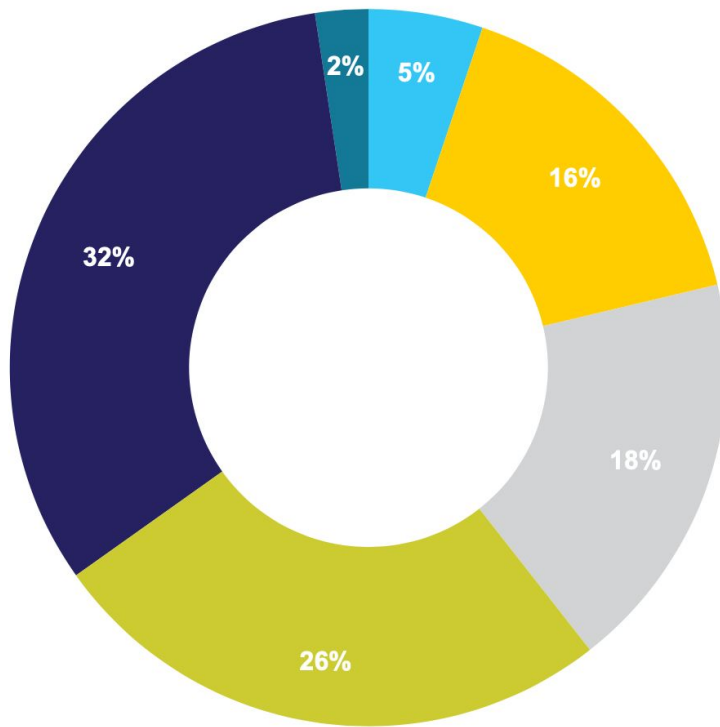
Q2: How would you describe the business climate for small businesses this holiday season?

● Very favorable ● Somewhat favorable ● Neutral ● Somewhat unfavorable ● Very unfavorable ● Don't know



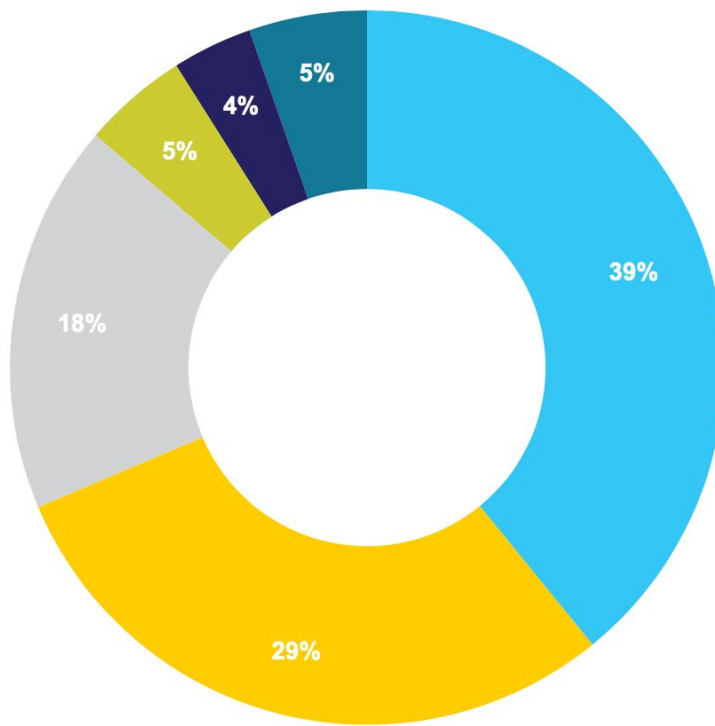
Q3: Compared to this time last year, how has demand for your products or services changed?

● Increased significantly ● Increased somewhat ● Stayed about the same ● Decreased somewhat ● Decreased significantly ● Don't know



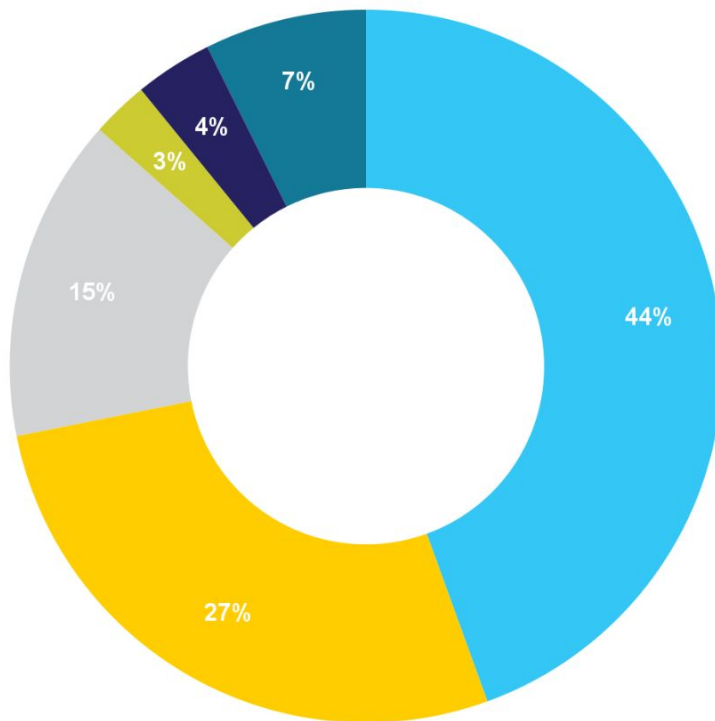
Q4: Compared to last year around the holidays, are your customers more or less able to afford your goods or services?

