Intuit QuickBooks
Small Business Index Annual Report 2025

State of Small Business
in the US, Canada, and the UK

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The critical role of small businesses in the economy

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Being a small business owner is one of the most rewarding things in this world.

Judd Robertson,
Business owner,
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The critical role of small businesses in the economy

This report offers a comprehensive view of the factors influencing small business growth and the strategies that can sustainably support their success in a rapidly evolving economic landscape.

Small and young businesses play an outsized role in economic dynamism, making critical contributions to job creation and productivity growth. Even though they are of modest size and make up between 2 and 10 percent of all jobs in the US, Canada, and the UK, new businesses are responsible for significantly larger shares of all job creation[1] when compared to their size in the economy (see Figures 1, 2, and 3).

This disproportionate impact **underscores the essential vitality of small businesses as drivers of economic growth**. In contrast, large, established firms represent over 50% of total employment—yet they contribute only around 40% of job creation relative to their size. As Figure 1 shows, today's major corporations once began as small, highly dynamic enterprises, and small businesses remain vital to job creation and economic health.

1 Job creation is defined as the employment growth from businesses that expand or start up. Job destruction is defined as the employment decline resulting from businesses that contract or shut down. The sum of job creation and job destruction is the **net change in employment**. Source: U.S. Bureau of Labor Statistics.

US small businesses less than a year old create 12% of all new jobs despite having only a 2% share of employment

Chart shows average share of employment, job creation, and job destruction by business size in 2022, based on the latest available official statistics

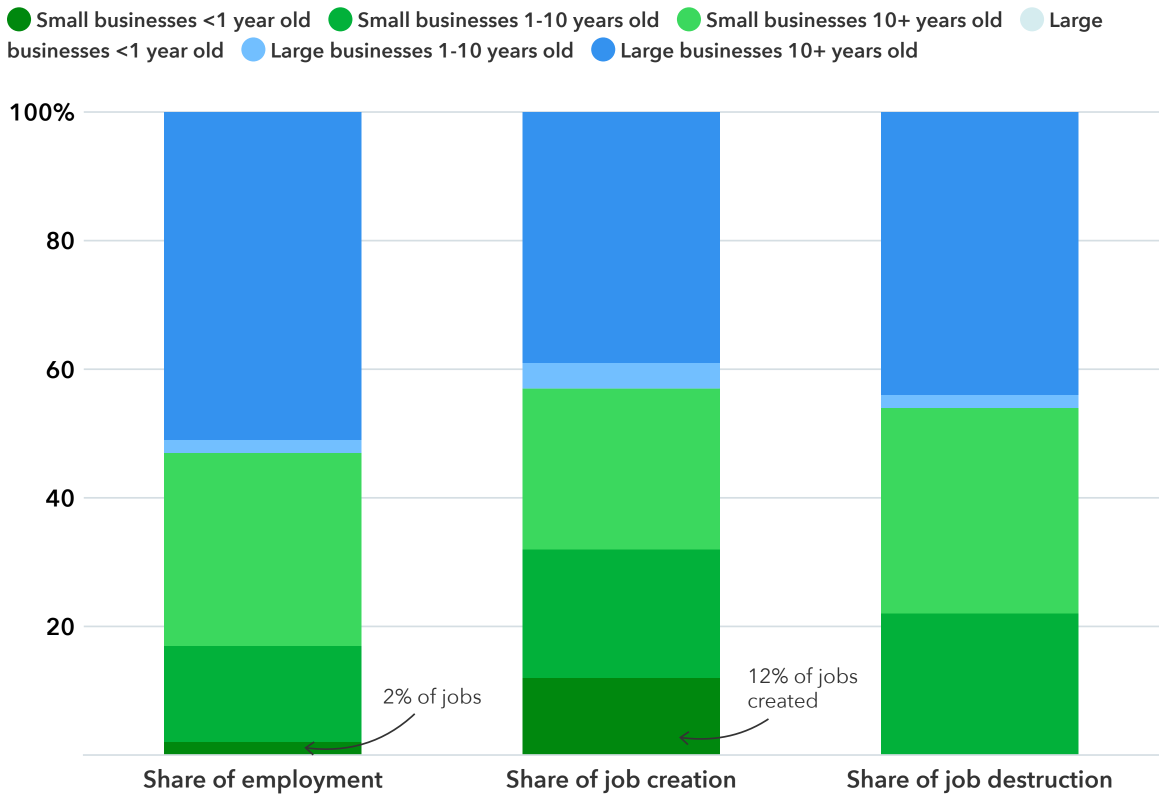

Figure 1, Intuit QuickBooks Small Business Index Annual Report. Values shown are the report's authors' calculations from official statistics. Please note that the official statistics used in these calculations define small businesses as having <500 employees and large businesses as having >500 employees.

Source: U.S. Census Bureau, Business Dynamics Statistics 2022

In Canada, the smallest businesses create 17% of all new jobs despite having only a 7% share of employment

Chart shows average share of employment, job creation, and job destruction by business size from 2017 to 2021, based on the latest available official statistics

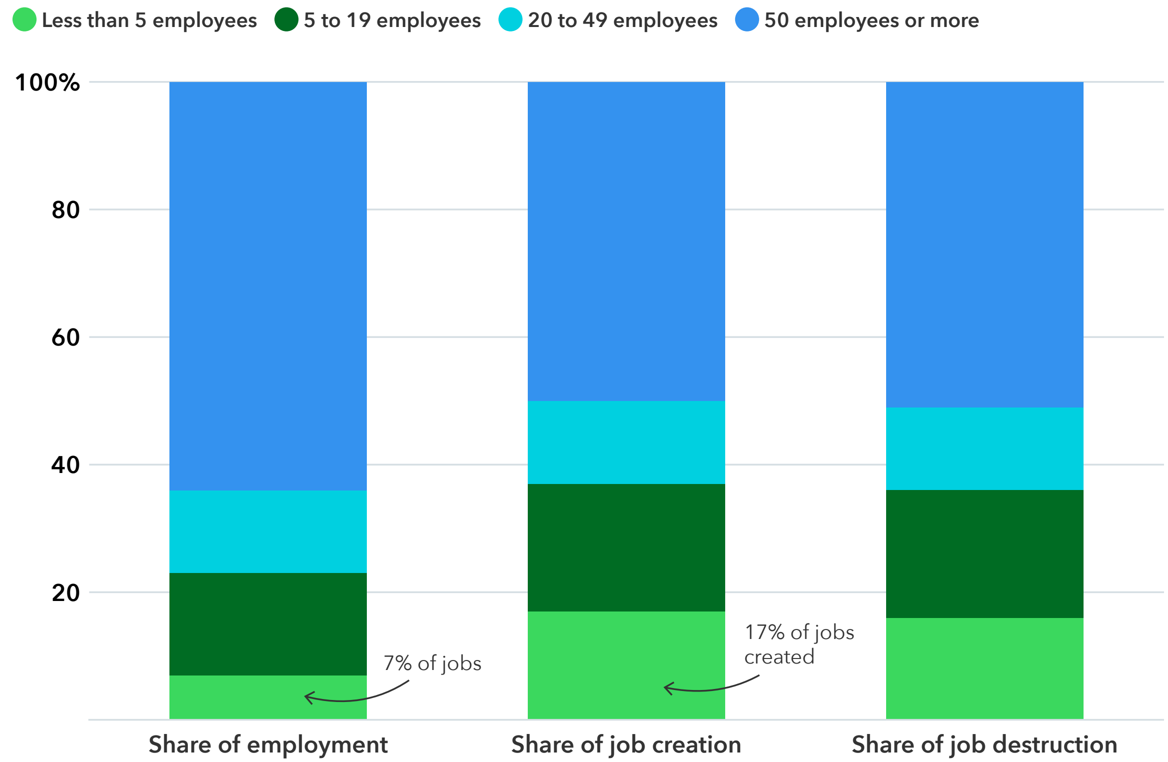

Figure 2, Intuit QuickBooks Small Business Index Annual Report. Values shown are the report's authors' calculations, using the mean of the three largest Canadian provinces to calculate job creation and destruction data from official statistics. Share of employment estimates are calculated from OECD data.

Source: Statistics Canada, business sector employment flow rates by firm size, provinces and the territories (Table: 33-10-0090-01); OECD Entrepreneurship at a Glance 2017.

UK start-ups create 39% of all new jobs despite having only a 9% share of employment

Chart shows average share of employment, job creation, and job destruction by business age in 2023, based on the latest available official statistics

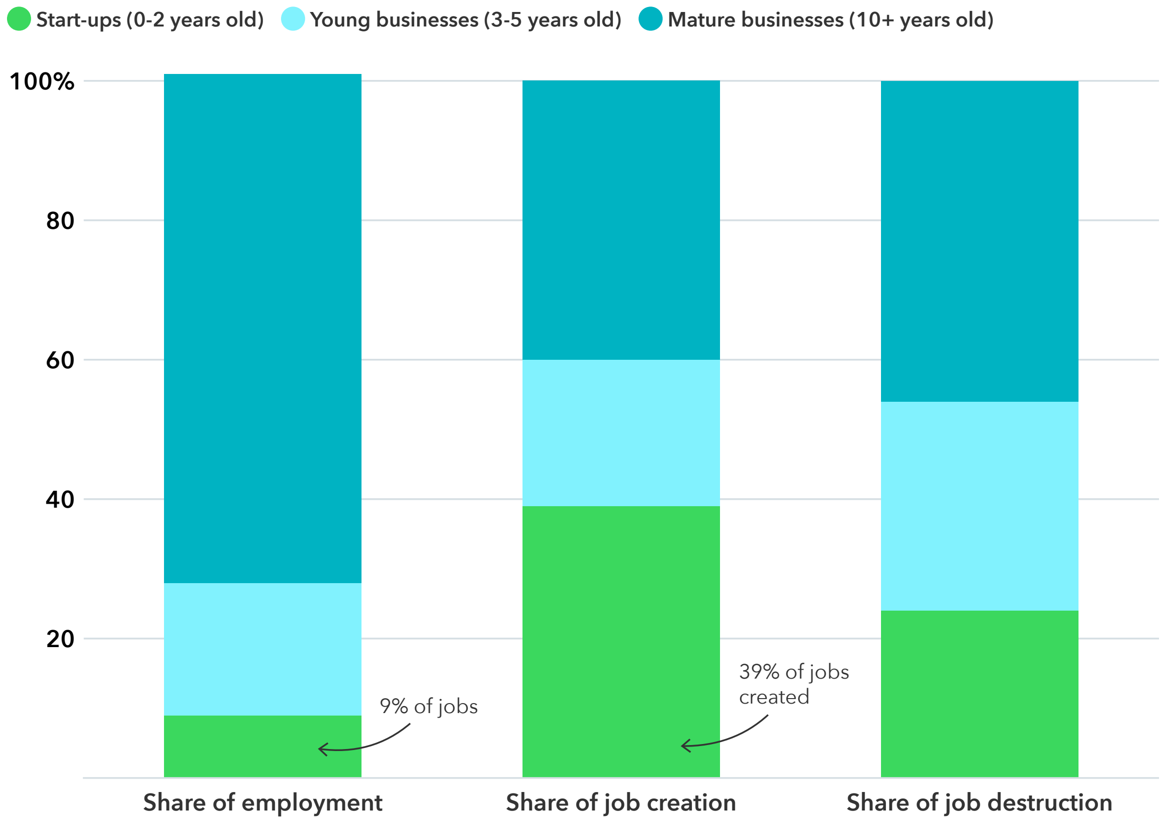

Figure 3, Intuit QuickBooks Small Business Index Annual Report. Values shown are the report's authors' calculations of firm-level business dynamism estimates from official statistics.

Source: UK Office for National Statistics, Longitudinal Business Database, 2023

Small and young businesses can be particularly vulnerable to economic shocks. Their **reliance on external financing, rather than self-funding, makes them more sensitive** to market fluctuations and monetary policy shifts. Small businesses tend to rely on loans during economically good times but lean more heavily on credit cards during challenging times.[2] This heightened dependence makes them particularly sensitive to the interest rates they pay when carrying balances, which amplifies the impact of financial strain.

The COVID-19 pandemic and its aftermath underscored the potential vulnerability of small businesses, particularly during economic downturns.

Higher interest rates have affected small business growth by adding to the cost of financing and making it harder for some to access it. We see the effects of this in the monthly employment data from the Intuit QuickBooks Small Business Index. In this report, we reveal that small businesses that worked with banks that were not able to offer as much credit card financing as other banks due to the impact of interest rates had 1.32% lower quarterly employment growth and 9.6% lower quarterly revenue growth than small businesses with greater access to credit card financing.[3] In challenging times, access to credit becomes a critical determinant of a business's ability to sustain operations and foster growth.

In general, small businesses are trending toward greater use of credit cards over other forms of financing. This has important longer-term implications because it can increase borrowing costs for small businesses.

Technology, however, has emerged as a crucial buffer, enabling small businesses to adapt swiftly to challenges and shifting economic conditions. Evidence from the COVID-19 period indicates that **tech-enabled businesses were markedly more resilient**. For example, Andrews, Charlton, and Moore (2021) find that by early 2021, small businesses using cash flow reporting, management applications, and e-commerce tools experienced up to 3 percentage points faster growth than those without these resources.[4]

Further data from the Intuit QuickBooks Small Business Insights survey supports these findings.[5] The survey shows that digital tools improve efficiency, reduce costs, and mitigate errors.[6] These are critical capabilities for small businesses operating in an unpredictable market.

2 For details, see "How higher interest rates have affected small businesses this year."

3 As explained in more detail in "How higher interest rates have affected small businesses this year," this is comparing small business customers of banks in the 75th percentile of "income gap" scores against small business customers of banks in the 25th percentile. Income gap scores are a measure of how the Federal Reserve's policy rate affects banks' ability to provide financing. Banks with more interest-rate-sensitive (IRS) assets than liabilities benefit from increased income on variable-rate loans and other interest-sensitive assets, enabling them to offer more favorable conditions to their borrowers.

4 Andrews, D., A. Charlton, and A. Moore (2021), "COVID-19, productivity and reallocation: Timely evidence from three OECD countries", OECD Economics Department Working Papers, No. 1676, OECD Publishing, Paris, https://doi.org/10.1787/d2c4b89c-en.

5 For more information about this survey, its sample, and methodology, see "Data sources and methodology."

6 For details, see "How small businesses are using digital tools and AI."

How to define a small business

Definitions of "small business" can vary significantly both between and within countries. In the US, one definition used by the Small Business Administration describes a small business as having fewer than 500 employees. In Canada, a small business typically has fewer than 100 employees. In the UK, a small business typically has fewer than 50 employees. In this report, unless otherwise stated, **small businesses are generally defined as having 0 to 100 employees**. See "Why is small business revenue a useful economic indicator?" for a discussion of why revenue is another effective measure of business size.

What's included in this report

In this report, we begin by examining the recent dynamics shaping small businesses, focusing on employment and revenue trends from the Intuit QuickBooks Small Business Index across the US, Canada, and the UK over the past 12 months.[7] This highlights **which sectors and regions have experienced the most and least growth**. We then turn our attention to two critical themes underpinning small business growth: access to financing and the adoption of technology.

Against the backdrop of the post-COVID landscape, we delve into the challenging economic conditions and evolving policies that have profoundly affected small businesses. Our analysis of small business performance spans both the immediate effects of the pandemic and the longer-term challenges influenced by monetary policy, interest rates, inflation, and credit access. To bring this to life, we include **insights drawn from the real experiences of Intuit QuickBooks customers**.[8] This anonymized data was reweighted using official statistics to reflect all small businesses with 0 to 100 employees.[9] Following this, we investigate the pivotal role of technology in enabling small businesses to face uncertainties and overcome obstacles (see "How small businesses are using digital tools and AI"). We use survey data collected from Intuit QuickBooks customers and other small businesses throughout the US, Canada, and the UK to explore **how digital tools are helping small businesses adapt**, operate more efficiently, and seize new growth opportunities.

7 For details, see "Recent employment and revenue trends from the Small Business Index."
8 For details, see "How higher interest rates have affected small businesses this year."
9 For more information about these calculations, see "Data sources and methodology."

Post-COVID employment trends: the shifting landscape for small businesses

> I think most small business owners with employees would agree that the first line of defense is looking at what you're taking from the company and seeing if you can take less in order to keep the people. If you don't have the people, you don't have a business.

Tanya Zurock,
Business owner,
Wild Prairie Soap Company

Post-COVID employment trends: the shifting landscape for small businesses

The COVID-19 pandemic delivered an unprecedented economic shock, which triggered a surge in unemployment rates and deep contractions in GDP across major economies.

In the US, the unemployment rate skyrocketed from a near-record low of 3.8% in February 2020 to a staggering 14.7% by April 2020—the **highest level since the Great Depression**. Between February and May that year, more than 14 million Americans lost their jobs as businesses shuttered and economic activity ground to a halt. Canada saw similar turmoil, with unemployment climbing to 13% in April. This sharp rise mirrored the pandemic's heavy toll on labor markets across sectors, from hospitality to manufacturing.

In the UK, the story was different but no less severe. Thanks to the Coronavirus Job Retention Scheme (CJRS), which covered 80% of wages for furloughed workers, official unemployment rates didn't climb as dramatically. Yet, the CJRS kept millions off the job without fully participating in the economy, leading to a historic 9.3% contraction in GDP for 2020—the **steepest annual decline in over three centuries**.

Inflation's causes and the response: higher interest rates

Across borders, the pandemic's impact on jobs and GDP underscored the fragility of global economies in the face of such sweeping disruption. Following the COVID-19 pandemic, inflation surged in the US, Canada, and the UK, primarily **due to widespread supply chain disruptions, increased consumer demand, and rising global energy costs**. Central banks in each of these economies responded with forceful interest rate hikes to restore price stability:

1. **US:** Inflation peaked at over 9% in mid-2022, the highest level in more than 40 years. In response, the Federal Reserve implemented an aggressive series of rate hikes, raising the federal funds rate to around 5.25% to 5.50% by mid-2023. This was one of the swiftest tightening cycles in the agency's history. Over the past 12 months, inflation has moderated significantly, with the Personal Consumption Expenditures price index rising just 2.1% annually as of September 2024, close to the Federal Reserve's 2% target. Consequently, the Federal Reserve began lowering rates in September 2024, cutting the benchmark rate to approximately 4.6% in November 2024..
2. **Canada:** Canada's inflation rate peaked at around 8.1% in mid-2022, prompting the Bank of Canada to raise its overnight rate from a historic low of 0.25% to 5% by mid-2023. Over the past 12 months, inflation in Canada has trended downwards, with the annual rate declining to 1.6% by September 2024. In response to this moderation, the Bank of Canada reduced the overnight rate to 4.5% by November 2024.
3. **UK:** Inflation in the UK surged to 11.1% in late 2022, additionally driven by rising energy and food prices. The Bank of England raised its base rate from near-zero to 5.25% by 2023, one of its most aggressive tightening measures in recent history, aiming to curb inflationary pressures. Over the past year, inflation has dropped considerably, reaching the Bank of England's target of 2.0% by June 2024. Reflecting these changes, the Bank of England reduced its base rate to 4.75% in November 2024.

These coordinated rate hikes across North America and the UK, aimed at taming inflation, also led to **slower economic growth and rising borrowing costs**. Small businesses, typically viewed as higher-risk borrowers, found credit harder to access and more expensive. They often resorted to high-interest methods of financing, such as credit cards, to maintain operations. This challenging environment is very likely to have left a lasting impact, making small business owners more risk-averse in hiring and investment decisions. Despite recent improvements in inflation and revenue, the Intuit QuickBooks Small Business Index shows employment numbers for small businesses are still below pre-pandemic levels in some sectors and regions. In the following sections, we'll examine the enduring effects of these economic shifts on small business resilience and labor market dynamics.

New small business revenue index

In September of 2024, the Intuit QuickBooks Small Business Index was **expanded in the US to include revenue data as well as employment data**. The new revenue index tracks monthly income of small businesses with 1 to 9 employees from the sale of goods and services. It uses anonymized data provided by a sample of 300,000 QuickBooks Payroll customers who use QuickBooks Online to manage their business finances. This data is reweighted using official statistics to reflect all small businesses of this size, not the QuickBooks customer base or Intuit's business.[10]

10 See "Recent small business revenue trends in the US" below for the latest insights from the Small Business Index.

Why is small business revenue a useful economic indicator?

Business revenue is a useful alternative measure of business size, when available, because it provides **a comprehensive view of a company's economic activity and capacity**, which is closely correlated with employment. Alongside traditional measures of business size, such as employment numbers, revenue can track more immediate changes, especially when there are significant shifts in the economy. For example, during periods of economic disruption or rapid growth, businesses may experience changes in demand and production that are reflected in revenue before those changes impact employment. This makes revenue a valuable proxy for business size, especially for understanding real-time business dynamics.

Revenue directly reflects a business's scale by capturing key factors like customer demand, production output, and the resources required to support operations. Employment numbers alone might not always give a complete picture, especially when comparing different industries. But revenue gives a more nuanced understanding of a firm's size and ability. For example, labor-intensive industries such as professional services may require more workers for the same level of revenue compared to capital-intensive sectors, such as manufacturing, making revenue a more universal indicator. Revenue also provides **insights into a company's productivity and efficiency**. Higher revenue per employee can signal greater operational effectiveness and capital utilization.

However, despite its importance, there has been **a lack of systematic data sources on business revenue, particularly for small businesses**. To fill this gap, we developed a new revenue index specifically designed to track the performance of small businesses in the US. With employment and revenue side by side, the Small Business Index provides a more up-to-date, more rounded picture of how small businesses are performing than is currently available from official statistics. It offers policymakers, researchers, and industry stakeholders a valuable tool to monitor business health and activity. By combining data from Intuit's QuickBooks platform with other economic indicators, the revenue index captures key trends in small business growth.

Recent employment and revenue trends from the Small Business Index

Recent employment and revenue trends from the Small Business Index

This section analyzes recent trends in employment and revenue from the Intuit QuickBooks Small Business Index in the US, Canada, and the UK. It focuses on variations across countries, regions, and sectors to highlight where we have seen the most and least growth over the past 12 months.[11]

11 See methodology section for a summary of the Small Business Index methodology or visit https://quickbooks.intuit.com/r/small-business-data/index/methodology/.

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There are several challenges with hiring – particularly in the trades. There's a lack of skilled technicians. But also, bringing someone on is very expensive.

Judd Robertson,
Business owner,
Mighty Pine Heating and Air

Small business employment and revenue trends in the US

About the Small Business Index

In the US, the Small Business Index tracks **total monthly employment and average monthly revenue for 77% of employers**—small businesses with 1 to 9 employees. Employment data is based on a sample of 444,000 small businesses using QuickBooks Payroll. Revenue data is based on a sample of 300,000 small businesses using both QuickBooks Online and QuickBooks Payroll. These records are anonymized, aggregated, and combined with official statistics to reflect broader trends in the US economy. In this analysis, we focus on annual and monthly trends **through October 2024**, using the latest data available at the time of publication. Get new data every month and subscribe for alerts on the Small Business Index website.

Seasonally adjusted

Please note: All employment data in the Small Business Index is seasonally adjusted to **limit the effect of seasonal patterns in employment and hiring** throughout the year, which lead to regular fluctuations in workforce growth and contraction.

Official statistics

Please note: The Small Business Index uses official statistics and anonymized payroll data from QuickBooks customers to provide accurate, up-to-date estimates of small business employment. In the US, the **Index predicts what official statistics will show when released up to 9 months later**. In this report, employment data for 2024 is the Index's prediction for future releases of official statistics. Employment data prior to 2024 closely matches official statistics that have already been released.

Largest year-over-year decline in employment since 2015

- Over the 12 months ending October 2024, small business employment in the US **declined by 51,200 jobs** (Figure 4) and average real revenue declined by $11,850 per small business (Figure 17). This was the largest year-over-year decline in employment since 2015 and the third consecutive year-over-year decline in revenue.
- Despite this, small business employment and revenue have both **shown signs of recovery since January 2024**. Employment is up in seven of the 12 sectors covered by the Small Business Index. Revenue is up in all but one sector.

Sectors with the most and least growth

- One of the best-performing sectors overall was the **wholesale trade sector** (NAICS 41-42). Here, employment declined more slowly than in most other sectors—meaning fewer jobs were lost year-over-year. The average increase in real revenue was larger and faster than in any other sector (Figure 19).
- One of the worst-performing sectors overall was the **manufacturing sector** (NAICS 31–33). Small manufacturing businesses lost more jobs than most other sectors and, at the same time, experienced the largest and fastest declines in average real revenue (Figure 21).

Regions and states with the most and least growth

- One of the best-performing regions overall was the **Great Lakes** region (Illinois, Indiana, Michigan, Ohio, Wisconsin; Figure 9)—boosted by strong employment and revenue growth in **Indiana** (Figures 16 and 30). Regionally, small business employment recovered relatively well in 2024 and average revenue gains outpaced all but one other region (the Rocky Mountain region, Figure 23).
- One of the worst-performing regions overall was the **Mideast** (Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania; Figure 24). Small business employment and average real revenue were both down year-over-year, with little sign of a recovery in 2024.
- Of the 20 states tracked by the Index, **North Carolina** had the fastest year-over-year employment growth rate (0.90%), with 3,700 jobs created at small businesses.
- **California** had the largest annual decline in employment, losing 12,000 jobs at small businesses (down by 0.80% year-over-year).

Dive deeper into recent small business employment trends in the US

The latest available data from the Small Business Index shows US small business employment **declined by 51,200 jobs** (0.39%) in the 12 months ending October 2024. This was the second consecutive annual decline and the largest over this time frame since 2015, leaving 12,978,300 people employed at small businesses. The 24-month period of declining employment since October 2022—when employment stood at 13,075,900—coincides with interest rates rising above 4%.

Overall, on an annual basis, all 12 sectors and four of the eight US regions show declining employment from October 2023 to October 2024. Looking more closely at the monthly data over that period, however, reveals that most of the job losses occurred between October 2023 and January 2024. Since then, **the declines have generally slowed or even reversed—offsetting some of the earlier job losses**. For example, while the construction sector (NAICS 23) lost 13,100 jobs at the end of 2023, it created 11,400 jobs at small businesses in 2024 (Figure 8). We explore the trends by sector, region, and state in more detail below.

US small business employment

Total employment year-over-year at US small businesses with 1-9 employees from October 2015 to October 2024

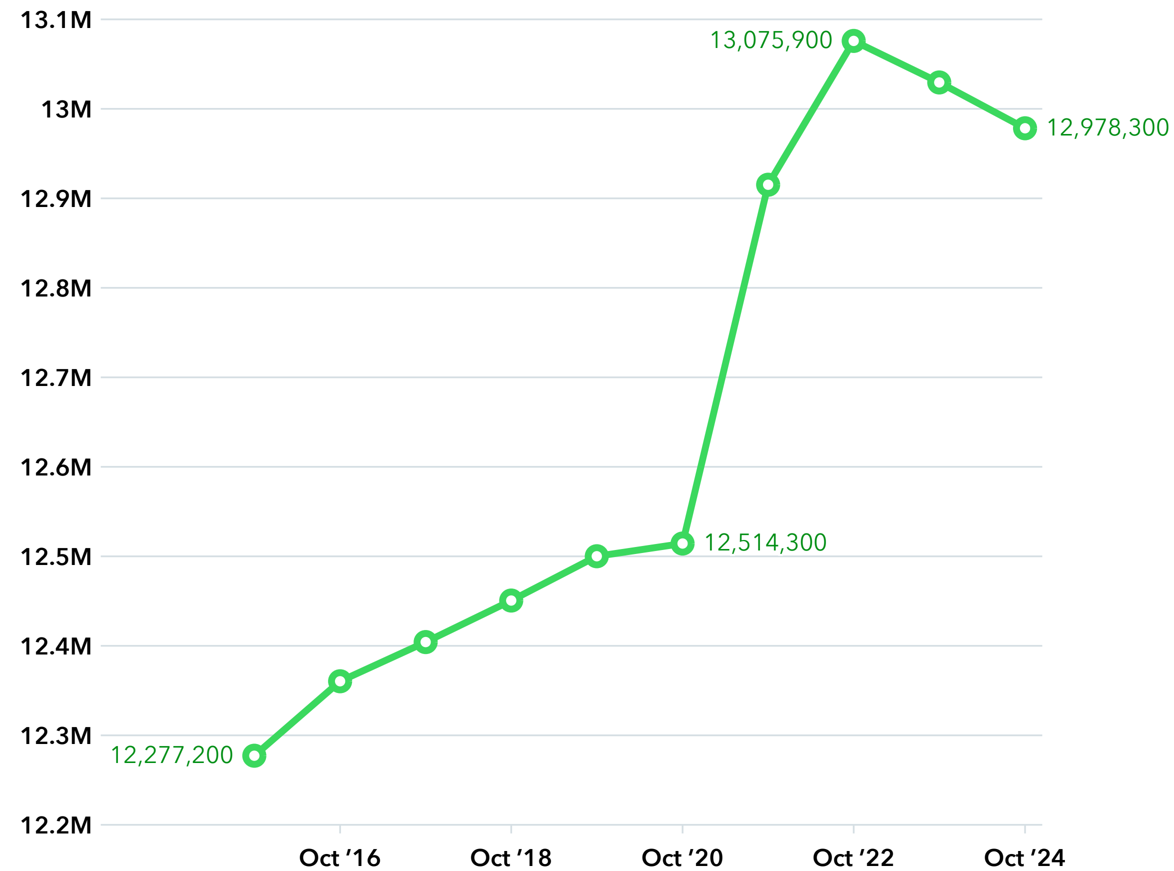
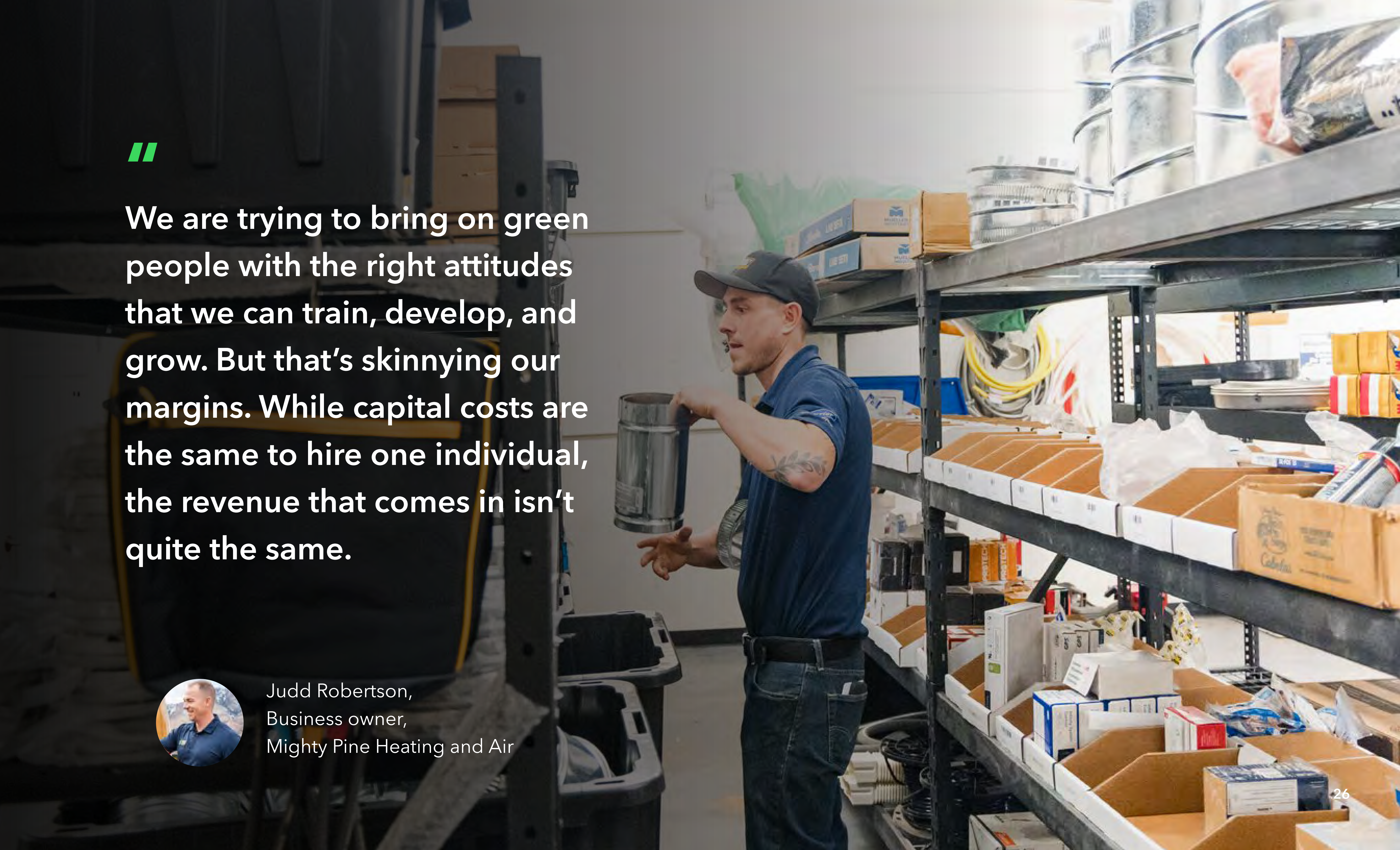


Figure 4, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)



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We are trying to bring on green people with the right attitudes that we can train, develop, and grow. But that's skinnying our margins. While capital costs are the same to hire one individual, the revenue that comes in isn't quite the same.

Judd Robertson,
Business owner,
Mighty Pine Heating and Air

Employment trends by sector

Year-over-year, all 12 sectors had declining small business employment from October 2023 to October 2024. The **leisure and hospitality sector** (NAICS 71–72) had the largest annual decline (36,900 jobs), leaving 1,583,500 people employed at these small businesses. Almost 20,000 jobs were lost in January 2024 alone. Since then, the decline has slowed, but numbers continue to drop. The annual decrease of 2.30% was the second-fastest across all sectors.

Leisure and hospitality sector (NAICS 71-72) small business employment

Total employment year-over-year at US small businesses with 1-9 employees from October 2015 to October 2024

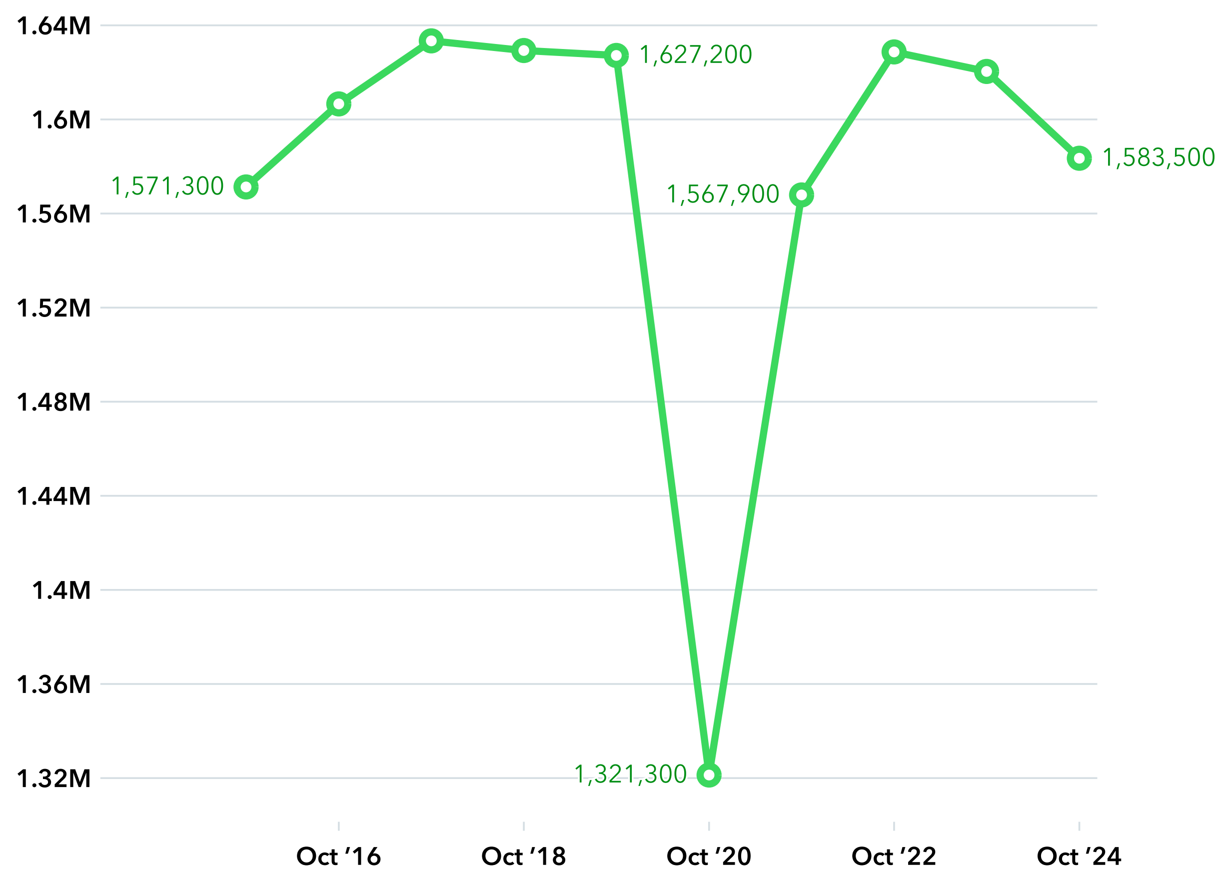


Figure 5, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The **information sector** (NAICS 51) had the fastest annual decline of all sectors, at 2.50%. The annual loss of 7,000 jobs left 276,800 people employed at these small businesses at the end of October 2024. Again, January 2024 was the month with the most job losses.

Information sector (NAICS 51) small business employment

Total employment year-over-year at US small businesses with 1-9 employees from October 2015 to October 2024

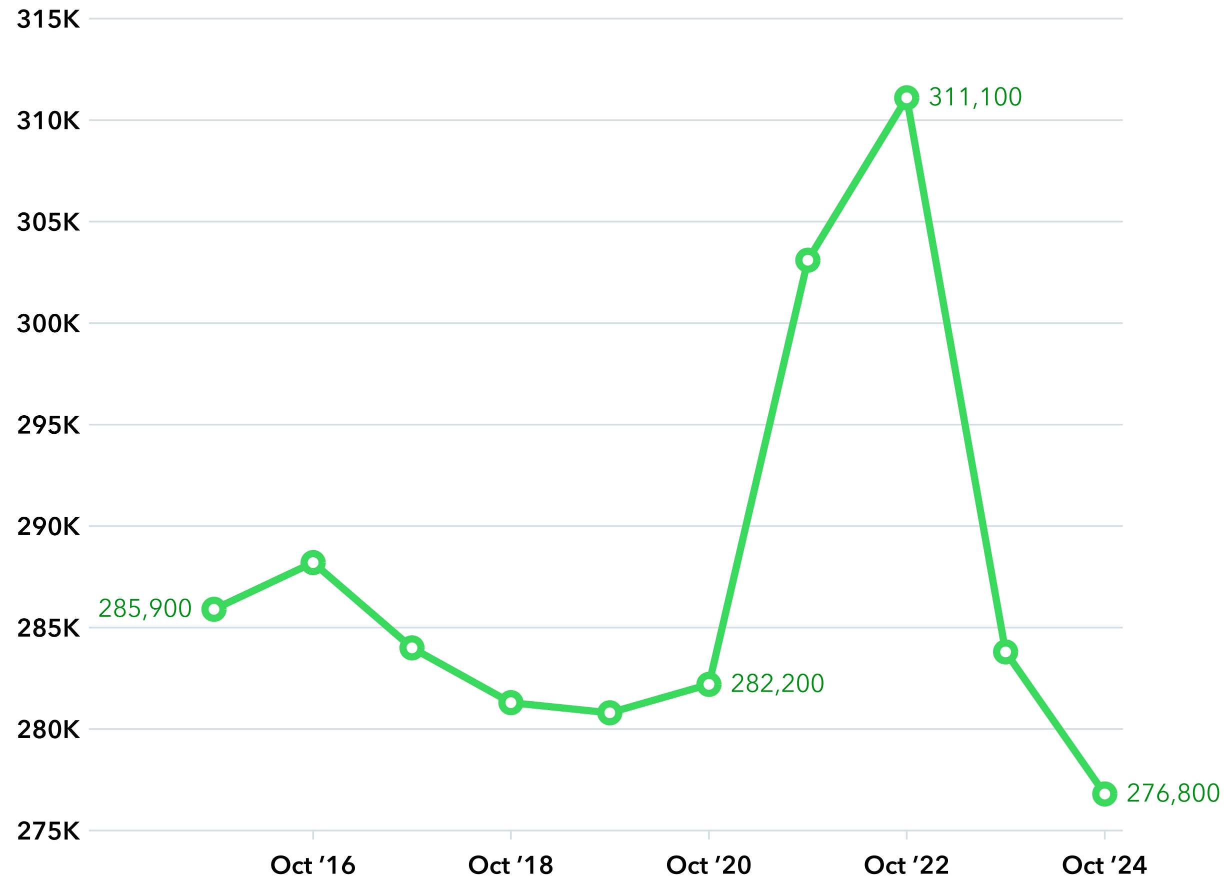


Figure 6, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Two other sectors with significant reductions in small business employment between October 2023 and October 2024 were the **manufacturing sector** (NAICS 31–33) and the **professional and business services sector** (NAICS 54–56), losing 20,600 jobs and 18,600 jobs, respectively. Again, for both sectors, the largest monthly declines were in January 2024.

Manufacturing sector (NAICS 31-33) small business employment

Total employment year-over-year at US small businesses with 1-9 employees from October 2015 to October 2024

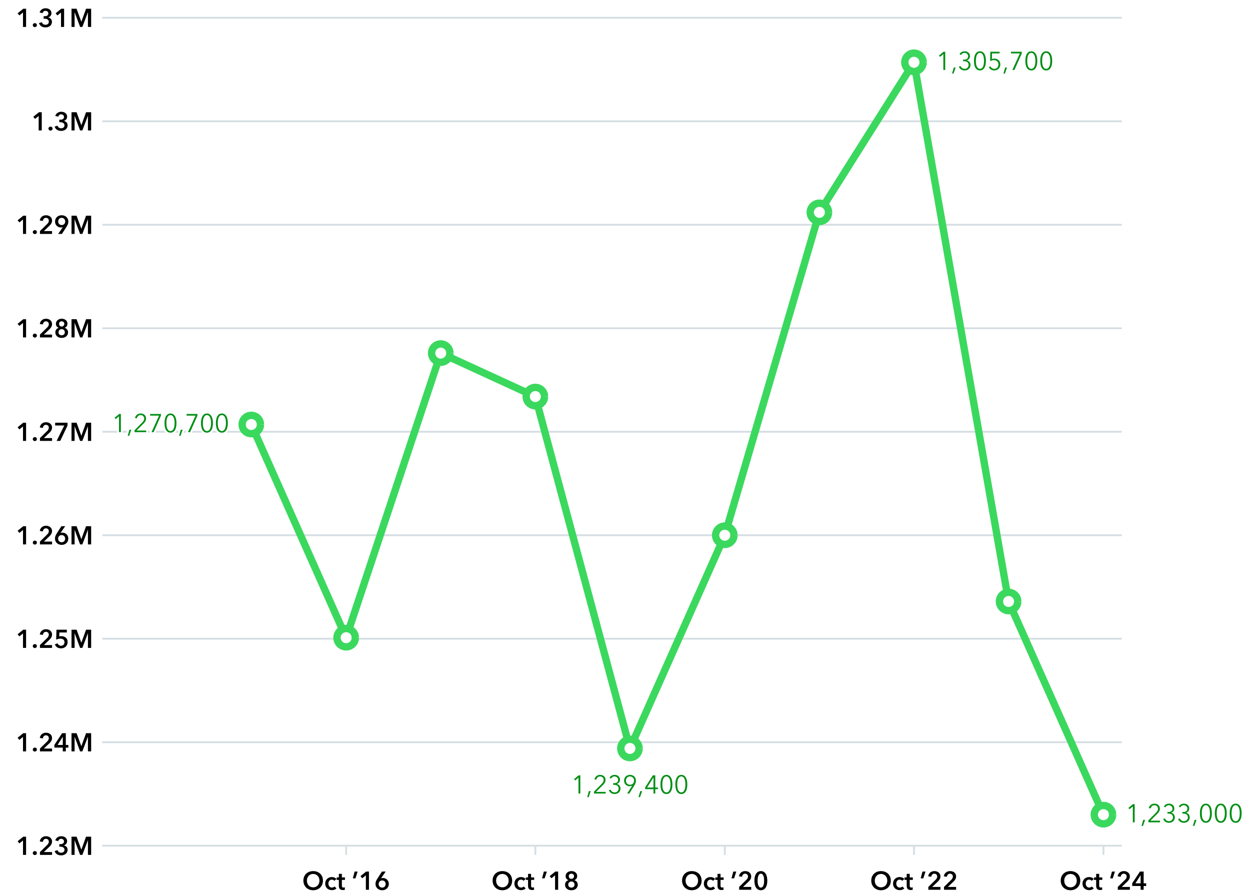


Figure 7, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Monthly employment data reveals growth in 2024

As noted above, a closer analysis of recent monthly trends reveals brighter signs emerging through 2024. From the end of January to the end of October, **small business employment increased in seven sectors** (see list below). Of these, the construction sector added the most jobs—11,400 since January—taking the total to 777,300.

- Agriculture, natural resources, and mining (NAICS 11;21)
- Construction (NAICS 23)
- Education and health services (NAICS 61–62)
- Finance and real estate (NAICS 52–53)
- Professional and business services (NAICS 54–56)
- Utilities (NAICS 22)
- Wholesale trade (NAICS 41-42)

Construction sector (NAICS 23) small business employment

Total monthly employment at US small businesses with 1-9 employees month-over-month from October 2023 to October 2024

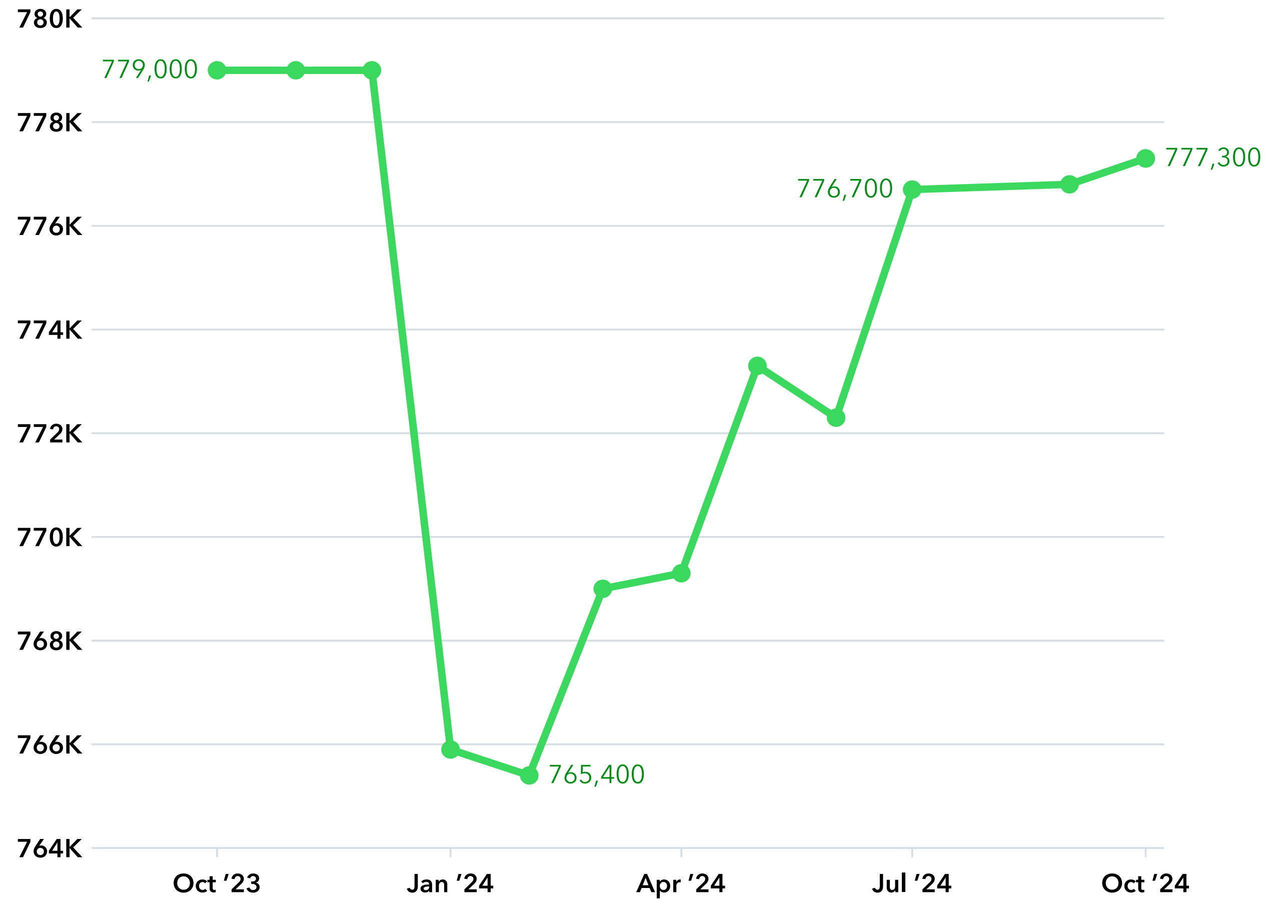


Figure 8, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Regional employment trends

Four of the eight US regions show an annual increase in small business employment from October 2023 to October 2024—the Great Lakes, New England, Southeast, and the Plains region. Of these, the **Great Lakes** had the largest and fastest increase, adding 8,000 jobs (an annual growth of 0.43%), taking the total to 1,872,400.