● Much less money to spend ● Somewhat less money to spend ● About the same ● Somewhat more money to spend ● Much more money to spend ● Don't know



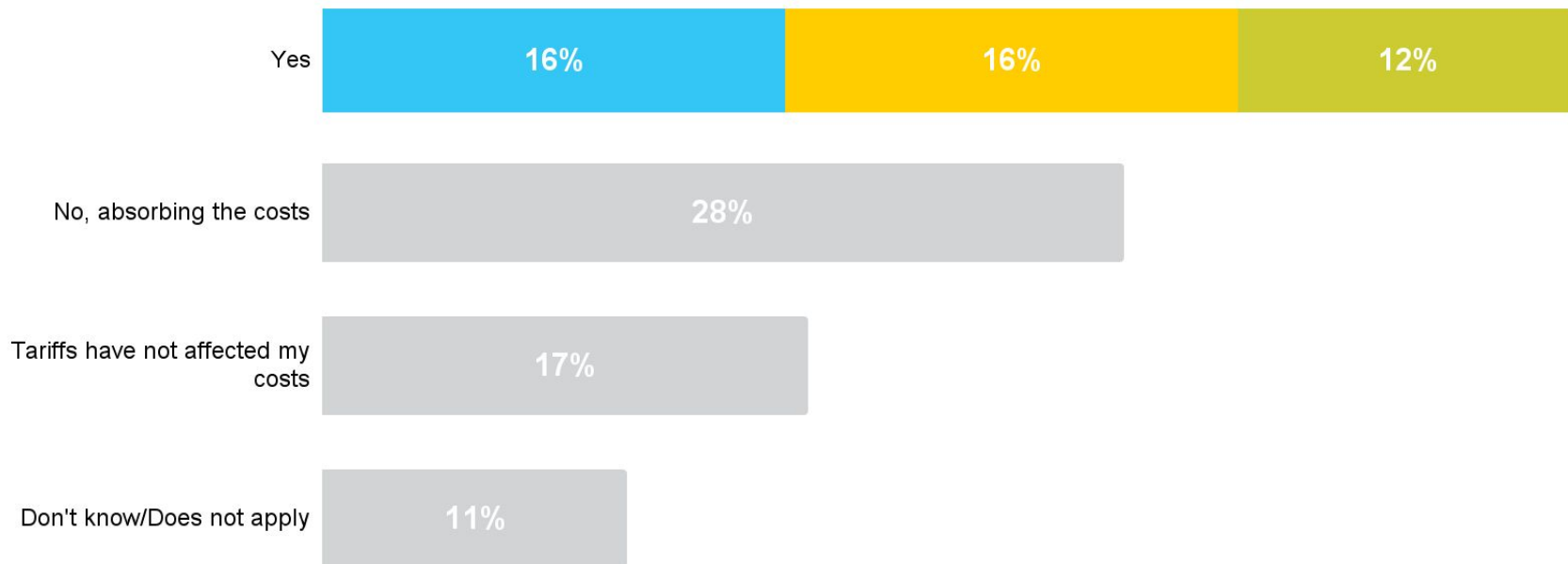
Q5: What impact do you expect tariffs to have on overall holiday consumer spending this year?

● Very negative impact ● Somewhat negative impact ● No impact ● Somewhat positive impact ● Very positive impact ● Don't know