Great Lakes small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2015 to October 2024

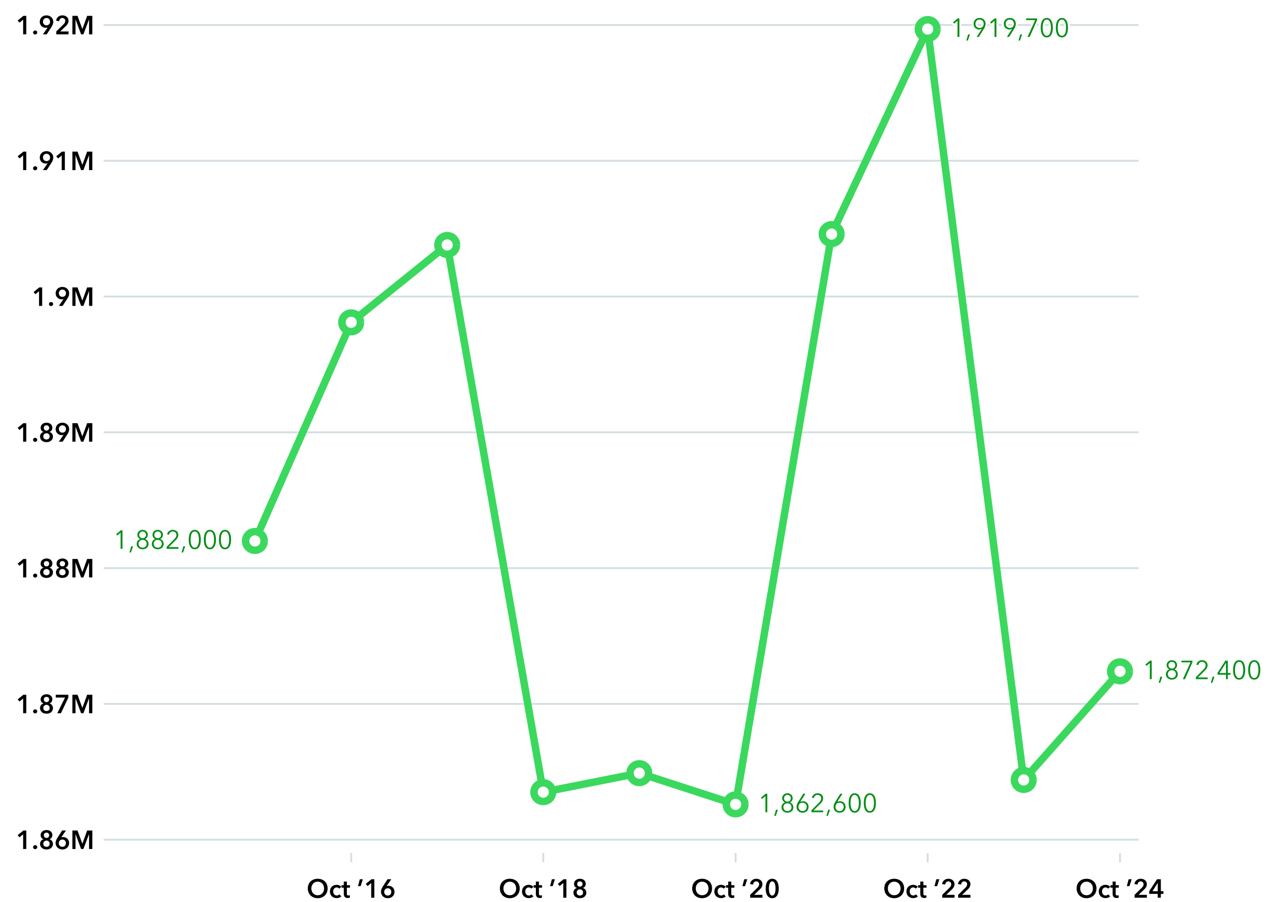


Figure 9, Intuit QuickBooks Small Business Index Annual Report 2025. Great Lakes region defined by U.S. Bureau of Economic Analysis: Illinois, Indiana, Michigan, Ohio, Wisconsin

Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The other four regions (Far West, Mideast, Rocky Mountain, Southwest) all show declining small business employment over this period. Of these, the largest and fastest decline was in the **Far West**, where small business employment fell by 22,000, or 1.01%, to 2,158,500 jobs.

Far West small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2015 to October 2024

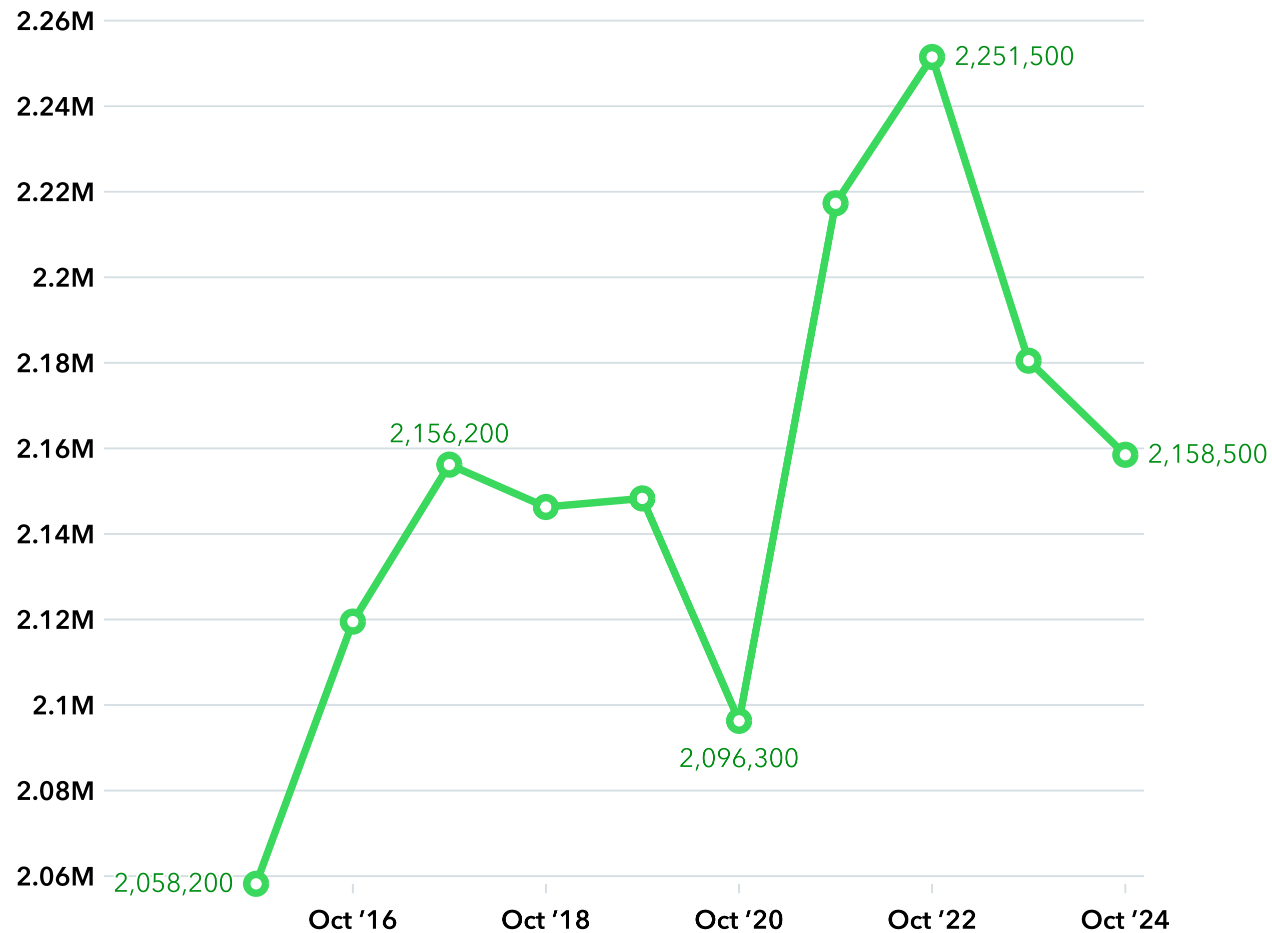


Figure 10, Intuit QuickBooks Small Business Index Annual Report 2025. Far West region defined by U.S. Bureau of Economic Analysis: Alaska, California, Hawaii, Nevada, Oregon, Washington

Source: Intuit QuickBooks Small Business Index (intuit.me/index)

State employment trends

States included in the Small Business Index

The Small Business Index currently tracks employment in 20 US states: Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Michigan, Minnesota, Missouri, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, Wisconsin.

Out of the 20 states currently tracked by the Small Business Index, 13 had rising small business employment from October 2023 to October 2024. The other seven had declining small business employment. The largest decrease over this timeframe was in **California**, losing 12,000 small business jobs, an annual decline of 0.80%, to 1,498,500 jobs. Over the 24 months since October 2022, small business employment has declined by 65,800 jobs.

California's small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2015 to October 2024

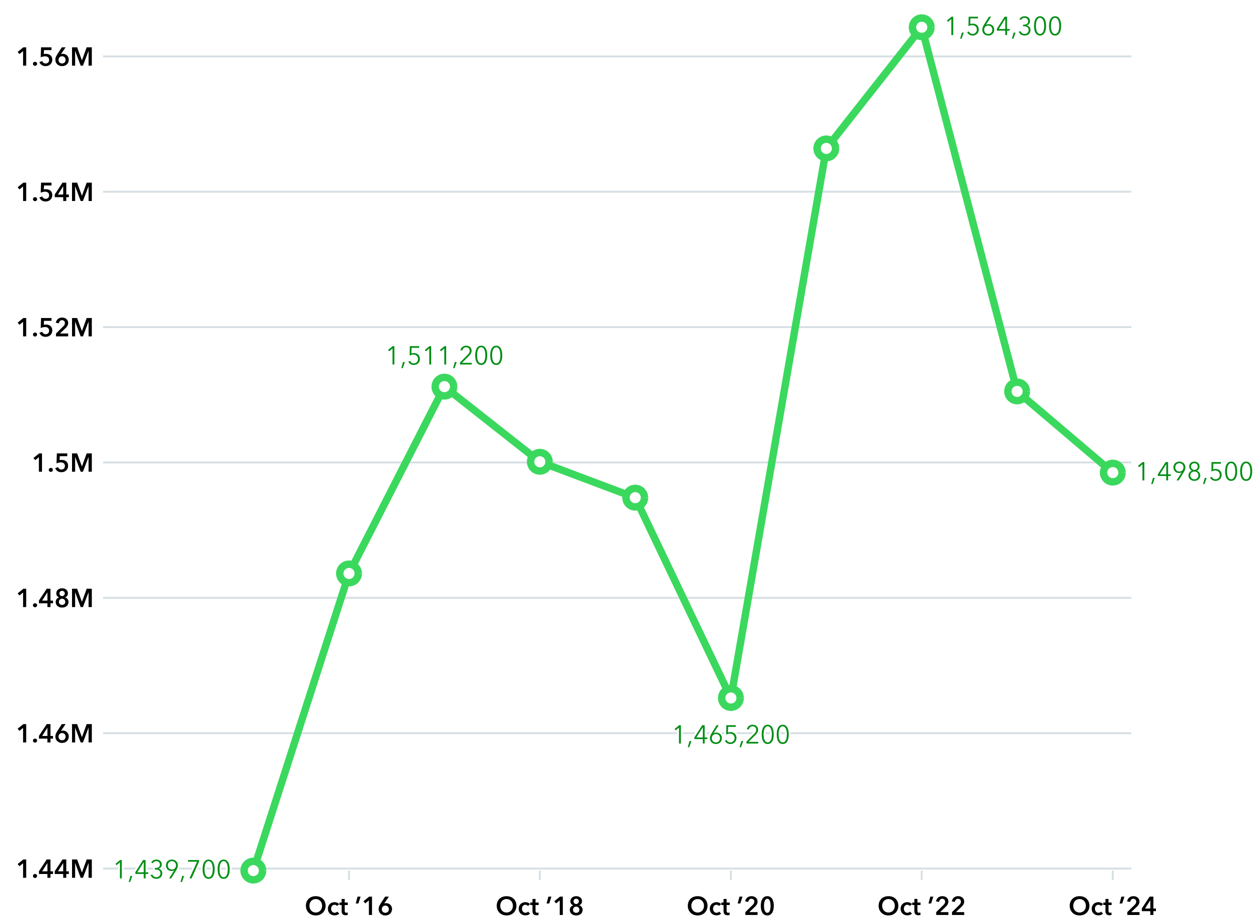


Figure 11, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Further north in the Far West region, **Washington** lost fewer jobs at small businesses than California but had a faster annual rate of decline, at 1.26%, with small business employment down by 3,700 jobs to 290,700. Like California, Washington has had two consecutive year-over-year declines, losing 14,600 small business jobs in total since October 2022.

Washington's small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2015 to October 2024

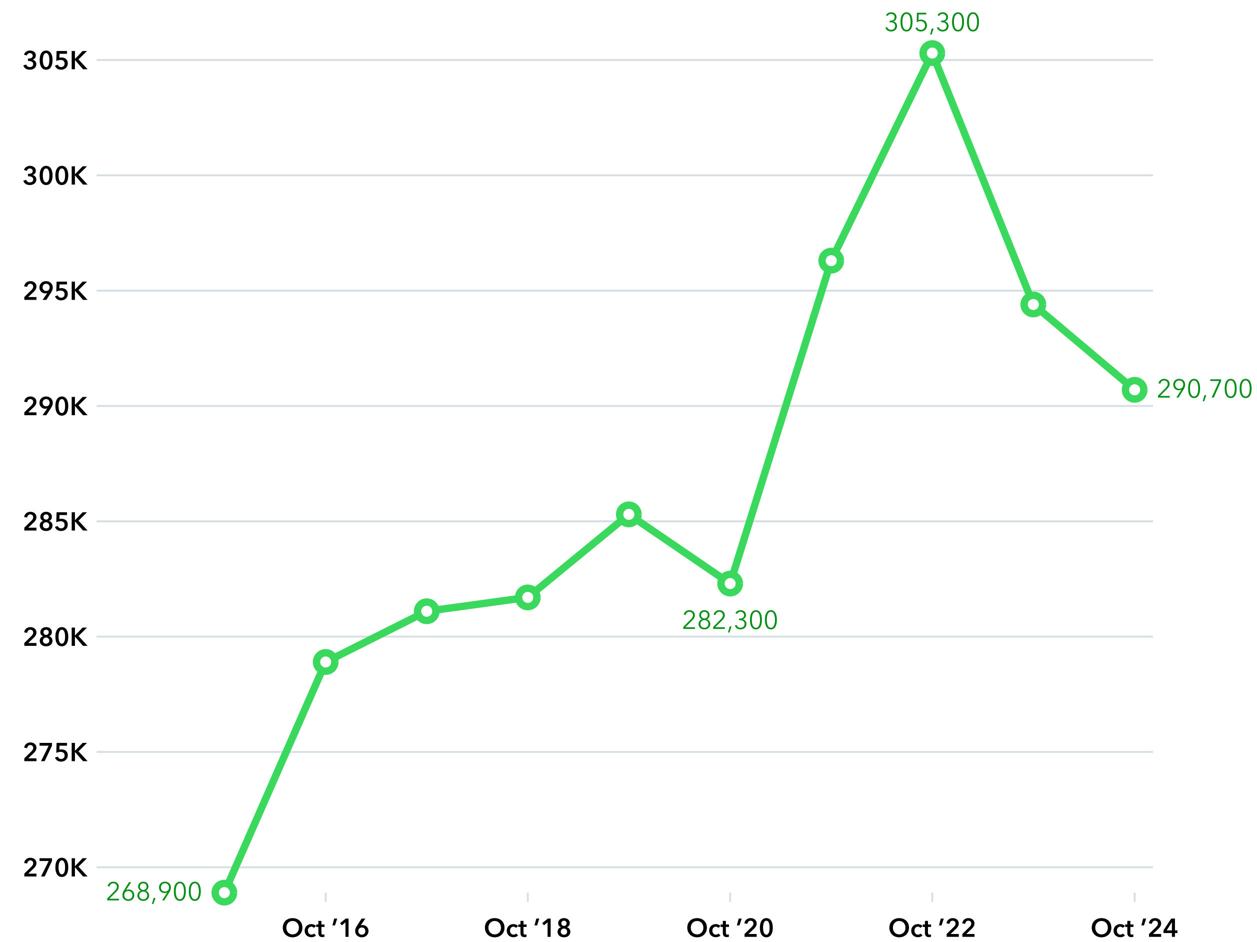


Figure 12, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

In the Rocky Mountain region, **Colorado** had an annual decrease of 2,600 jobs, or 1.09%, leaving 236,900 employees at small businesses. This was the third consecutive year-over-year decline in employment and the largest over this time frame since 2015.

Colorado's small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2015 to October 2024

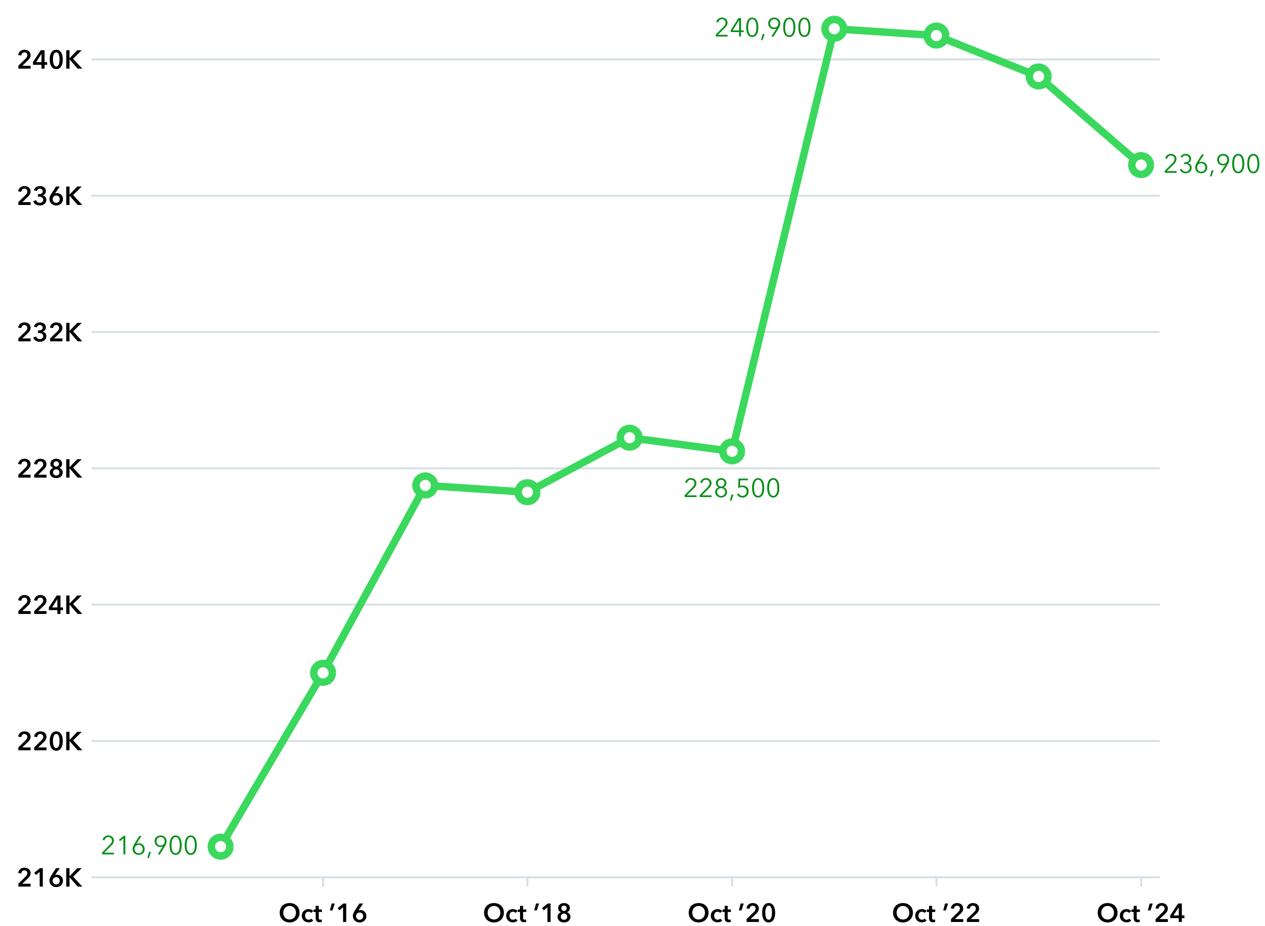


Figure 13, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

In the Southeast, **Georgia** lost about the same number of small business jobs as Colorado over this period (2,500). But with a larger small business workforce (of 406,300 employees) the annual rate of decline was lower, at 0.61%. Small business employment fell faster in the previous 12-month period (October 2022 to October 2023), when 6,400 jobs were lost.

Georgia's small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2015 to October 2024

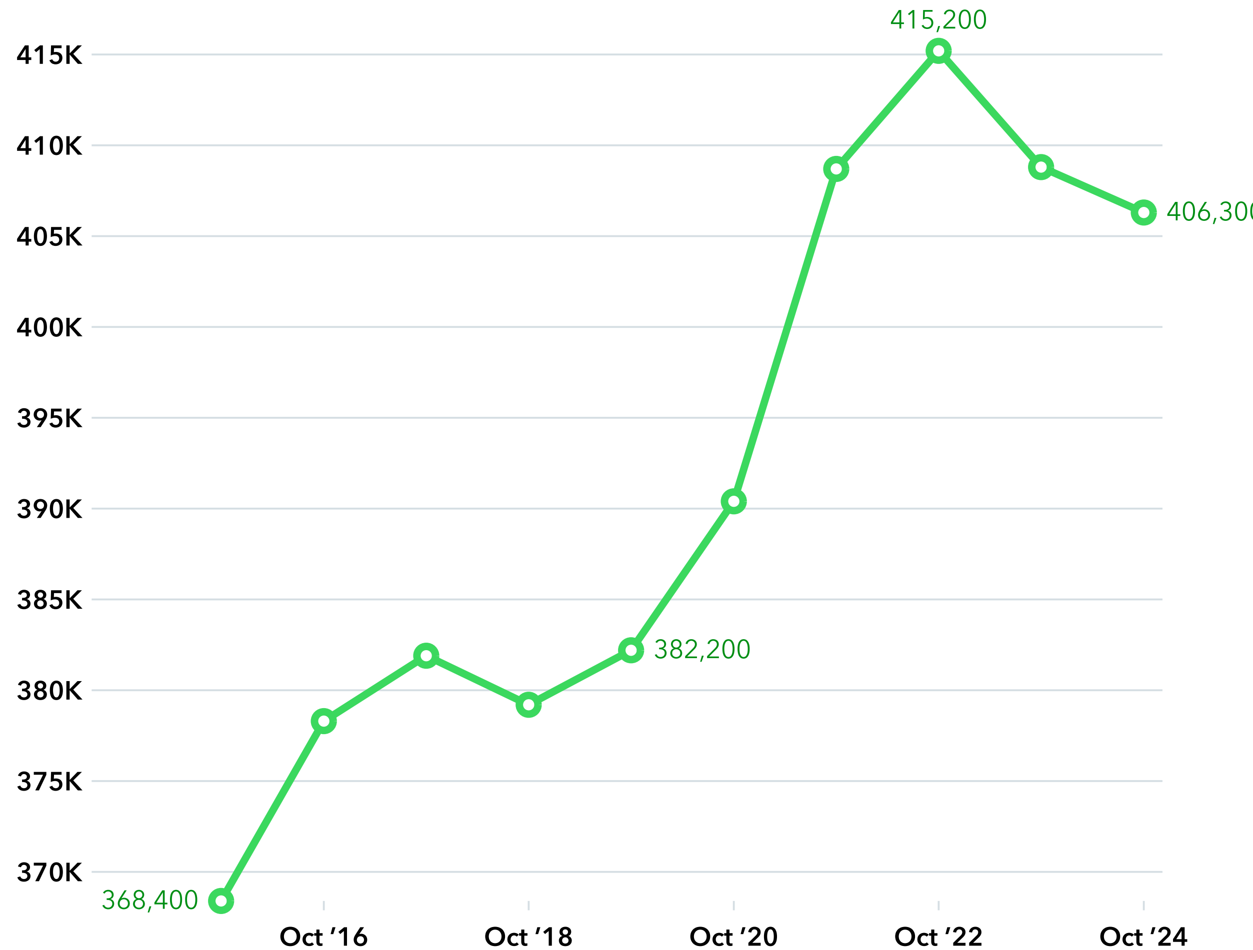


Figure 14, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Also in the Southeast, **North Carolina** had notable growth between October 2023 and October 2024, with small business employment up by 0.90% annually (3,700 jobs) taking the total to 411,000.

North Carolina's small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2015 to October 2024

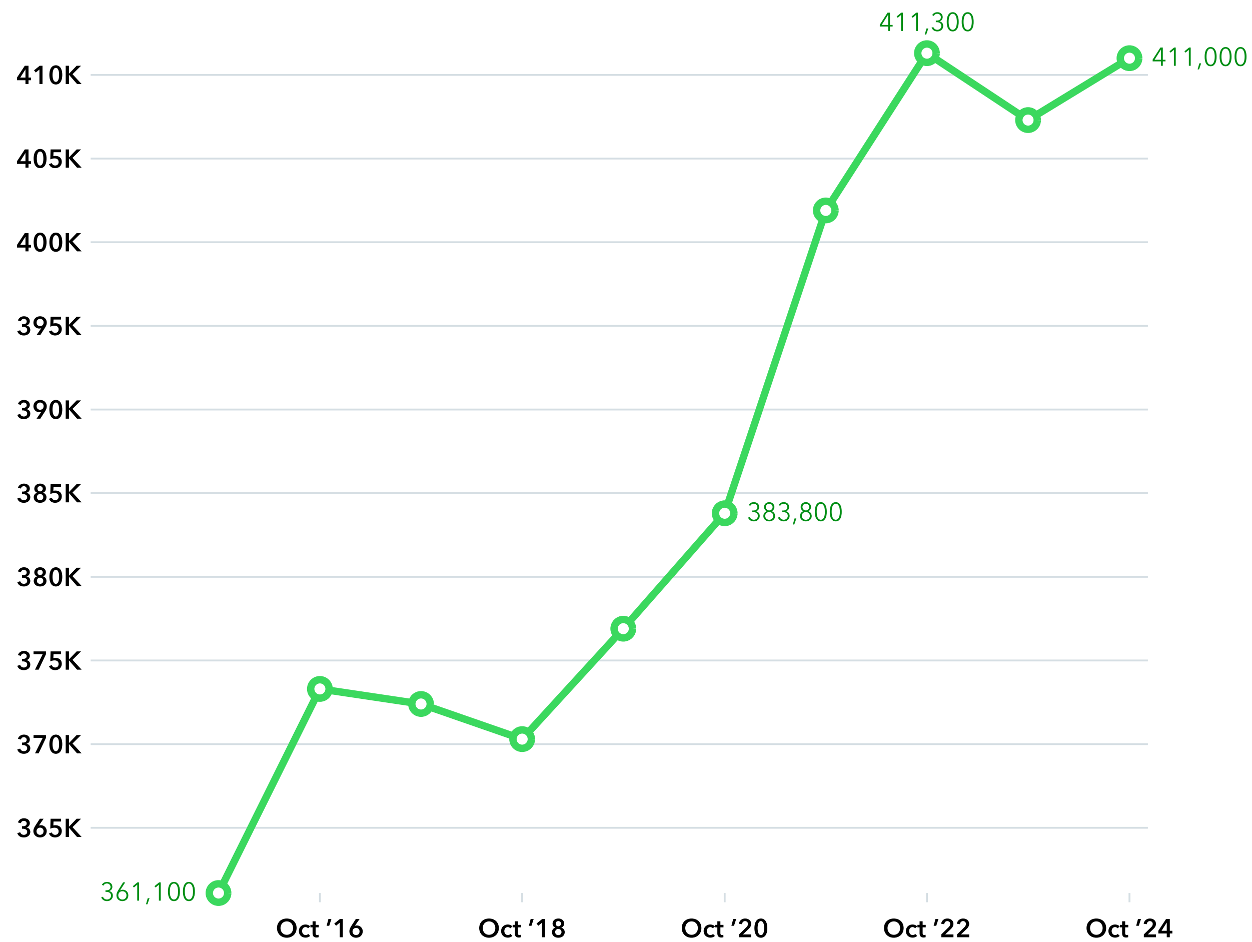


Figure 15, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Contributing to growth in the Great Lakes region (noted above), **Indiana** added 1,700 jobs at small businesses between October 2023 and October 2024, an annual increase of 0.63%. This was a big reversal from the prior 12 months, when small business employment declined by 11,200 jobs—the largest year-over-year decrease over this timeframe since 2015.

Indiana's small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2015 to October 2024

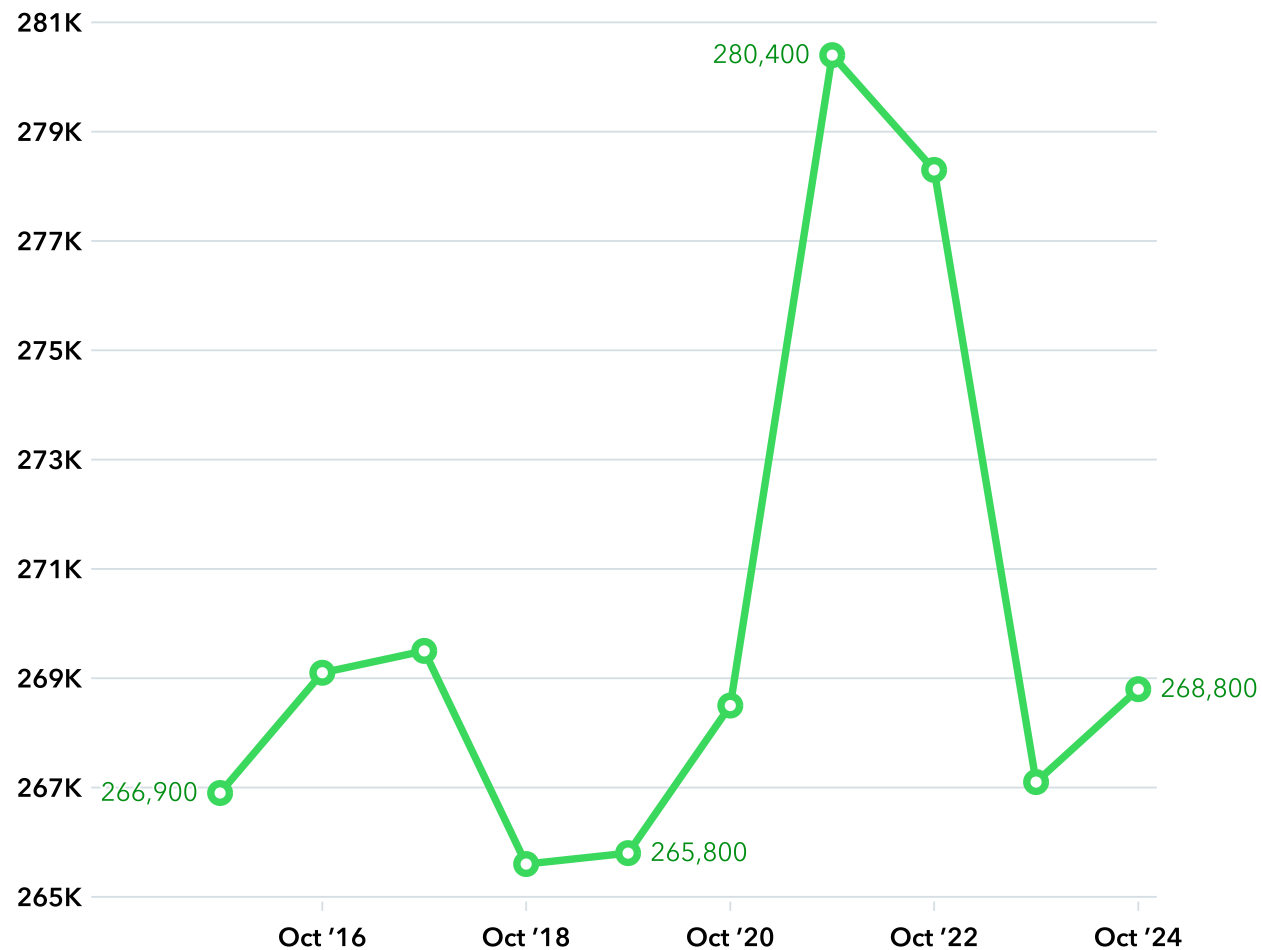


Figure 16, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Dive deeper into recent small business revenue trends in the US

Real revenue, seasonally adjusted

All revenue values in the Small Business Index are **deflated to 2017 dollars to remove the impact of inflation** and show real changes in revenue. All references to "revenue" below suggest "real revenue" even if this isn't stated. All revenue data is also seasonally adjusted to limit the effect of seasonal patterns throughout the year, which lead to regular fluctuations in income. "Annualized" revenue is the value of the past 12 months of revenue added together (November 2023 to October 2024) to provide up-to-date estimates of current annual revenue at small businesses.

Over the 12 months to the end of October 2024, on an annual basis, average real revenue at US small businesses **declined by $11,850 from $629,210 to $617,360** (annualized). The annual decrease of 1.90% was the third consecutive year-over-year decline. Back in October 2021, the average real revenue stood at $643,290.

US small business annual revenue

Average annualized real revenue for US small businesses with 1-9 employees year-over-year from October 2020 to October 2024

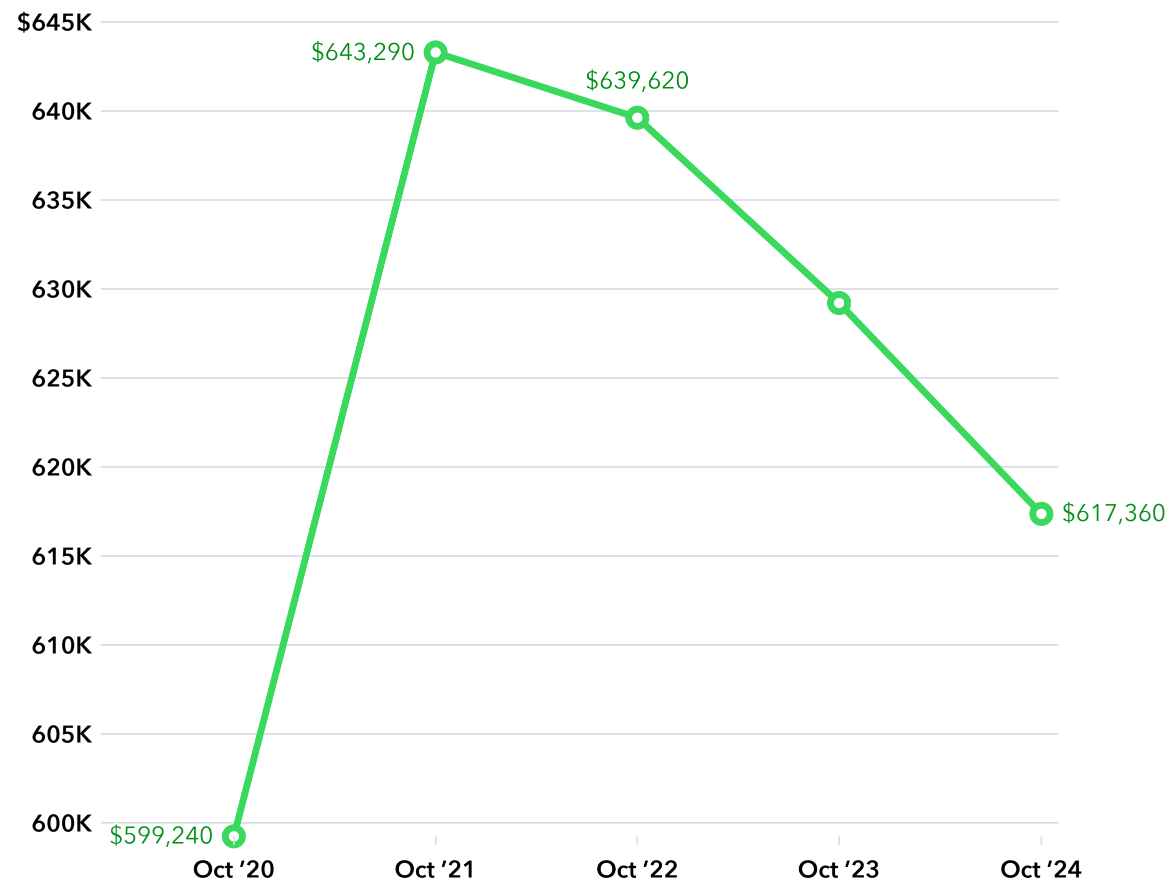
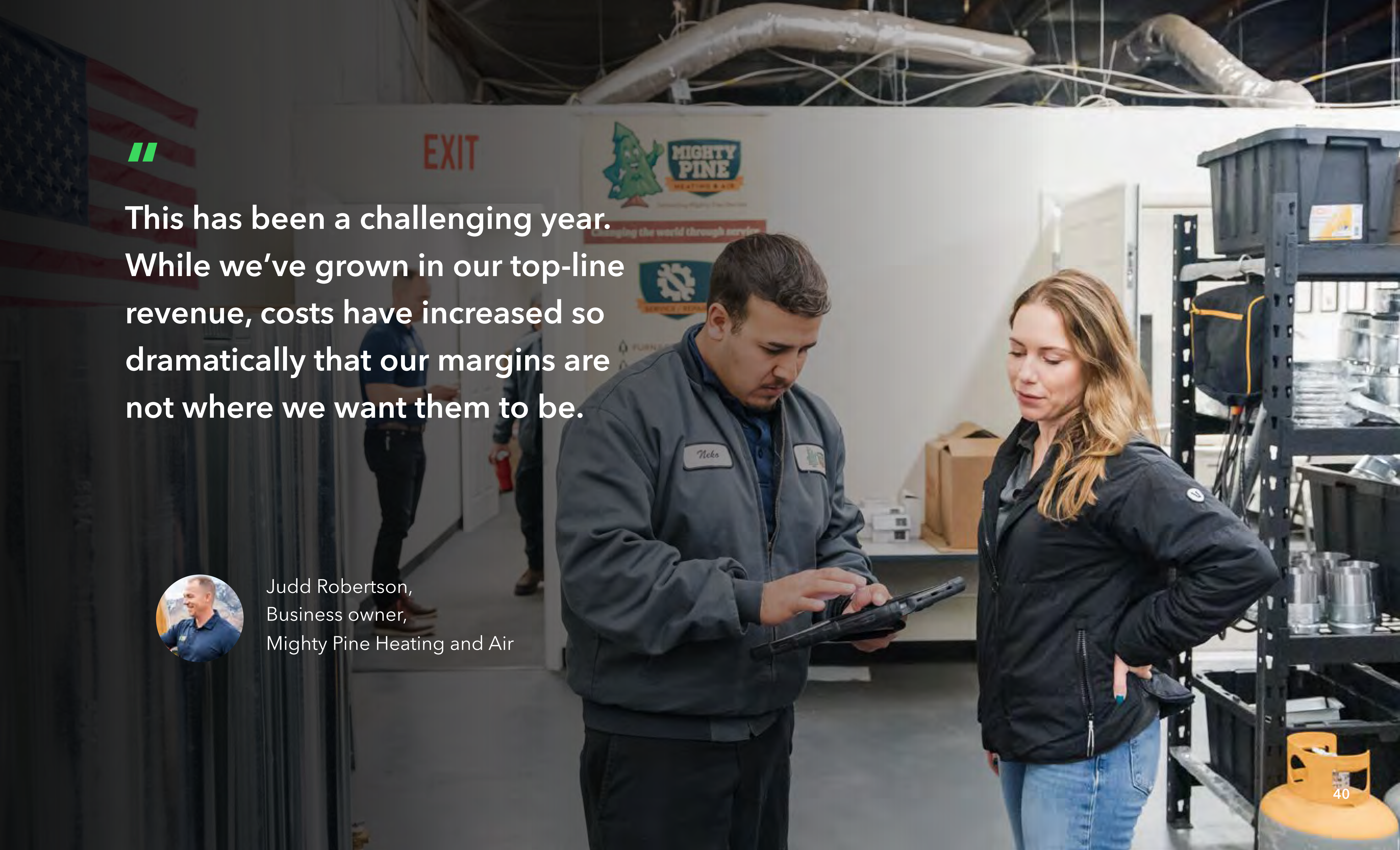


Figure 17, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)



"This has been a challenging year. While we've grown in our top-line revenue, costs have increased so dramatically that our margins are not where we want them to be."

Judd Robertson,
Business owner,
Mighty Pine Heating and Air

Monthly revenue data reveals growth in 2024

Similar to employment, we see more encouraging signs from monthly revenue data in 2024. **February 2024 was a turning point** for most sectors and regions, when average revenue stopped falling and began to climb again. Between February and October 2024, average monthly revenue at US small businesses increased by 2.48% overall, from $50,110 to $51,370.

US small business monthly revenue

Average monthly real revenue for US small businesses with 1-9 employees month-over-month from October 2023 to October 2024

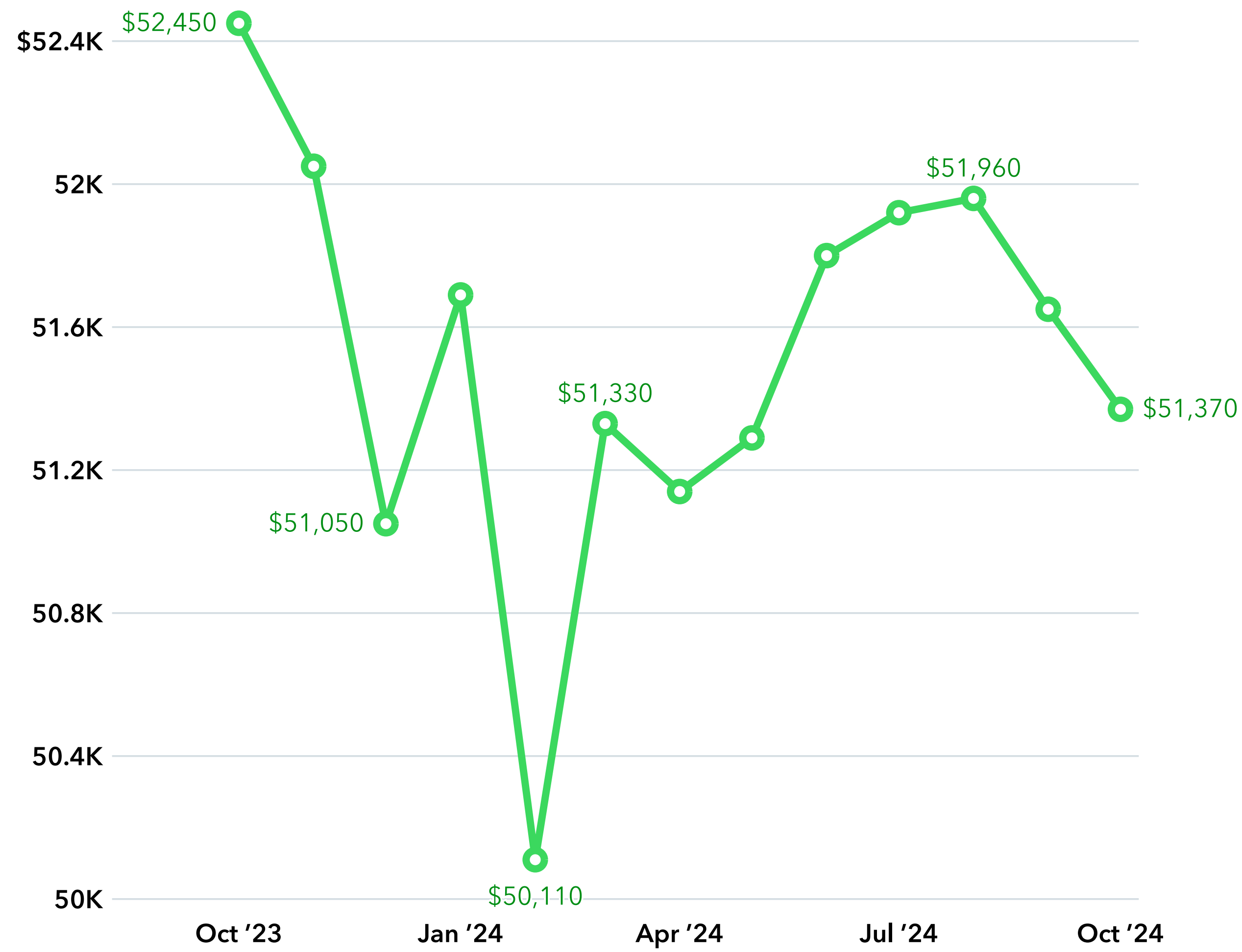


Figure 18, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Best-performing sectors

Overall, only **two sectors out of 12 show revenue growth** between October 2023 and October 2024: the wholesale trade sector (NAICS 41-42) and the finance and real estate sector (NAICS 52–53). However, if we sharpen the focus by looking at monthly data between February 2024 and October 2024, we see revenue growth in every sector but one (utilities). This suggests 2024 was generally a better year for small business revenue than 2023.

On an annual basis, small businesses in the **wholesale trade sector** (NAICS 4–42, 52–53) had both the largest and fastest increase in revenue. Average revenue grew by more than $78,490 to $3,147,740 (annualized), an annual increase of 2.53%. This was the fourth consecutive year-over-year growth for the sector. The highest monthly growth in the past 12 months was in March 2024.