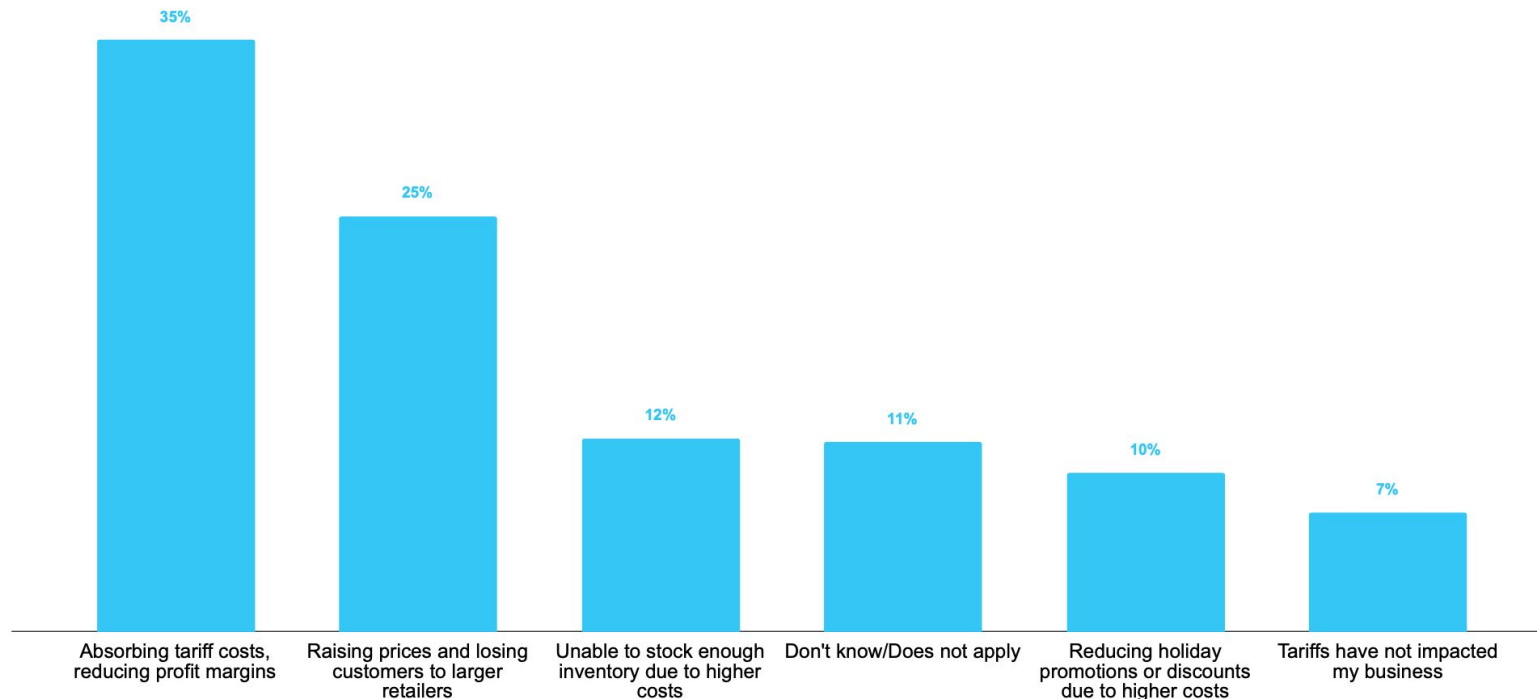


Q6: Have you increased prices for your products or services due to tariffs?

■ Yes, increased prices significantly (10% or more) ■ Yes, increased prices moderately (5-9%)
■ Yes, increased prices slightly (less than 5%)

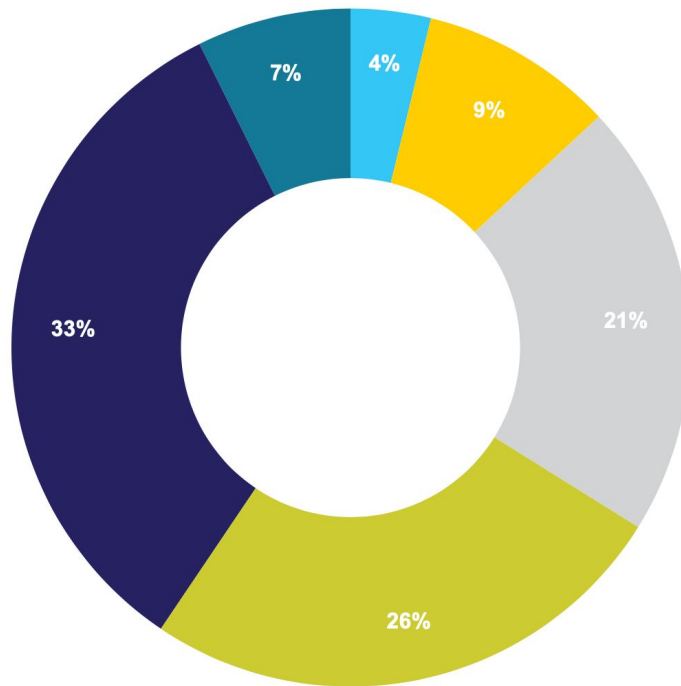


Q7: Which of the following best describes how tariffs are affecting your business this holiday season? (Select one)

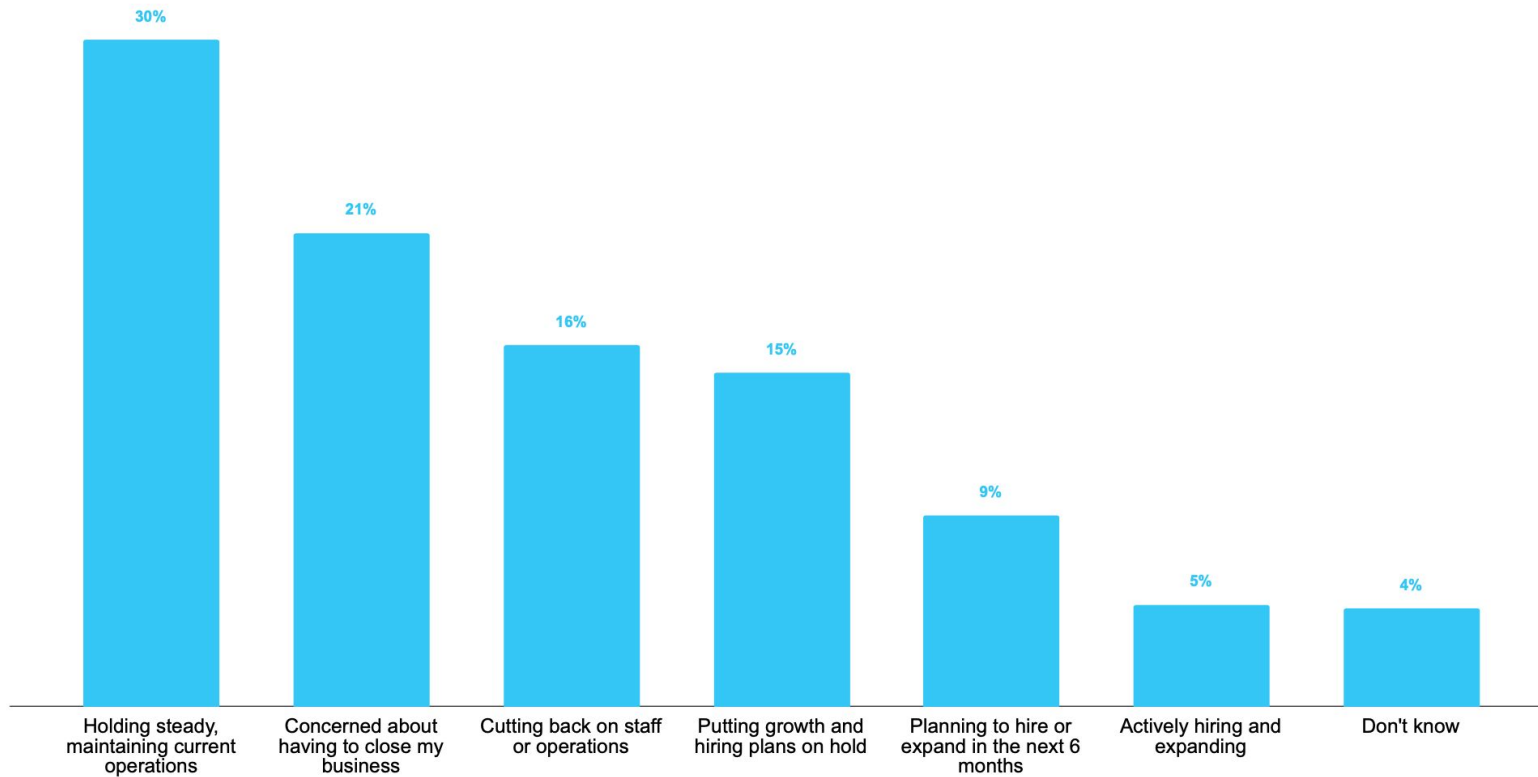


Q8: Compared to last year, how do you expect your holiday sales or revenue to perform this year?

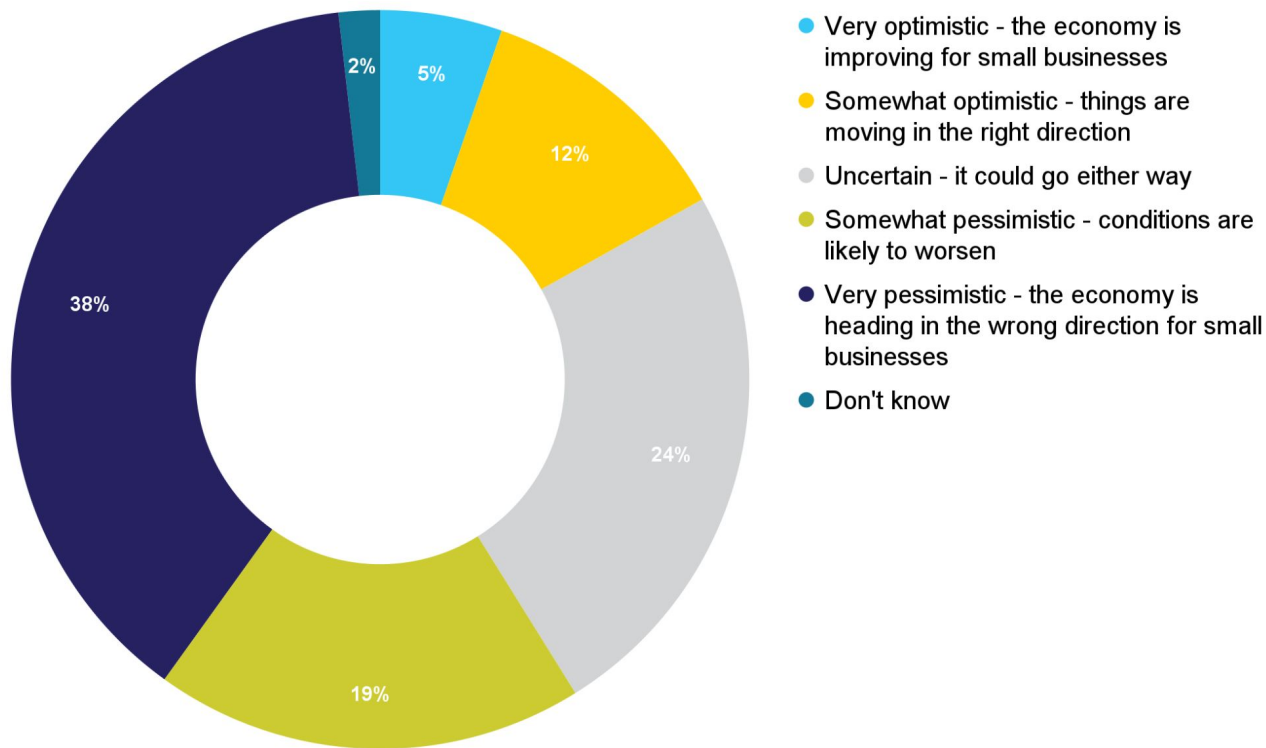
- Significantly better (increase of 10% or more)
- Somewhat better (increase of 5-9%)
- About the same
- Somewhat worse (decrease of 5-9%)
- Significantly worse (decrease of 10% or more)
- Don't know



Q9: Which of the following best describes your current business situation? (Select one)