Wholesale trade sector (NAICS 41-42) small business annual revenue

Average annualized real revenue for US small businesses with 1-9 employees year-over-year from October 2020 to October 2024

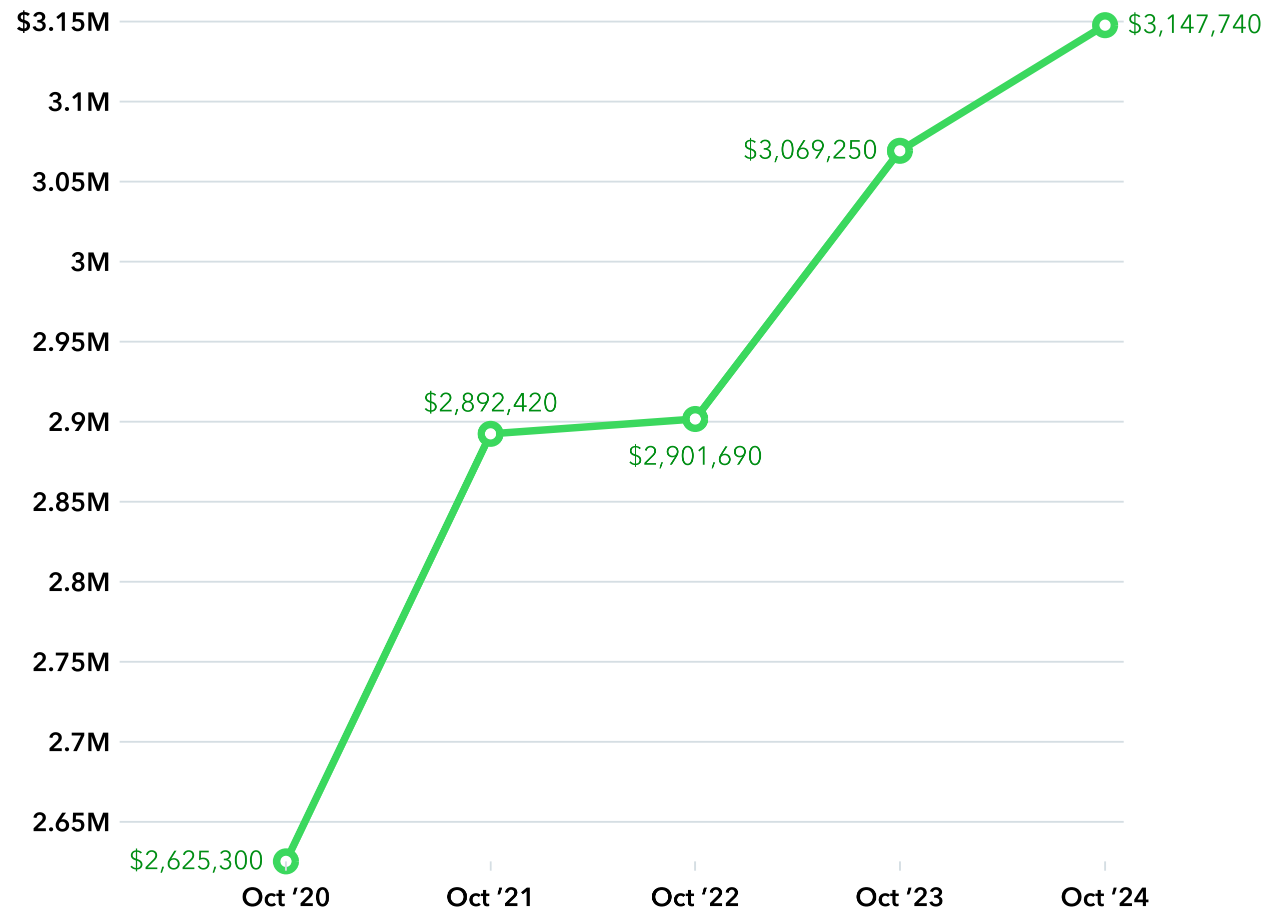


Figure 19, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Small businesses in the **finance and real estate** sector (NAICS 52–53) had an average annual increase of $5,750 (1.05%) to $552,120 (annualized). This reversed two consecutive year-over-year declines. es.

Finance and real estate sector (NAICS 52-53) small business annual revenue

Average annualized real revenue for US small businesses with 1-9 employees year-over-year from October 2020 to October 2024

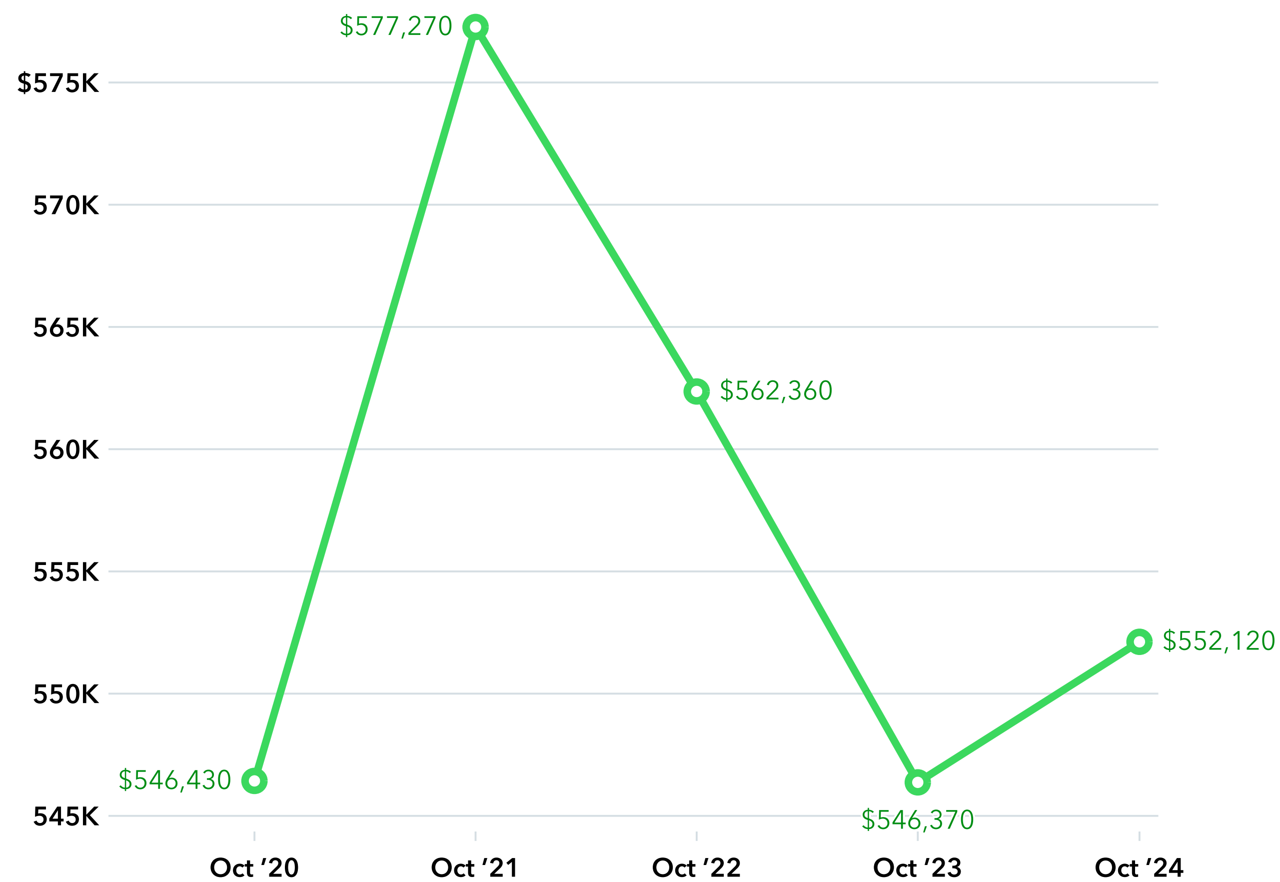


Figure 20, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Worst-performing sectors

Among the ten sectors with declining revenue between October 2023 and October 2024, the two hardest hit were the **manufacturing sector** (NAICS 31–33) and the leisure and hospitality sector (NAICS 71-72)—with faster rates of decline than the other sectors. Small businesses in the manufacturing sector (NAICS 31–33) had the fastest annual decline of all, at 4.72%, equivalent to $30,180 per business. This reduced average revenue to $624,380 (annualized).

Closer analysis of monthly data in 2024, however, shows signs of a rebound since February. The largest monthly increase was in June 2024.

Manufacturing sector (NAICS 52-53) small business annual revenue

Average annualized real revenue for US small businesses with 1-9 employees year-over-year from October 2020 to October 2024

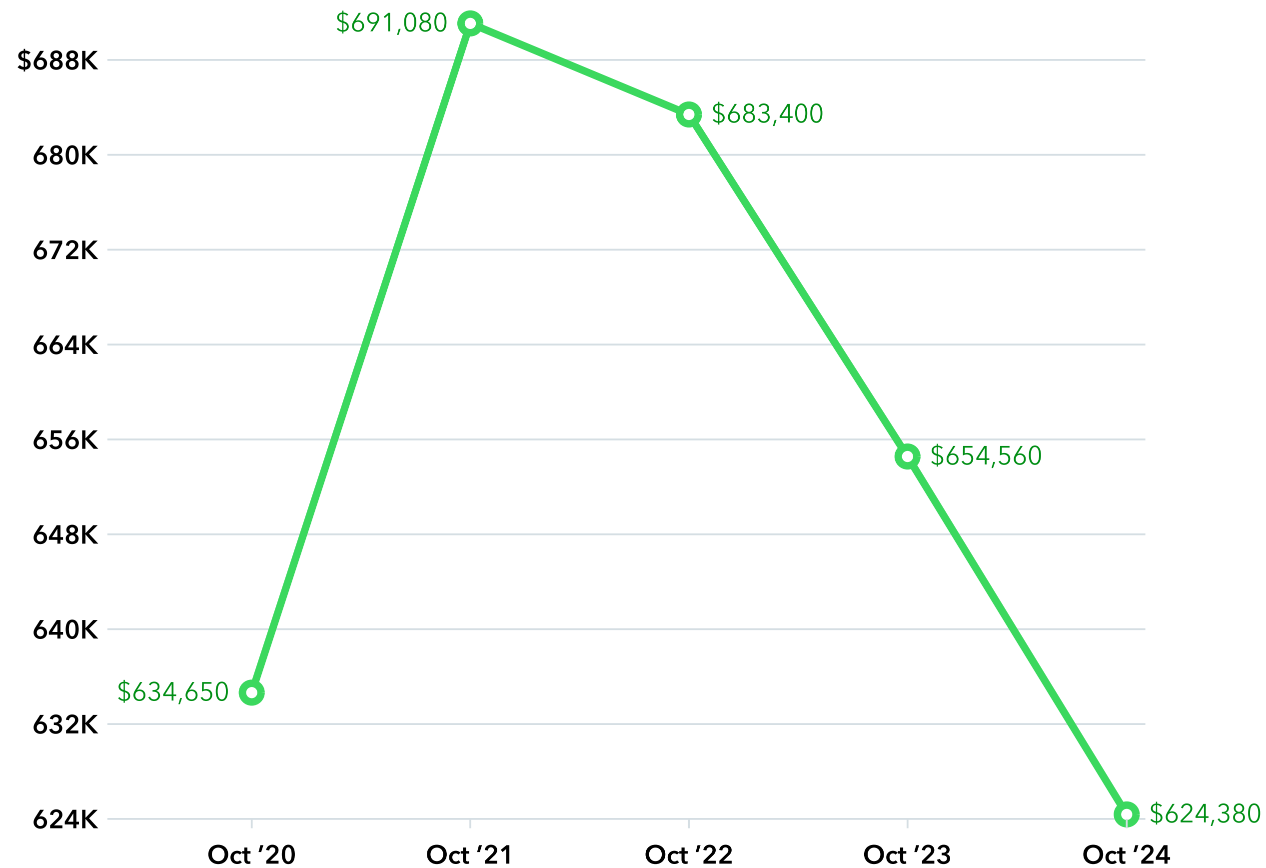


Figure 21, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Small businesses in the **leisure and hospitality sector** (NAICS 71–72) had a 4% annual decline, equivalent to $15,040 per business. This reduced average revenue to $368,590 (annualized). Similar to the manufacturing sector, average monthly revenue has trended up since February 2024.

Leisure and hospitality sector (NAICS 71-72) small business annual revenue

Average annualized real revenue for US small businesses with 1-9 employees year-over-year from October 2020 to October 2024

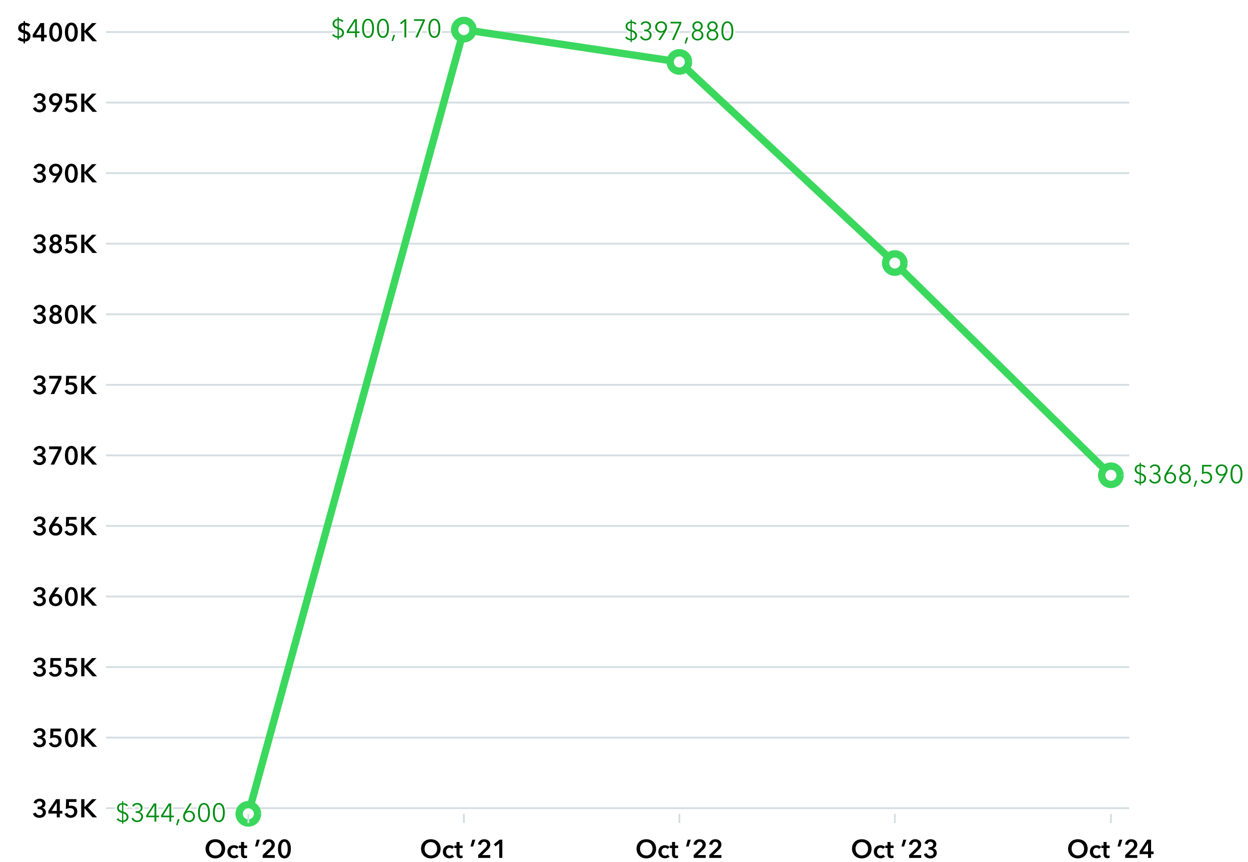


Figure 22, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Regional and state trends

We see similar trends by region, with average small business revenue generally falling year-over-year but improving on a monthly basis since February 2024. The only US region with year-over-year revenue growth from October 2023 to October 2024 was the **Rocky Mountain** region (Colorado, Idaho, Montana, Utah, Wyoming). Revenue was up by $14,960, on average, to $529,730 (annualized). The annual growth rate was 2.86%—the highest since 2021.

Rocky Mountain small business annual revenue

Average annualized real revenue for small businesses with 1-9 employees year-over-year from October 2020 to October 2024

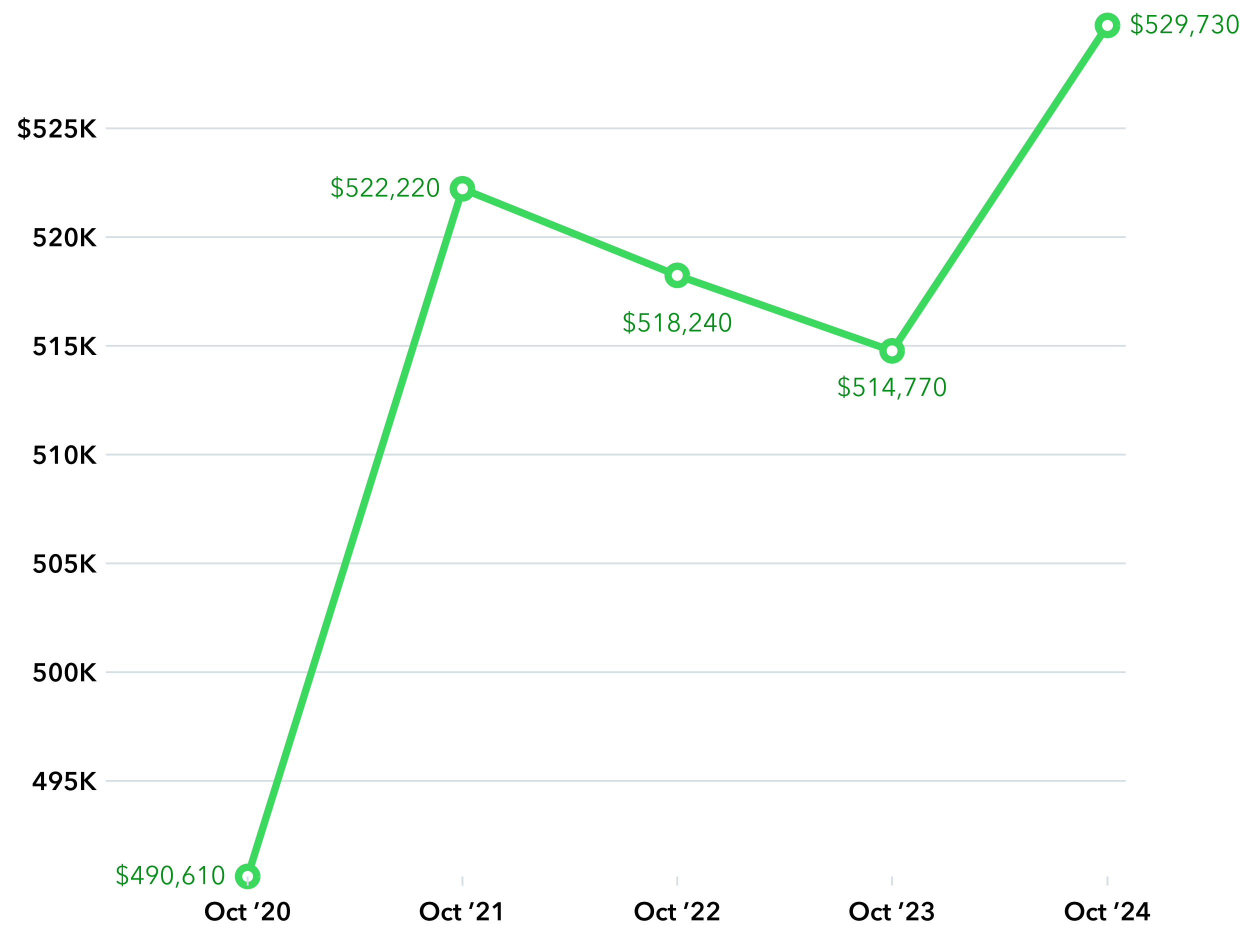


Figure 23, Intuit QuickBooks Small Business Index Annual Report 2025. Rocky Mountain region defined by U.S. Bureau of Economic Analysis: Colorado, Idaho, Montana, Utah, Wyoming

Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The other seven US regions all showed declining small business revenue over the same period. The **Mideast** region (Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania) had the largest and fastest annual decline. Average revenue dropped by $22,740 to $624,280 (annualized). The annual decrease of 3.58% was the fourth consecutive year-over-year decline. On a monthly basis, however, average revenue has risen since February 2024.

Mideast small business annual revenue

Average annualized real revenue for small businesses with 1-9 employees year-over-year from October 2020 to October 2024

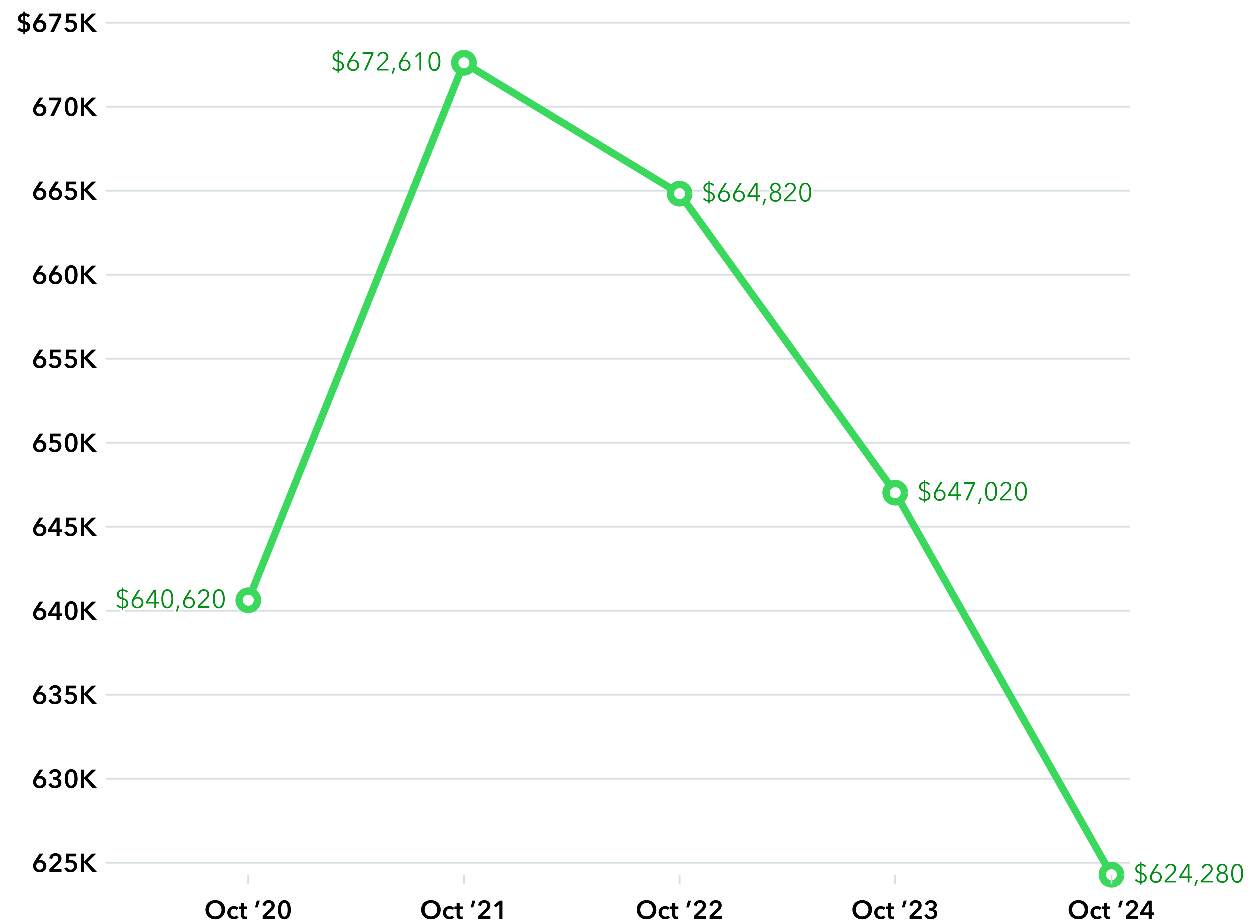


Figure 24, Intuit QuickBooks Small Business Index Annual Report 2025. Mideast region defined by U.S. Bureau of Economic Analysis: Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania

Source: Intuit QuickBooks Small Business Index (intuit.me/index)

State revenue trends

States included in the Small Business Index

The Small Business Index **currently tracks revenue in 20 US states**: Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Michigan, Minnesota, Missouri, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, Wisconsin.

Contributing to the growth in the Rocky Mountain region (noted above), small businesses in **Colorado** had an average annual increase of $7,240, or 1.67%, to $436,980 (annualized). This reversed two consecutive year-over-year declines.