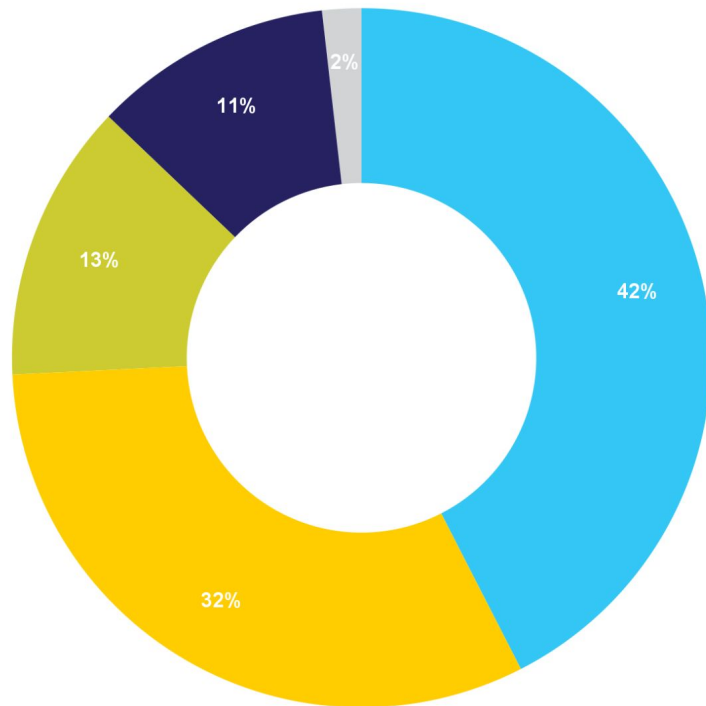


Q10: Given current economic challenges facing small businesses—including tariffs, inflation, healthcare costs, the fall government shutdown, and tax policies—how do you feel about the state of the economy for small businesses over the next year?



Q11: Given current economic challenges facing small businesses—including tariffs, inflation, healthcare costs, the fall government shutdown, and tax policies—how concerned are you about your own business surviving through the next 12 months?

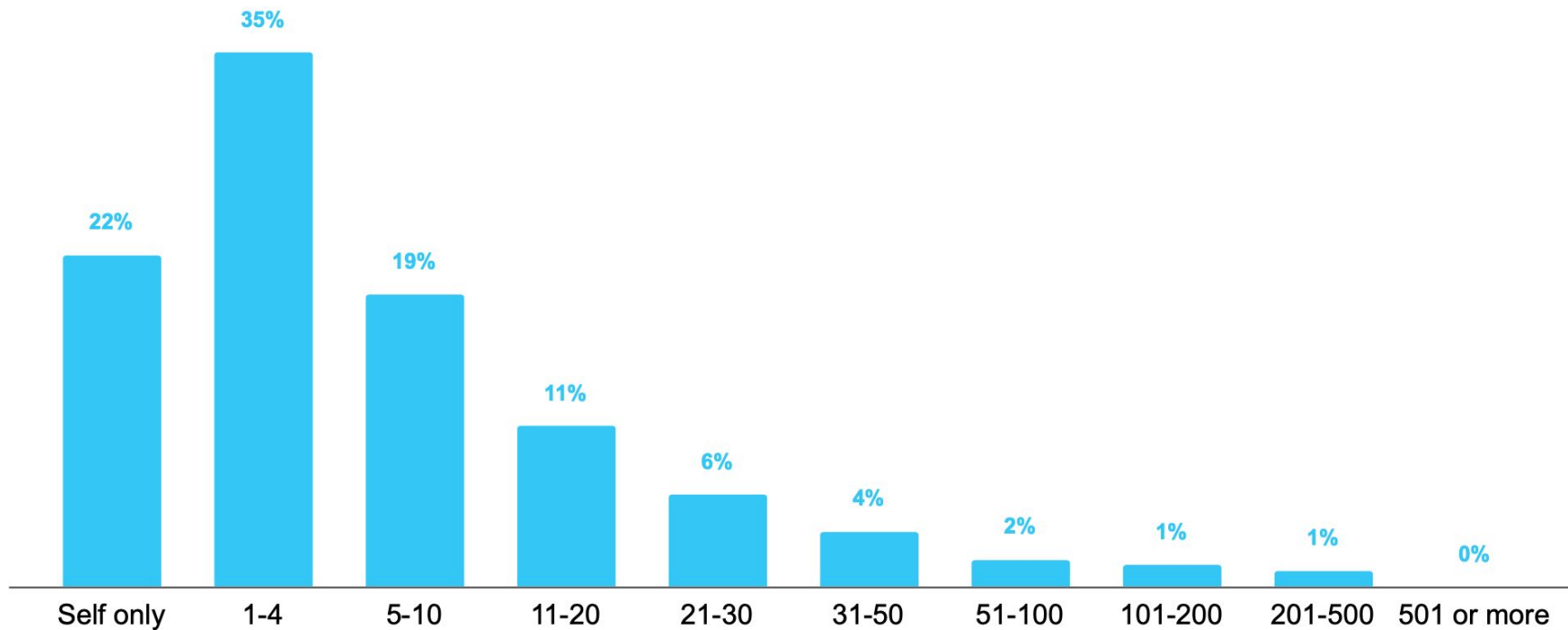
Very concerned Somewhat concerned Not very concerned Not concerned at all Don't know