Colorado's small business annual revenue

Average annualized real revenue for small businesses with 1-9 employees year-over-year from October 2020 to October 2024

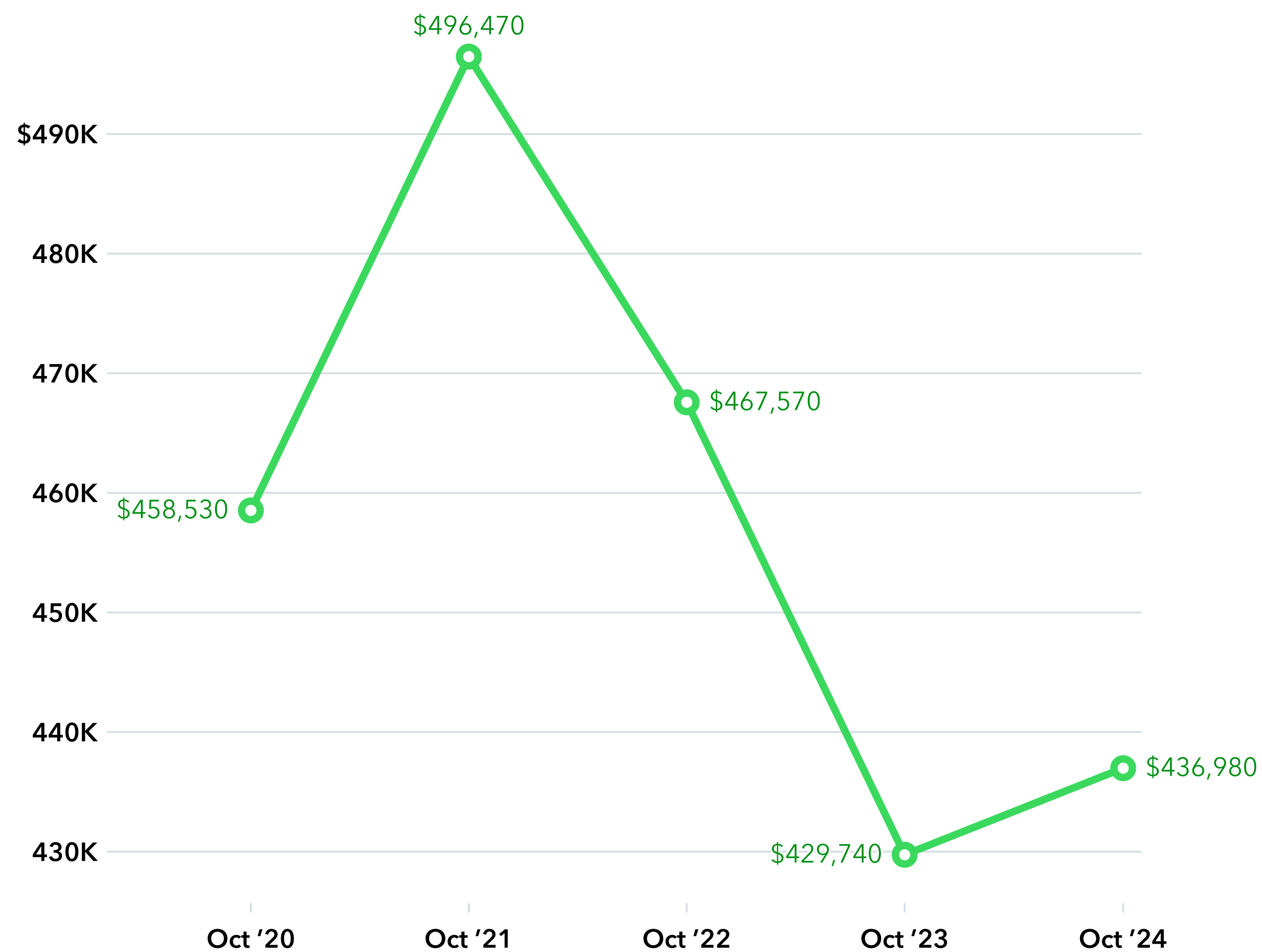


Figure 25, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

In the Far West, small businesses in **Washington** also show year-over-year growth. Average revenue at small businesses increased by $12,240, or 1.91%, to $648,150 (annualized). Again, this reversed two consecutive year-over-year declines.

Washington's small business annual revenue

Average annualized real revenue for small businesses with 1-9 employees year-over-year from October 2020 to October 2024

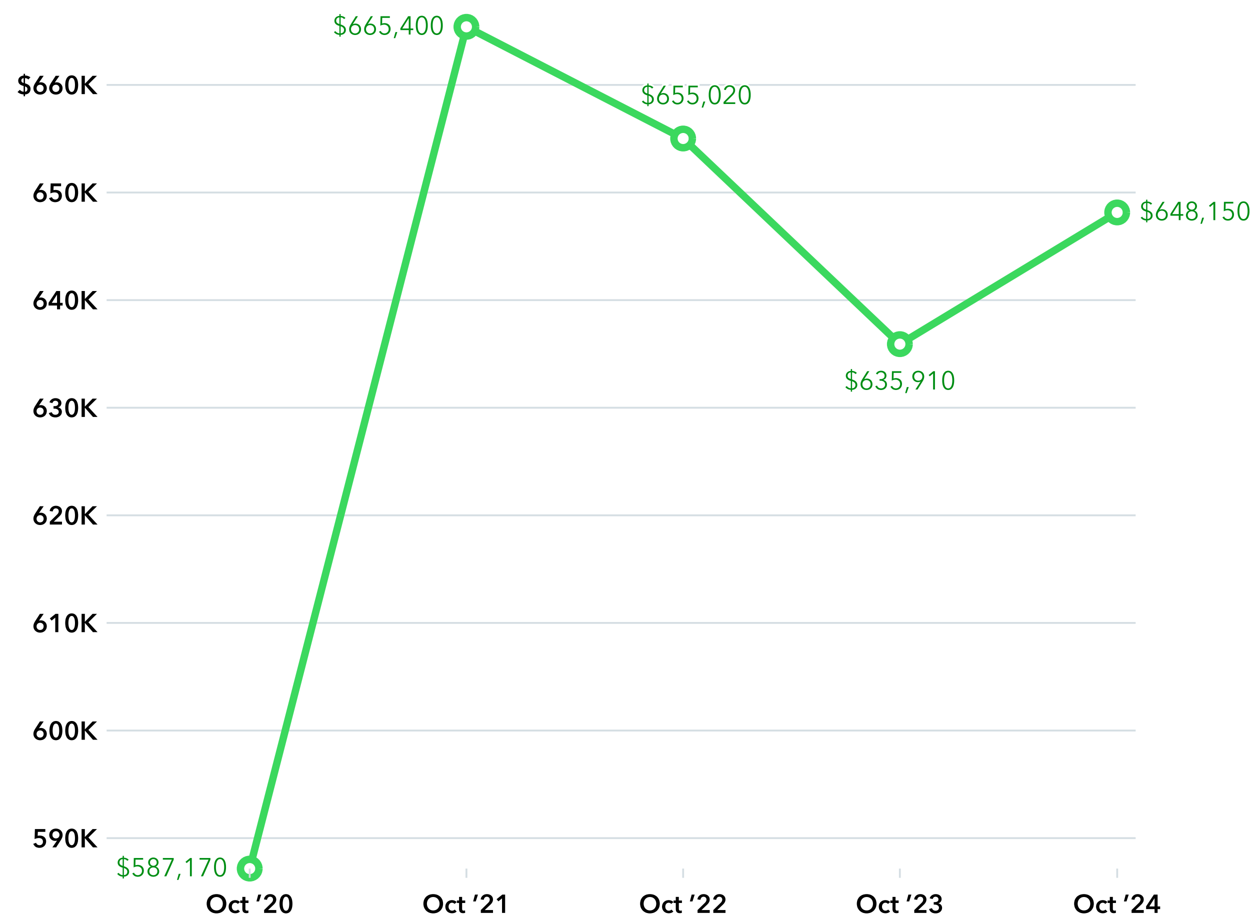


Figure 26, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Further south in the Far West, however, it was a different story in **California**. Here, average small business revenue declined by $2,230, or -0.29%, to $779,430 (annualized). While this was the third consecutive year-over-year decline, the rate of decline slowed considerably over the last 12 months.

California's small business annual revenue

Average annualized real revenue for small businesses with 1-9 employees year-over-year from October 2020 to October 2024

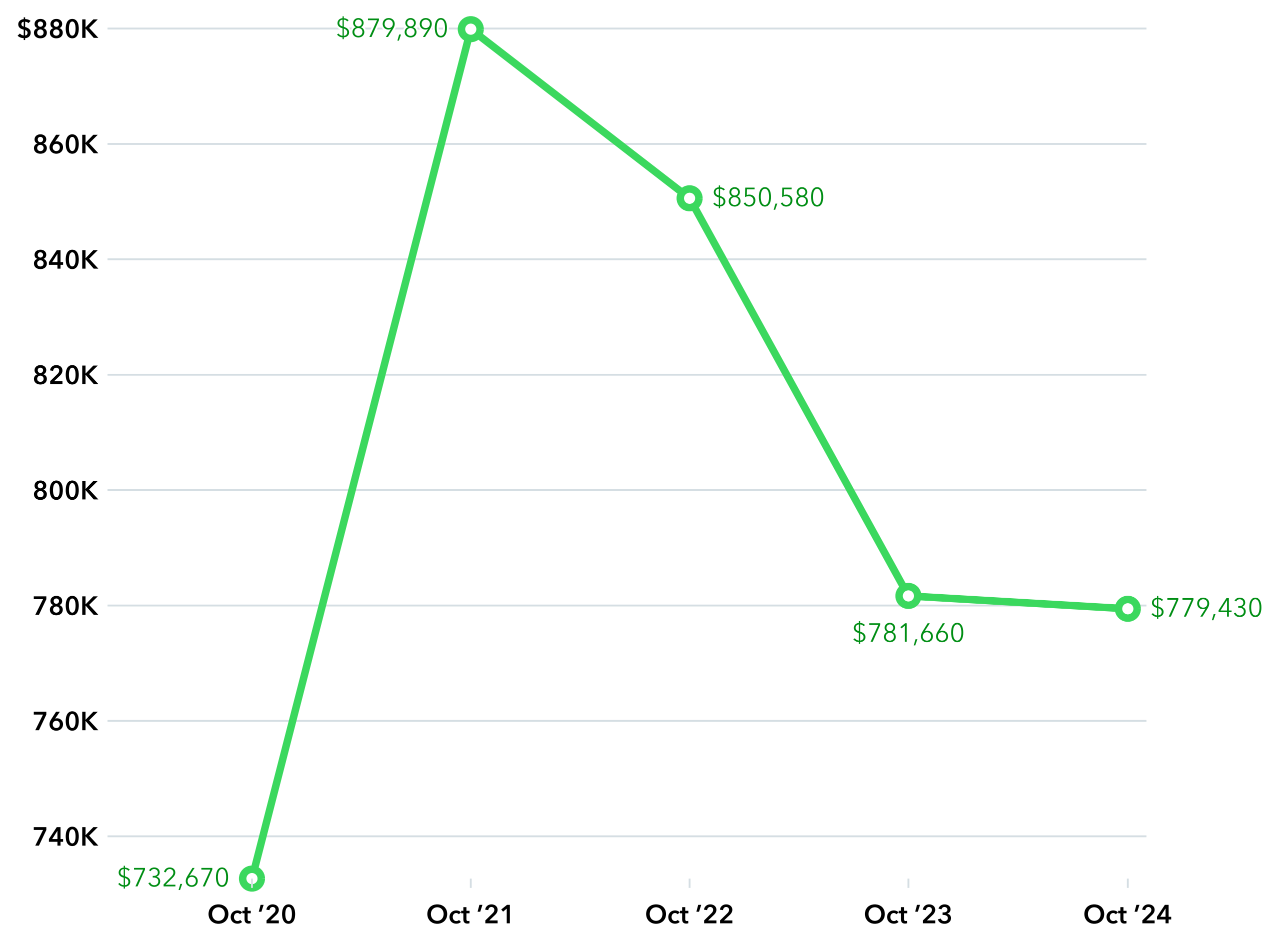


Figure 27, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

In **North Carolina**, small business revenue dropped by an average of $10,820 year-over-year. The annual decline of 1.70% left average revenue at $629,540 (annualized). Similar to California, this was the third consecutive year-over-year decline.

North Carolina's small business annual revenue

Average annualized real revenue for small businesses with 1-9 employees year-over-year from October 2020 to October 2024

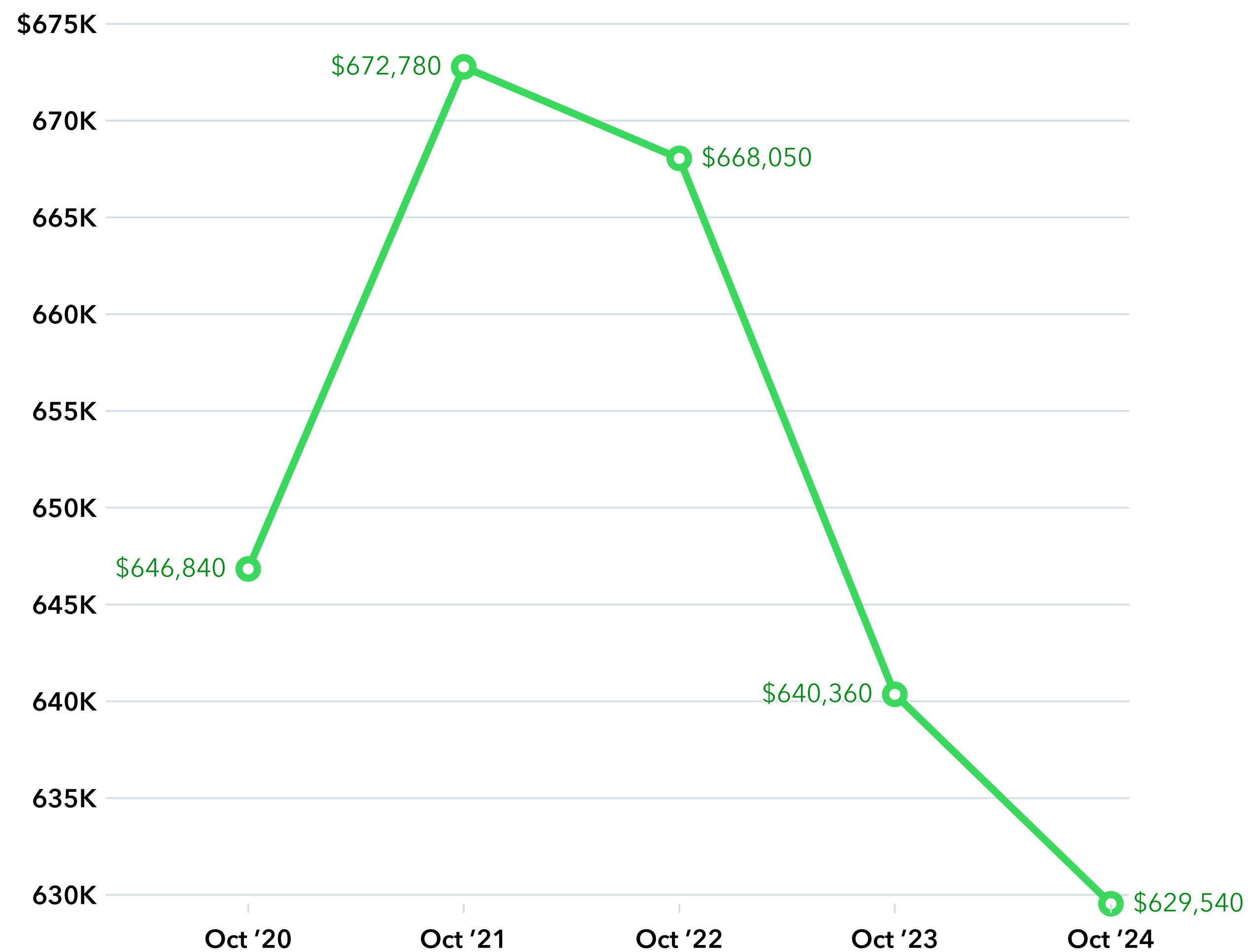


Figure 28, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Also in the Southeast, there's better news from **Georgia**, where small business revenue increased by $10,480, or 1.79%, to $589,490 (annualized). This was the fourth consecutive year-over-year growth.

Georgia's small business annual revenue

Average annualized real revenue for small businesses with 1-9 employees year-over-year from October 2020 to October 2024

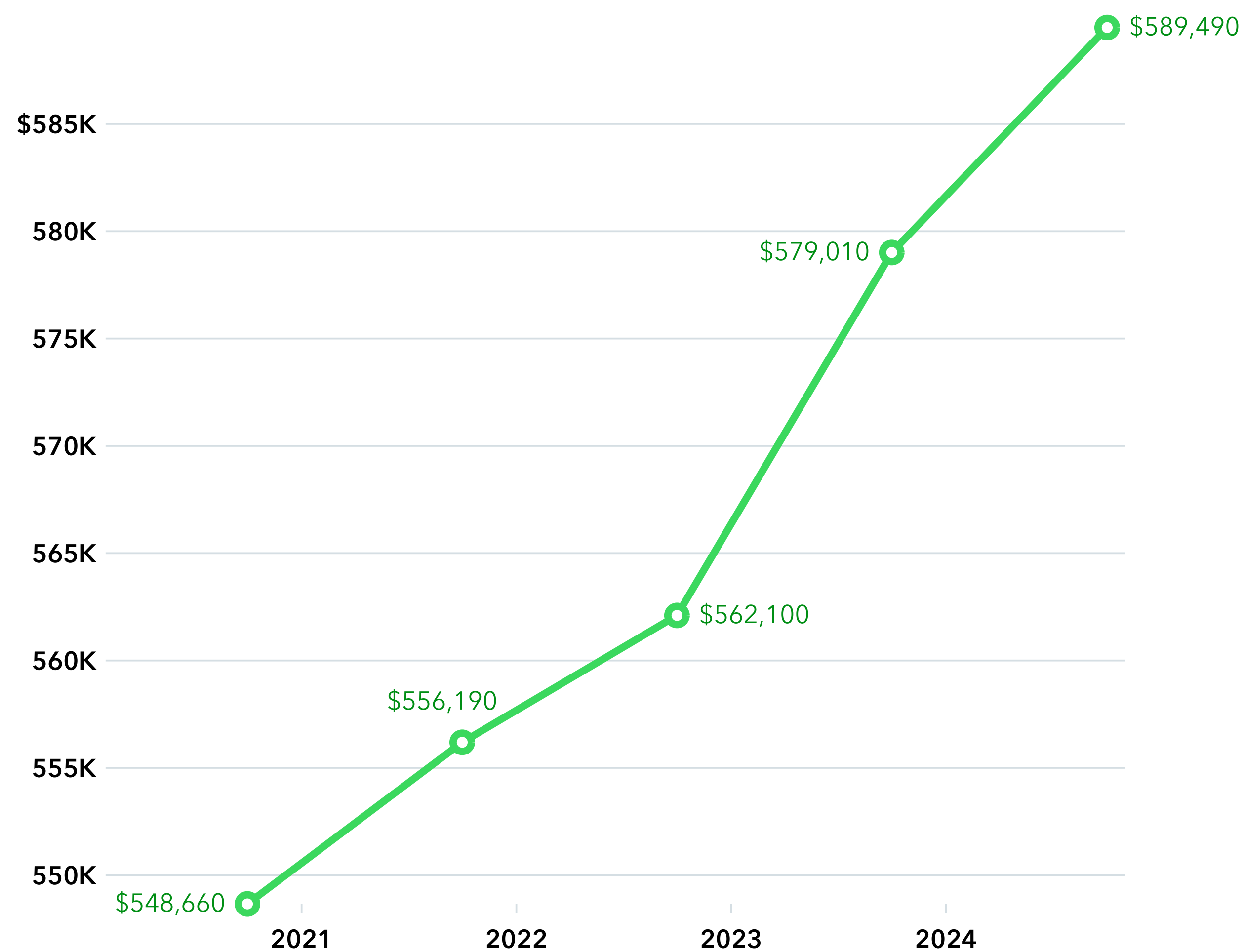


Figure 29, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

One of the fastest-growing states from October 2023 to October 2024 was **Indiana**, where average revenue at small businesses increased by $19,870, or 3.39%, to $596,880 (annualized).

Indiana's small business annual revenue

Average annualized real revenue for small businesses with 1-9 employees year-over-year from October 2020 to October 2024

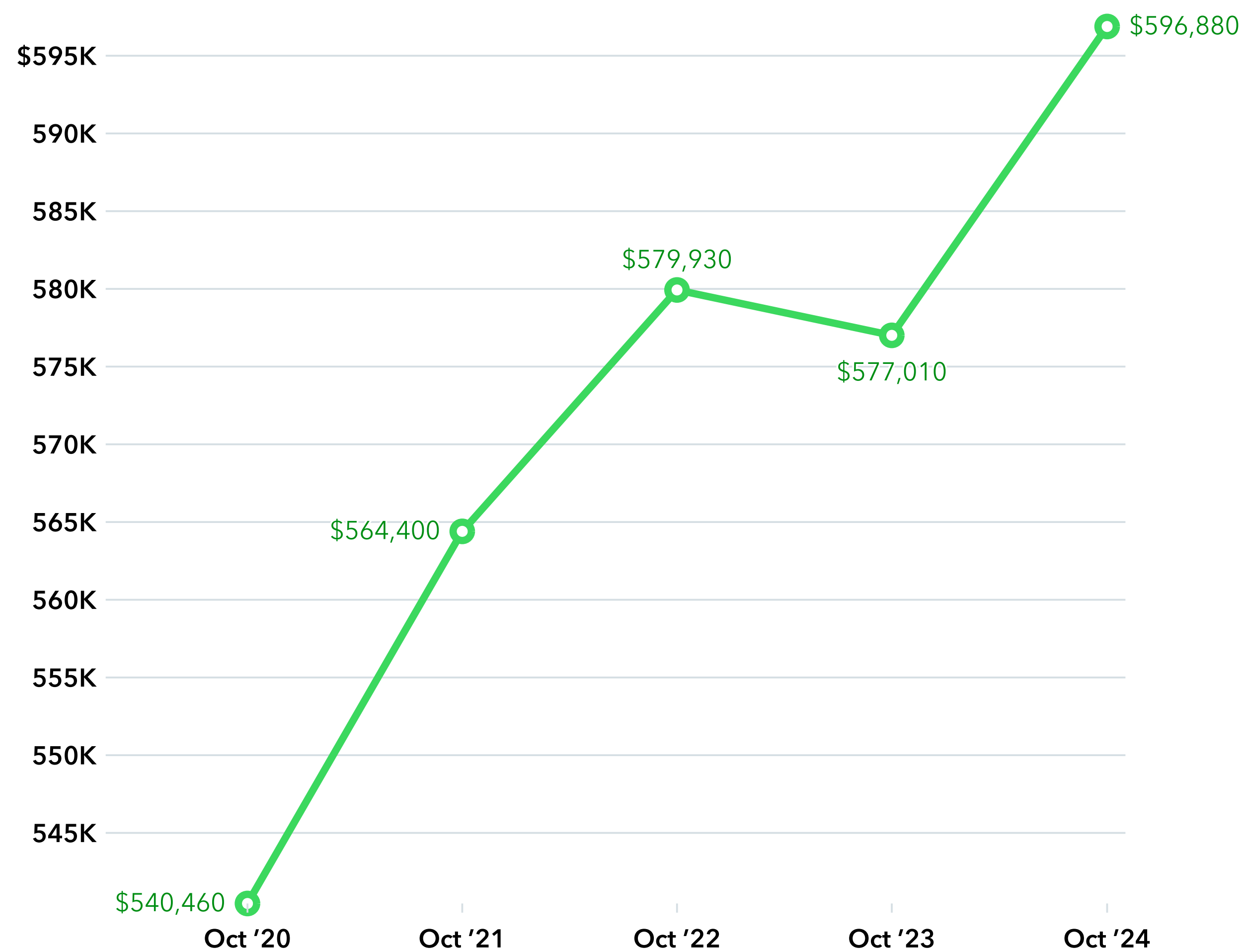


Figure 30, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Small business employment trends in Canada

About the Small Business Index

In Canada, the Small Business Index tracks **total monthly employment for 93% of employers**: small businesses with 1 to 19 employees. This is based on a sample of 87,000 small businesses using QuickBooks Payroll throughout Canada. These records are anonymized, aggregated, and combined with official statistics to reflect broader trends in Canada's small business economy. In this analysis, we focus on recent annual and monthly trends **through October 2024**, using the latest data available at the time of publication. Get new data every month and subscribe for alerts on the Small Business Index website.

Seasonally adjusted

Please note: All employment data in the Small Business Index is seasonally adjusted to **limit the effect of seasonal patterns in employment and hiring** throughout the year, which lead to regular fluctuations in workforce growth and contraction.

Highest year-over-year employment total since 2015

- Over the 12 months ending October 2024, small business employment in Canada **increased by 126,600 jobs**, taking total employment to 5,324,800—the highest year-over-year total since 2015 (Figure 31). However, growth stalled in the summer of 2024.
- Overall, **eight out of 13 sectors had rising employment** while the other five had declining employment.

Sectors with the most and least growth

- The best-performing sector overall was the **construction sector** (NAICS 23), which created 38,300 small business jobs from October 2023 to October 2024—more than any other sector (Figure 32).
- The worst-performing was the **manufacturing sector** (NAICS 31–33), which lost 28,100 small business jobs over that period—more than any other sector (Figure 35).

Regions with the most and least growth

- The best-performing region overall was **Ontario** (Figure 37), adding more jobs than any other (126,700) and with the fastest annual growth rate (6.73%).
- The worst-performing region was **Quebec** (Figure 38), losing more jobs than any other (27,100) and with the fastest annual decline (2.47%).

"

Retention is everything. When you find the right people who are aligned with your business and believe in what you're doing, it's a lot easier to keep them.

Tanya Zurock,
Business owner,
Wild Prairie Soap Company

Dive deeper into Canada's small business employment trends

Canada's small businesses enjoyed a surge in employment from October 2023 to October 2024, **adding 126,600 jobs**. This took total employment to 5,324,800. The year-over-year growth of 2.41% comes despite a downward monthly trend that began during the summer of 2024. In July, monthly employment peaked at 5,408,900 jobs, the highest number recorded by the Small Business Index since 2015.

Overall, **eight out of 13 sectors had rising employment** in the 12 months ending October 2024. These include the construction sector (NAICS 23), the health care and social assistance sector (NAICS 62), and the wholesale and retail trades sector (NAICS 41-42, 44–45). Regionally, during this period, employment was up in British Columbia, the Prairies, and Ontario, but down in Quebec and the Atlantic region.

Canada small businesses employment

Total employment year-over-year at small businesses with 1-19 employees from October 2015 to October 2024

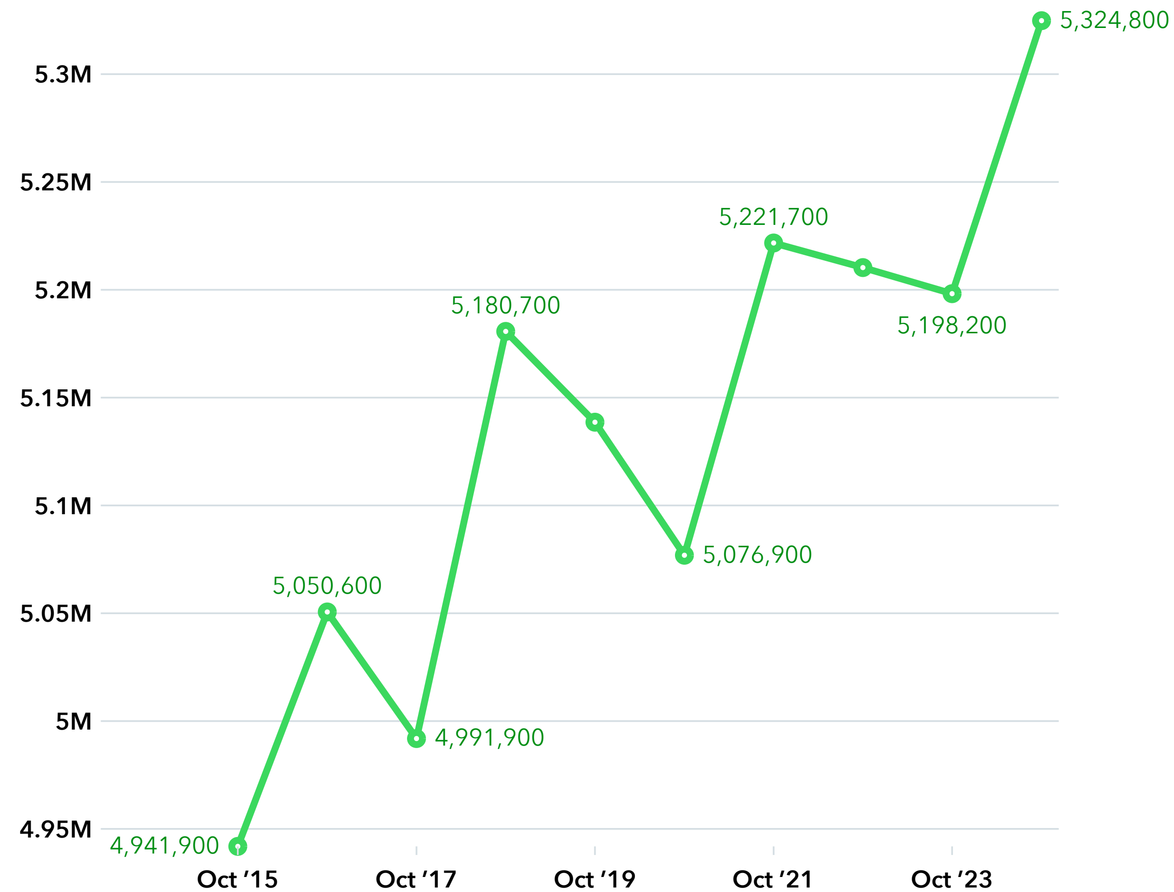


Figure 31, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Best-performing sectors

The **construction sector** (NAICS 23) created more small business jobs than any other sector from October 2023 to October 2024. The annual increase of 38,300, or 7.11%, took employment to 557,900. The largest monthly gains were in July 2024.

Construction sector (NAICS 23) small business employment

Total employment year-over-year at small businesses in Canada with 1-19 employees from October 2015 to October 2024

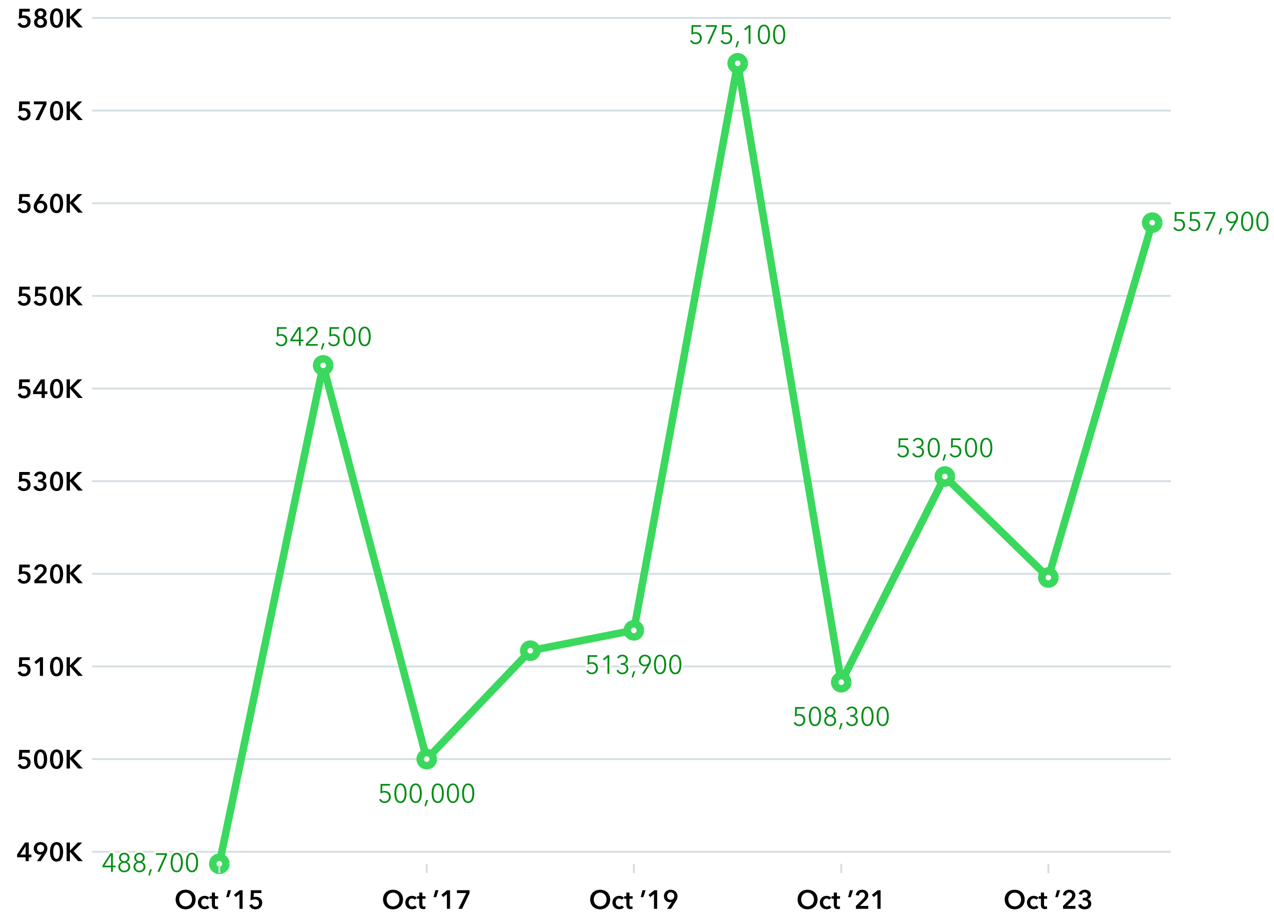


Figure 32, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The **health care and social assistance sector** (NAICS 62) had the second-largest increase in small business employment, adding 28,700 jobs (annual growth of 4.42%), taking the total to 663,900.

Health care and social assistance sector (NAICS 62) small business employment

Total employment year-over-year at small businesses in Canada with 1-19 employees from October 2015 to October 2024

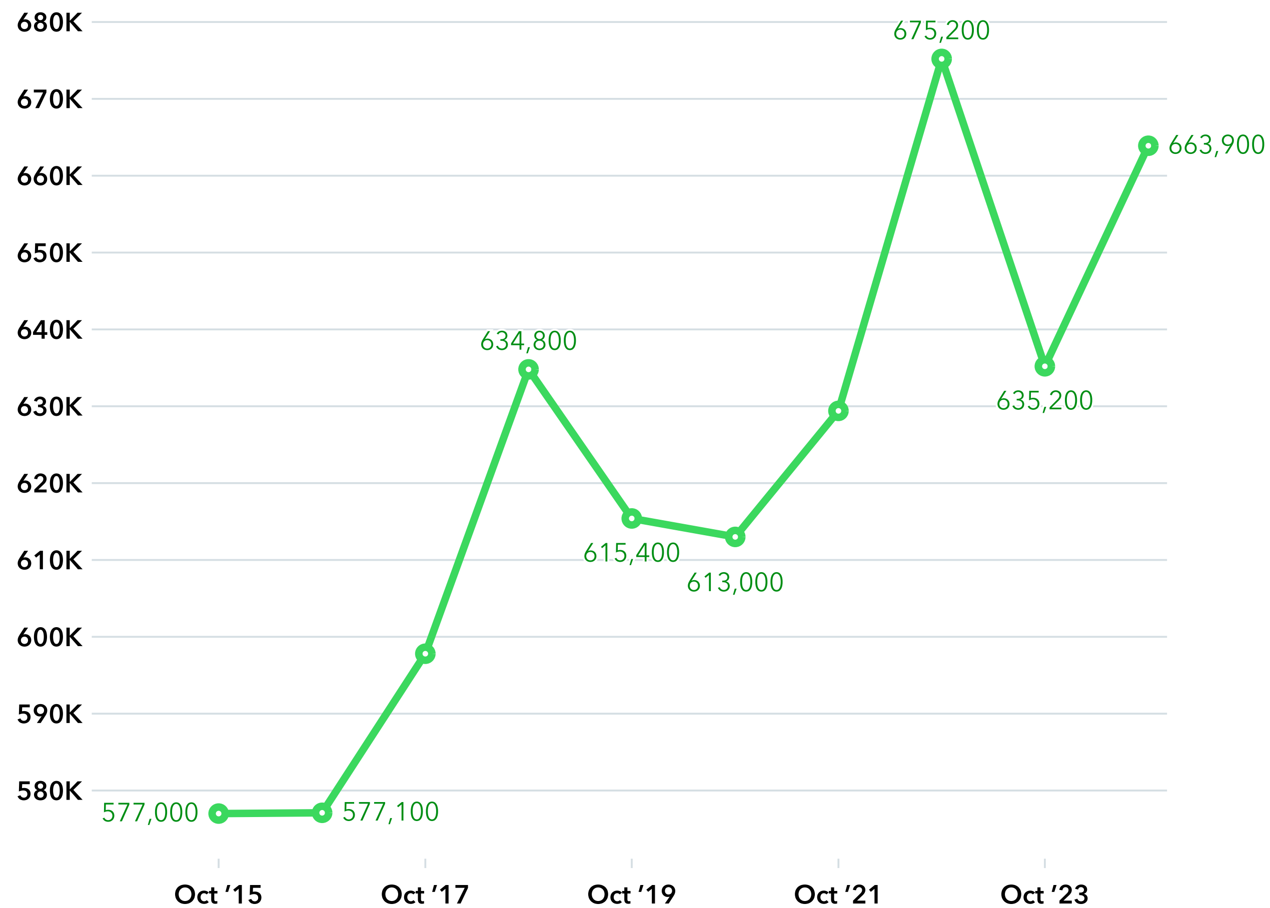


Figure 33, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The **wholesale and retail trades sector** (NAICS 41-42, 44–45) was close behind, with 26,000 jobs created at small businesses (annual growth of 2.65%). The sector provides more small business jobs than any other in Canada, with 993,000 employees.

Wholesale and retail trades sector (NAICS 41-42; 44-45) small business employment

Total employment year-over-year at small businesses in Canada with 1-19 employees from October 2015 to October 2024

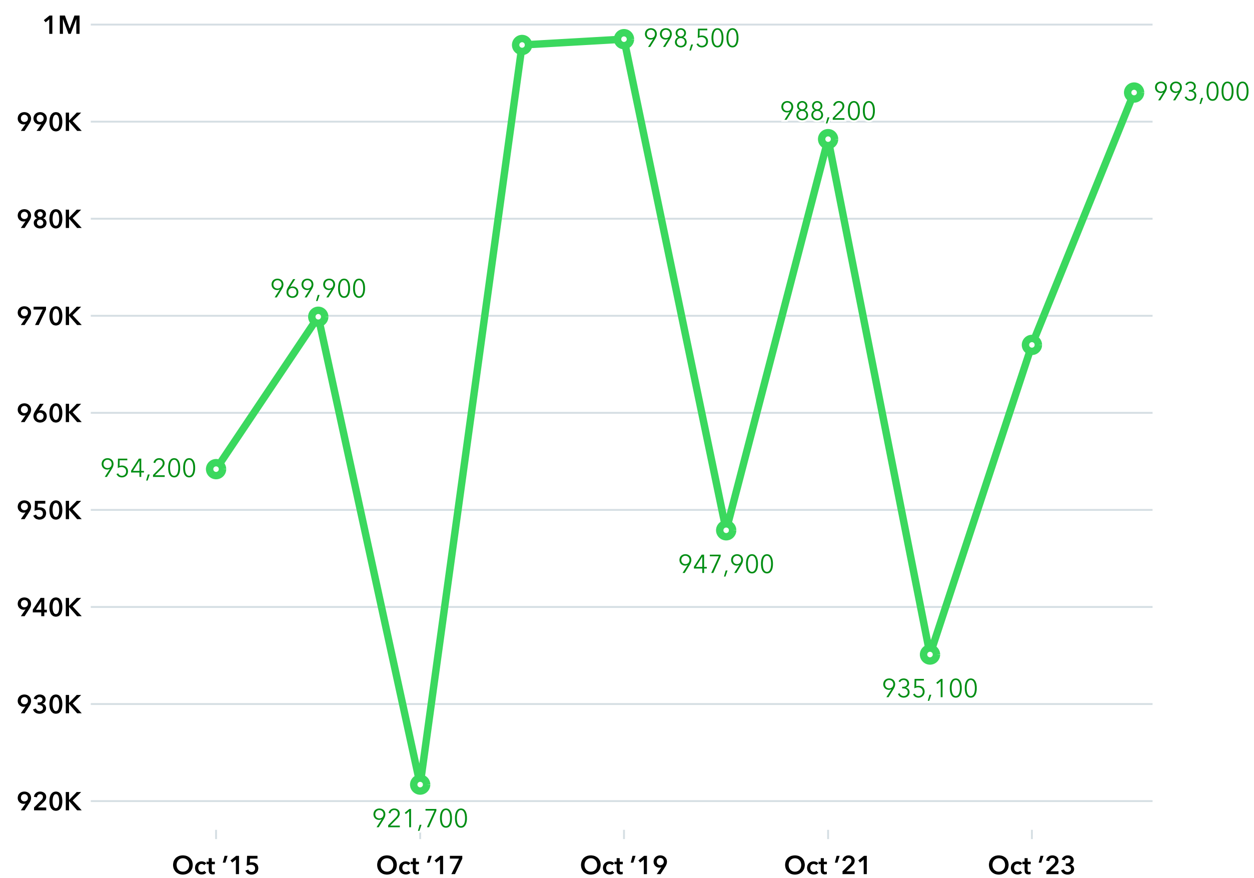


Figure 34, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Worst-performing sectors

The **manufacturing sector** (NAICS 31–33) lost more small business jobs than any other sector, year-over-year. Employment was down by 27,690 jobs, an annual decline of 10.90%, leaving 243,800 employees at small businesses. The most significant dip occurred in November and December of 2023, when 21,300 jobs were lost. Another sharp downturn occurred in August and September of 2024.

Manufacturing sector (NAICS 31-33) small business employment

Total employment year-over-year at small businesses in Canada with 1-19 employees from October 2015 to October 2024

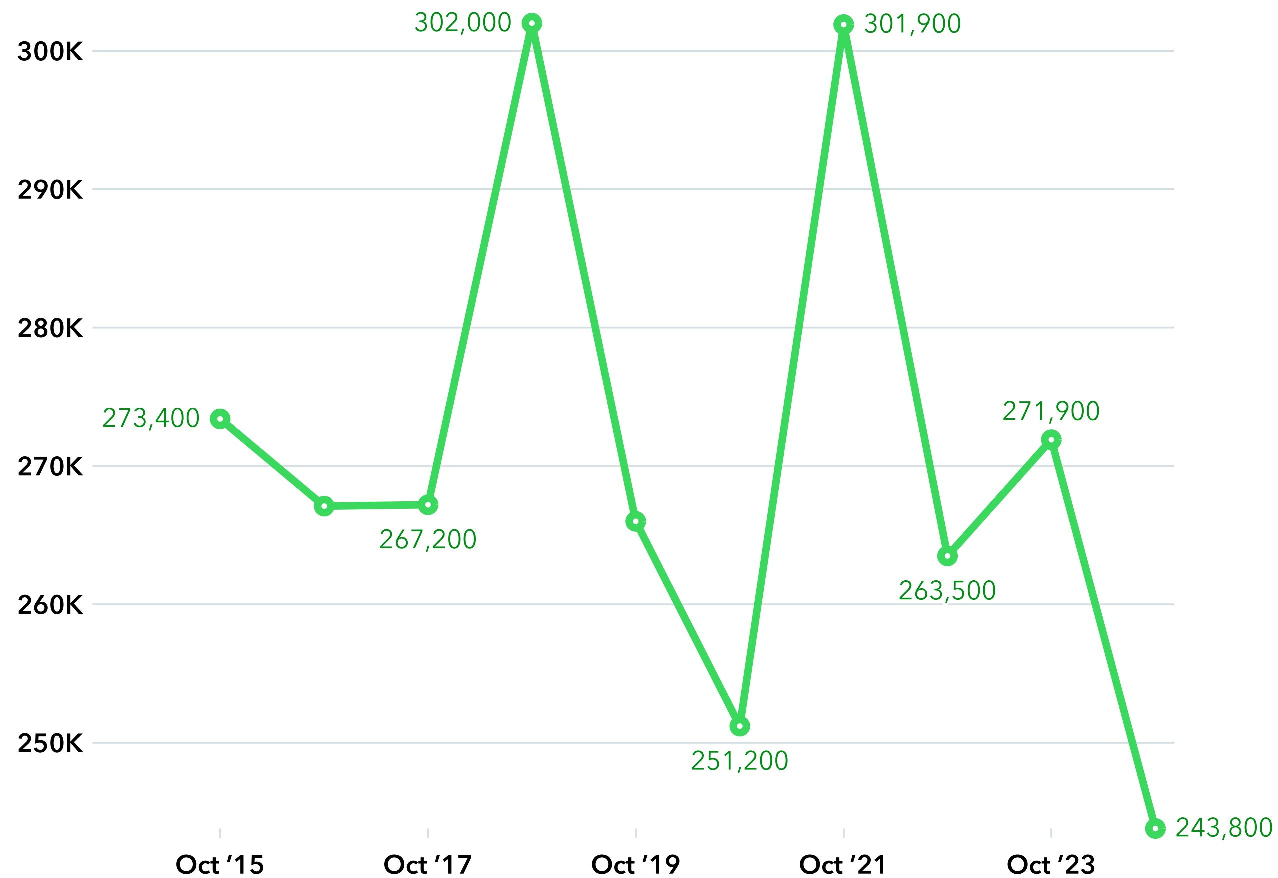


Figure 35, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The **professional services sector** (NAICS 54) lost 20,000 jobs over the same period, an annual decline of 4.23%, leaving 462,700 employees at small businesses. This was the fastest year-over-year decrease since 2015, a remarkable reversal of the annual growth of 11.94% over the previous 12 months. The most significant losses occurred in October and November 2023. These were the largest monthly declines since March and April 2020 (the beginning of the COVID-19 pandemic).

Professional services sector (NAICS 54) small business employment

Total employment year-over-year at small businesses in Canada with 1-19 employees from October 2015 to October 2024

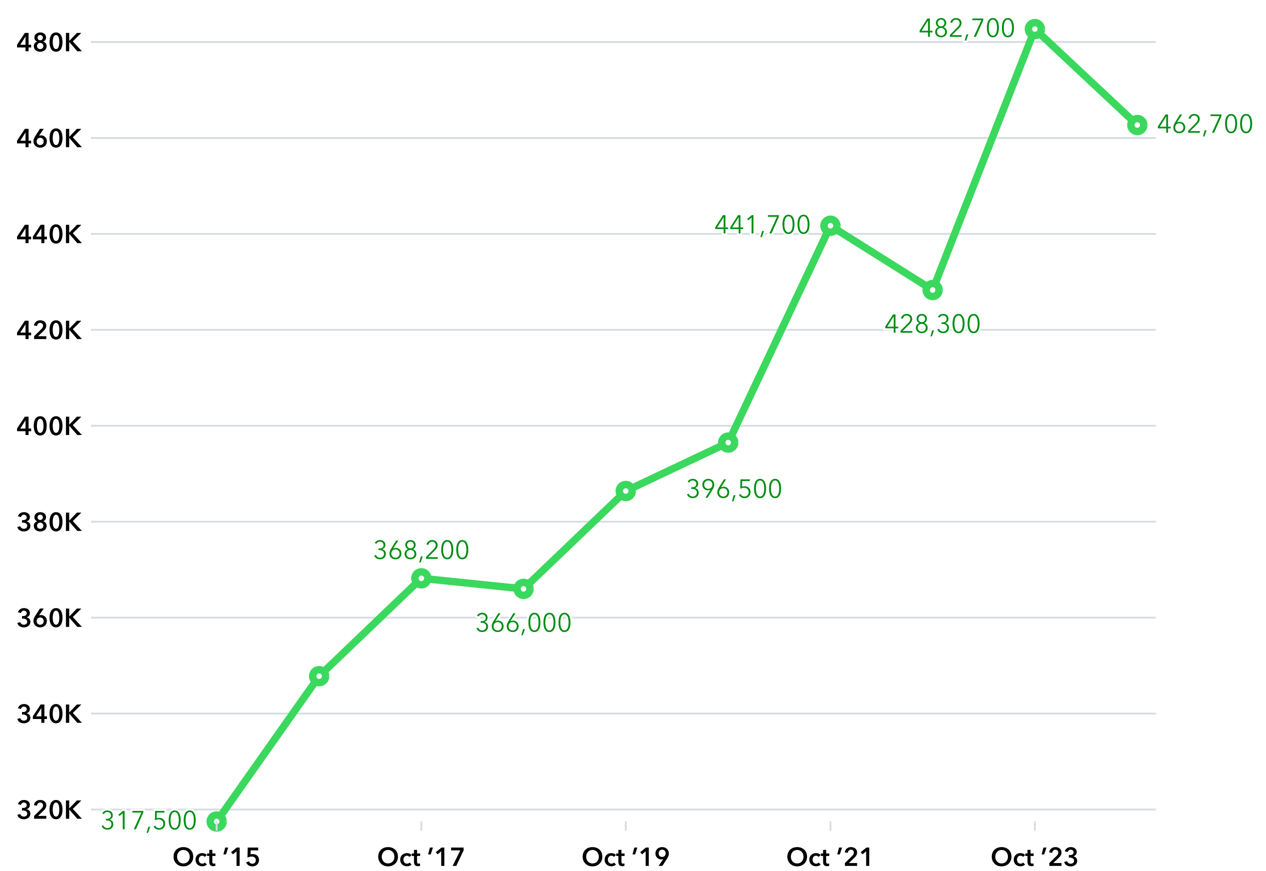


Figure 36, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Regional employment trends

Among the five regions of Canada covered by the Small Business Index, three experienced year-over-year growth in small business employment from October 2023 to October 2024. **Ontario** added the most jobs, 126,700, and had the fastest annual growth rate, 6.73%, taking total employment to 1,946,300. The **Prairies** had the second-largest increase, with 22,100 jobs created, an annual growth rate of 2.07%—taking the total to 1,080,800. **British Columbia** had slightly faster growth, at 2.39%, adding 19,400 jobs.