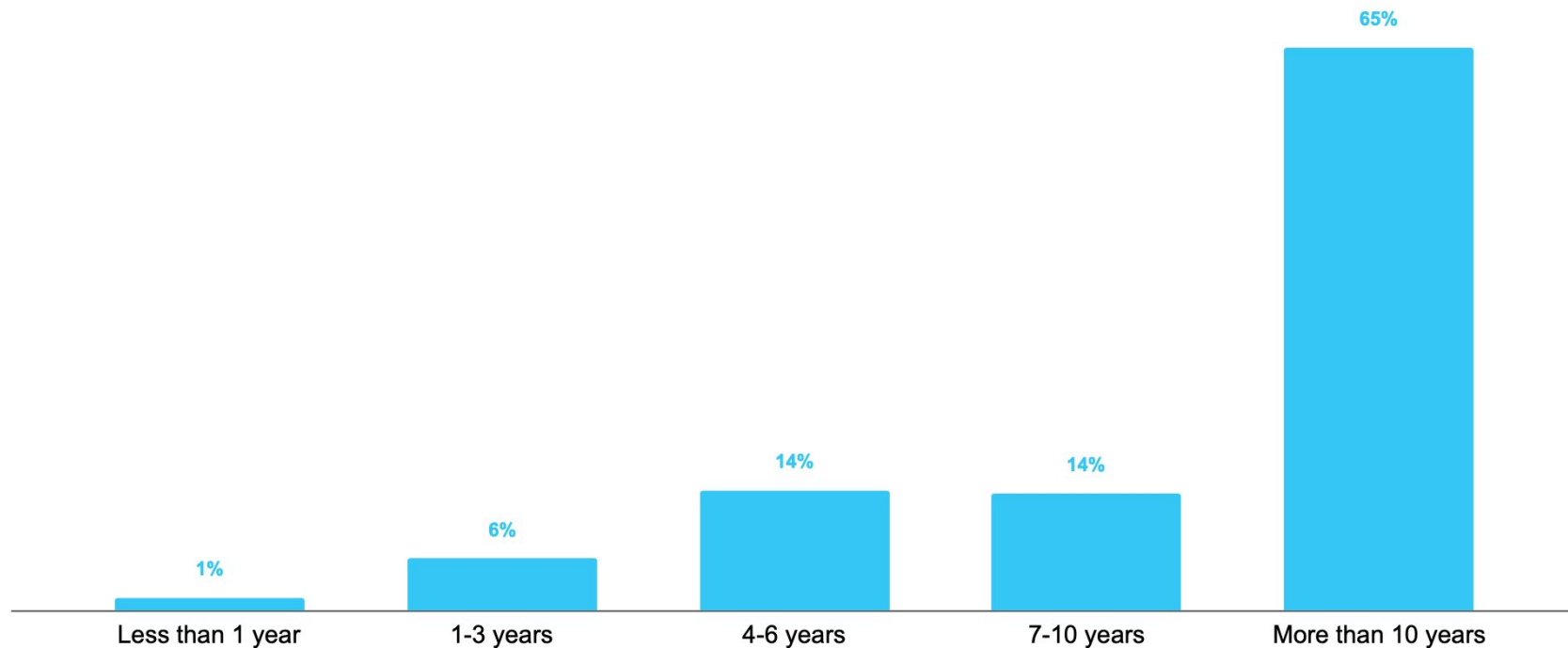
An aerial, high-angle photograph of a wide, paved pedestrian walkway. The ground is composed of large, light-colored rectangular tiles. Several people are walking across the frame in various directions. Some are walking in groups, while others are alone. The overall scene is captured with a blue color overlay, giving it a cool, modern feel. The text "Demographic Data" is centered in the middle of the image in a white, sans-serif font.

Demographic Data

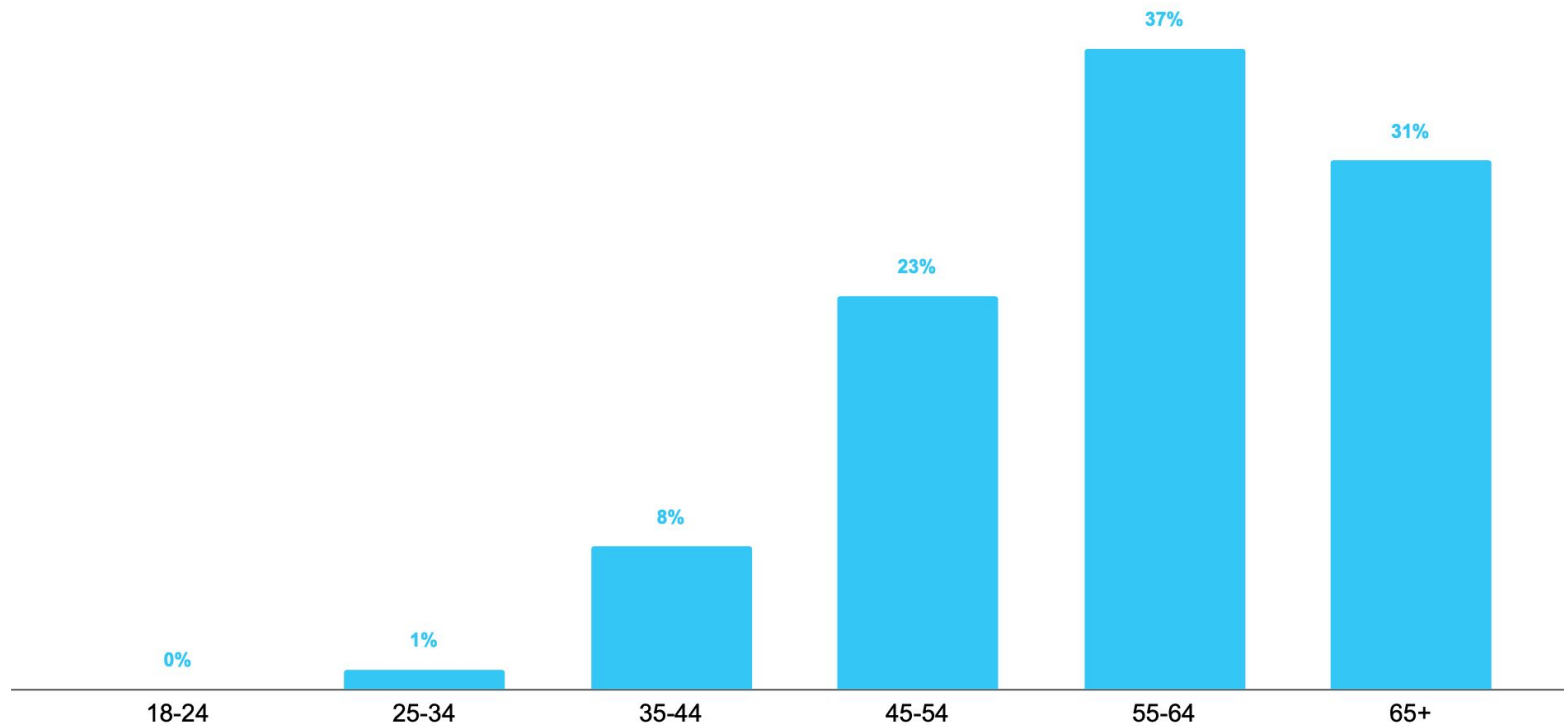
Not including yourself, how many employees do you have?



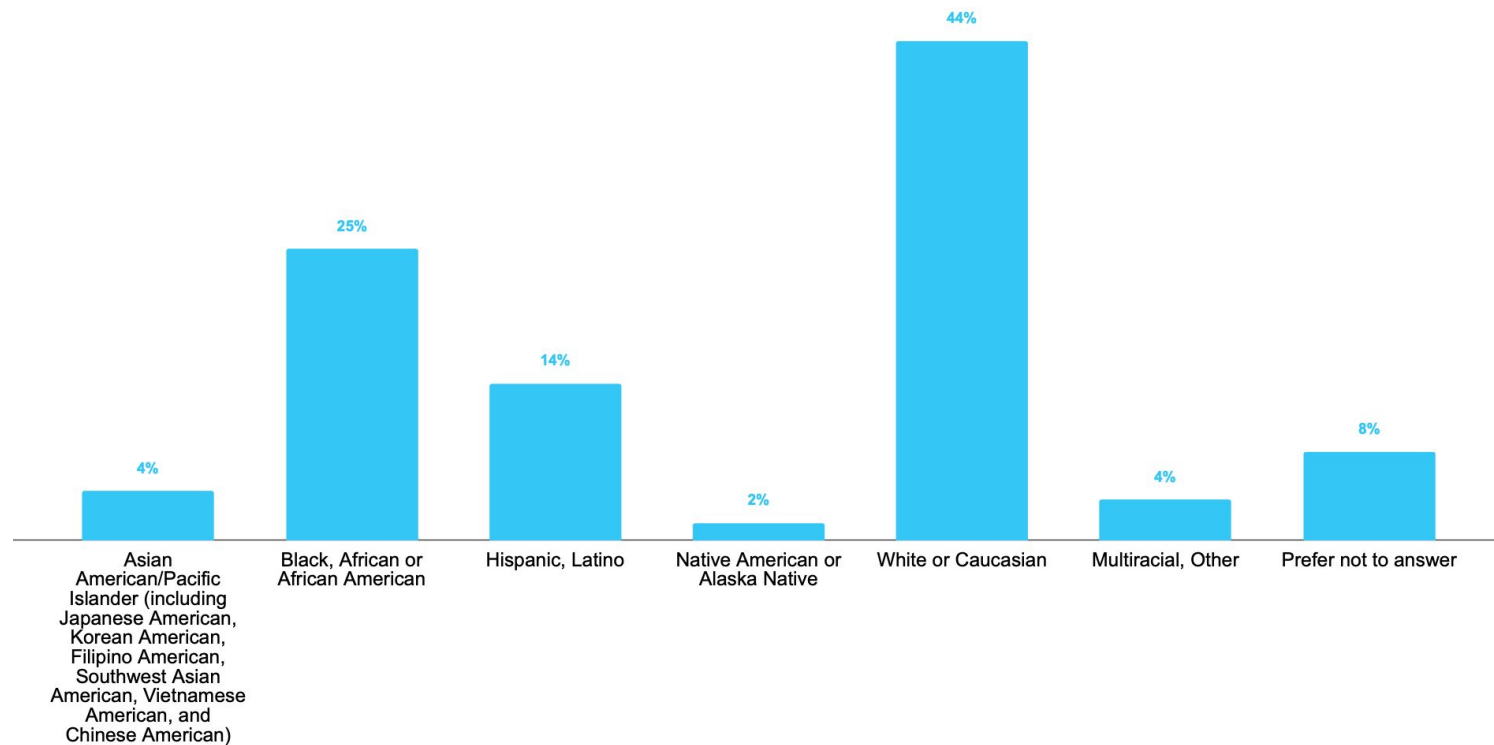
Approximately how many years has your business been operating?



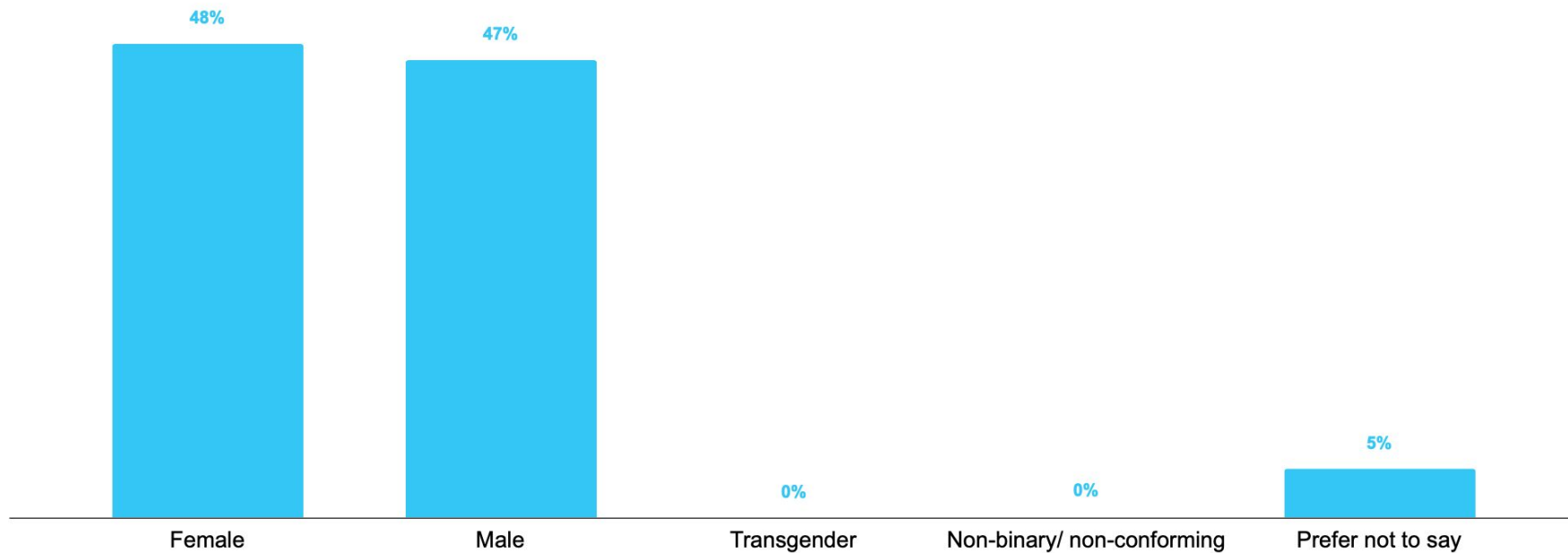
What is your age?

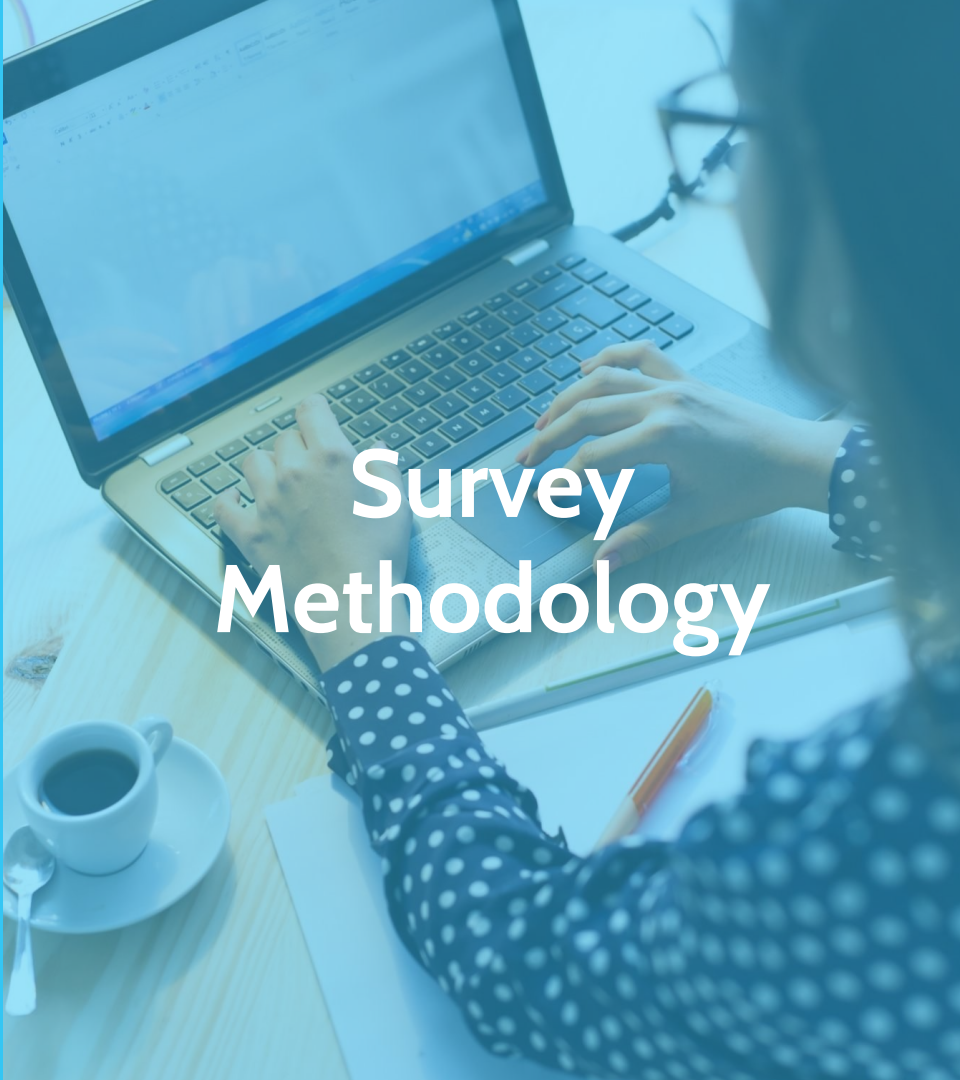


How do you identify yourself?



What is your gender identity?



A person is shown from the side, wearing a blue polka-dot shirt, typing on a laptop. The laptop screen displays some text. A white coffee cup is on the desk to the left. The entire image has a blue overlay.

Survey Methodology

1,048 Total Responses

Methodology:

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

Fielded Oct. 24-Nov. 5, 2025

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