Ontario's small business employment

Total employment year-over-year at small businesses with 1-19 employees from October 2015 to October 2024

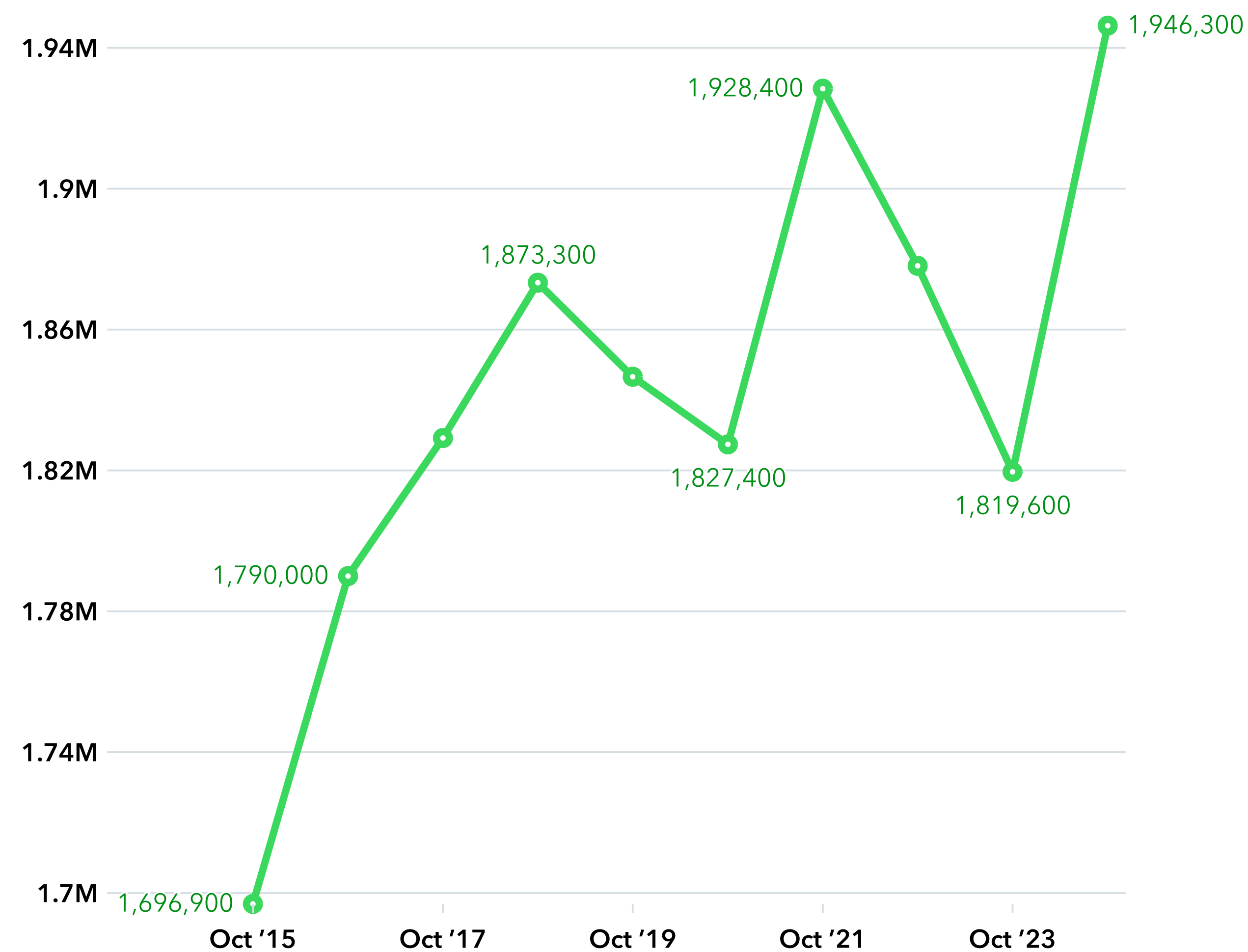


Figure 37, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Quebec had the largest annual decline in small business employment, losing 27,100 jobs, an annual decrease of 2.47%. This left 1,085,700 people employed at small businesses.

Quebec's small business employment

Total employment year-over-year at small businesses with 1-19 employees from October 2015 to October 2024

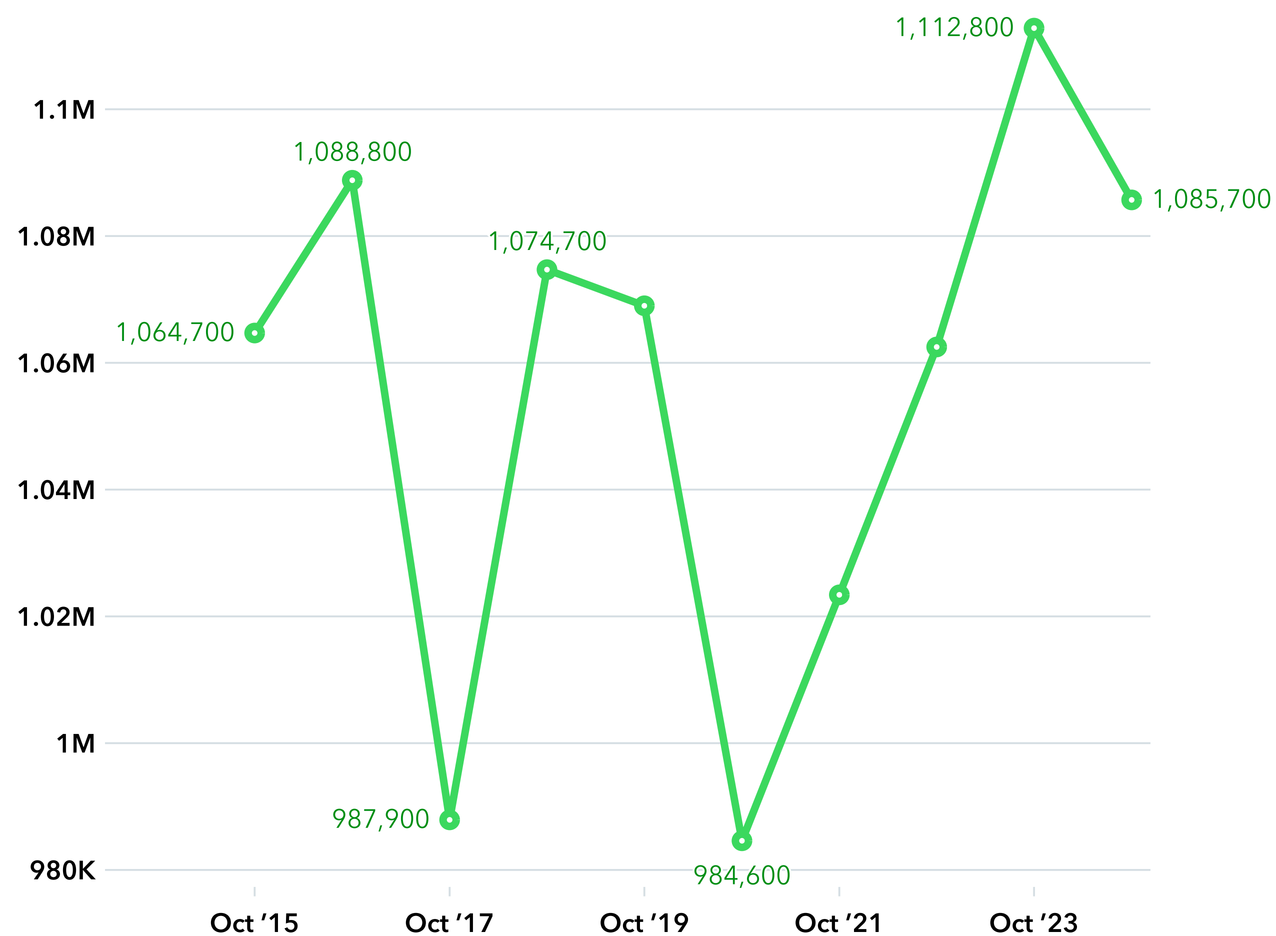


Figure 38, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Small business employment trends in the UK

About the Small Business Index

In the UK, the Small Business Index tracks **total monthly employment and job vacancies for 82% of employers**: small businesses with 1 to 9 employees. This is based on a sample of 26,000 small businesses using QuickBooks Payroll throughout the UK. These records are anonymized, aggregated, and combined with official statistics to reflect broader trends in the UK economy. In this analysis, we focus on recent annual and monthly employment trends **through October 2024**, using the latest data available at the time of publication. Get new data every month and subscribe for alerts on the Small Business Index website.

Seasonally adjusted

Please note: All employment data in the Small Business Index is seasonally adjusted to **limit the effect of seasonal patterns in employment and hiring** throughout the year, which lead to regular fluctuations in workforce growth and contraction.

Second consecutive annual decline in employment

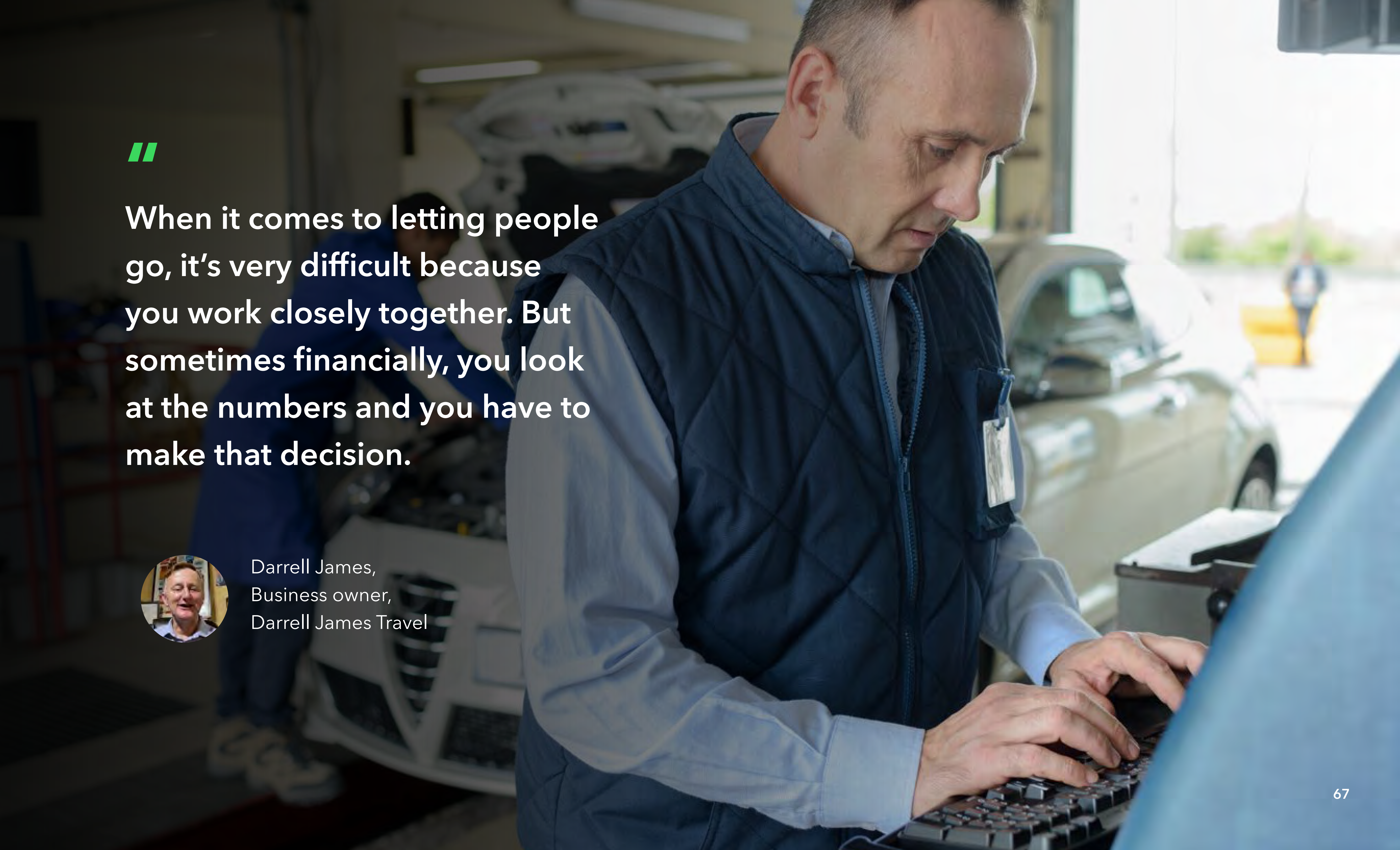
- Over the 12 months ending October 2024, **small business employment declined by 2,200 jobs**, taking total employment down to 4,287,700. This was the second consecutive annual decline (Figure 39). Despite this, the 2024 decline was considerably smaller than 2023. And at the end of October 2024, there were still 86,800 more jobs at small businesses than before the COVID-19 pandemic.
- Overall, **six out of 13 sectors had rising employment** while the other seven had declining employment.

Sectors with the most and least growth

- The **construction sector** (SIC F) was the best-performing sector overall. It created 7,500 small business jobs from October 2023 to October 2024, which was more than any other sector (Figure 40).
- The worst-performing was the **information and communication sector** (SIC J), which had the largest (6,700 jobs) and fastest (3.79%) decline in small business employment over that period (Figure 43).

Nations and regions with the most and least growth

- **Wales** was the best-performing UK nation (Figure 46), adding 400 small business jobs. Over the same period, the other three UK nations all had declining small business employment. Northern Ireland had the fastest annual decline, at 0.25%, with a loss of 300 small business jobs.
- Within England, **Yorkshire and The Humber** outperformed London and the South East with an annual growth rate of 0.21%, thanks to 700 jobs created at small businesses in the region. The **North East** was the worst-performing region of England (Figure 48), down by 0.31% year-over-year, with 400 fewer small business jobs.



"

When it comes to letting people go, it's very difficult because you work closely together. But sometimes financially, you look at the numbers and you have to make that decision.

Darrell James,
Business owner,
Darrell James Travel

Dive deeper into the UK's small business employment trends

Small business employment in the UK **declined by 2,200 jobs** over the 12 months to the end of October 2024—an annual decrease of 0.05%. This points to a challenging year for UK small businesses, but there were bright spots. Small business employment declined in seven sectors but increased in six, including construction (SIC F), professional services (SIC M), and manufacturing (SIC C). Similarly, Wales and some regions of England performed well, while other areas of the UK did not—as we explore in more detail below.

Overall, the loss of more than 2,000 small business jobs nationwide is a concern, but it's less than a third of the number lost in the 12 months prior. As Figure 39 shows, almost 7,000 small business jobs were lost from October 2022 to October 2023.

UK small businesses employment

Total employment year-over-year at UK small businesses with 1-9 employees from October 2019 to October 2024

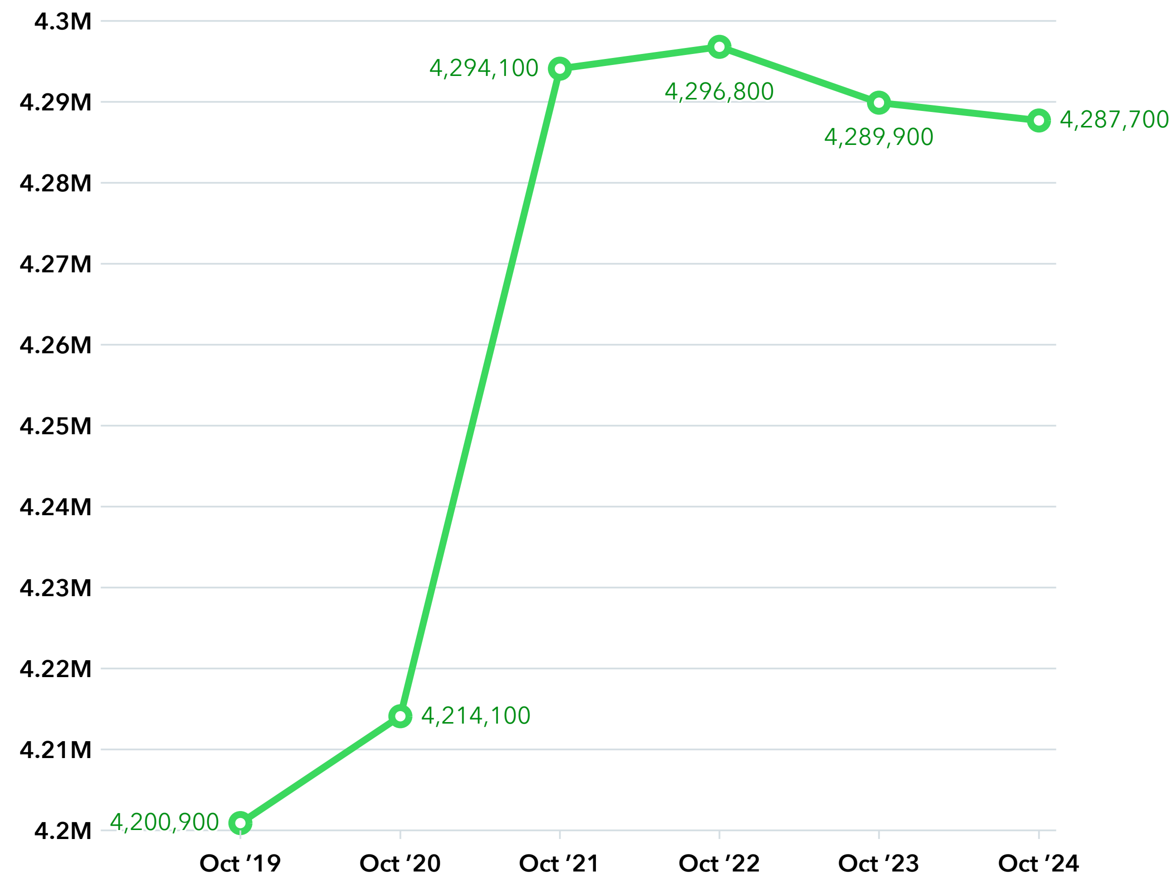


Figure 39, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Best-performing sectors

The **construction sector** (SIC F) created the most small business jobs from October 2023 to October 2024. The extra 7,500 jobs is an annual increase of 1.24%, taking the total to 607,400. The largest monthly increases were in the summer of 2024.

Construction sector (SIC F) small business employment

Total employment year-over-year at UK small businesses with 1-9 employees from October 2019 to October 2024

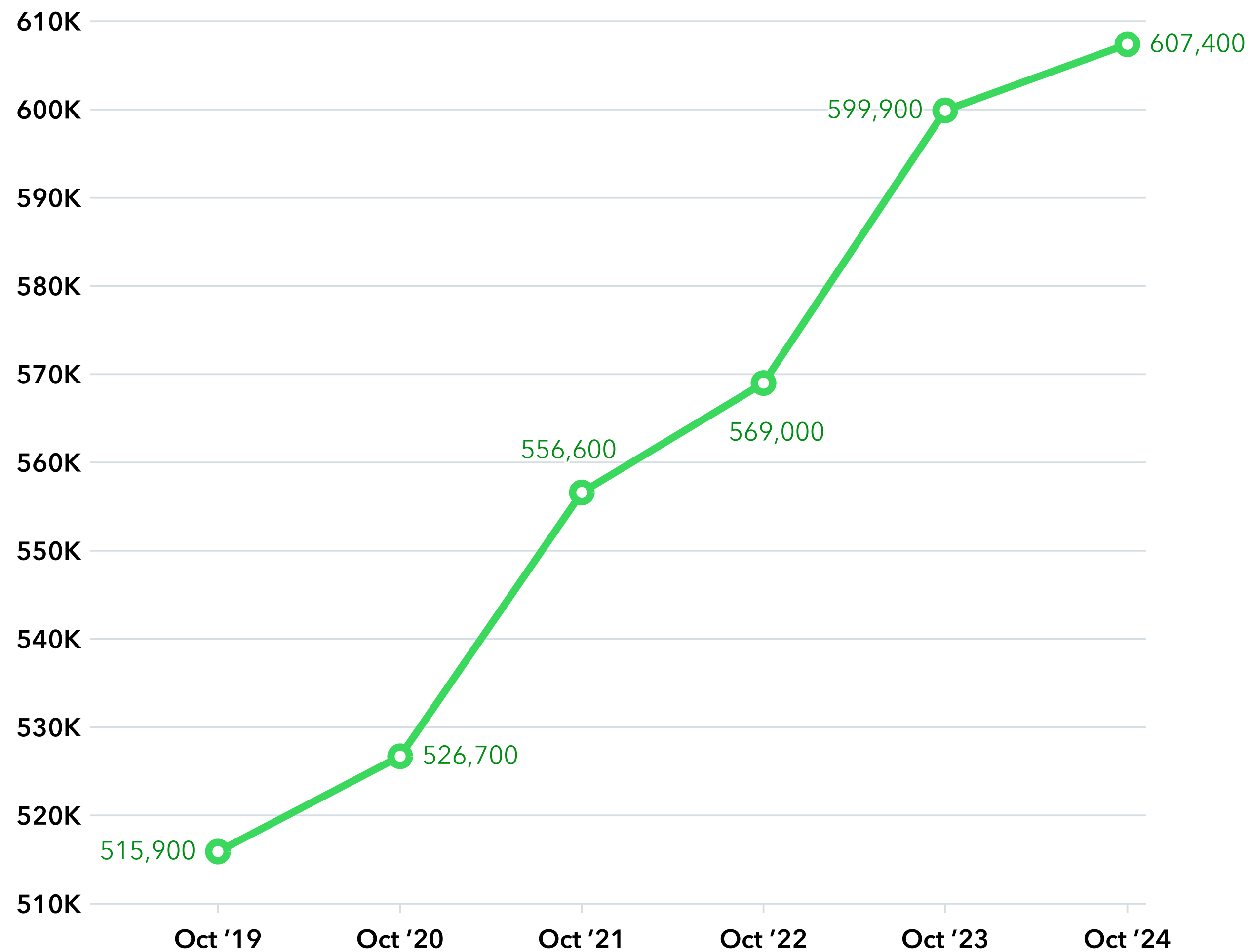


Figure 40, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The **professional services sector** (SIC M) created almost as many jobs as the construction sector. The extra 6,500 jobs is an annual increase of 1.22%, taking total employment to 538,100. August 2024 had the largest monthly increase in employment.

Professional services sector (SIC M) small business employment

Total employment year-over-year at UK small businesses with 1-9 employees from October 2019 to October 2024

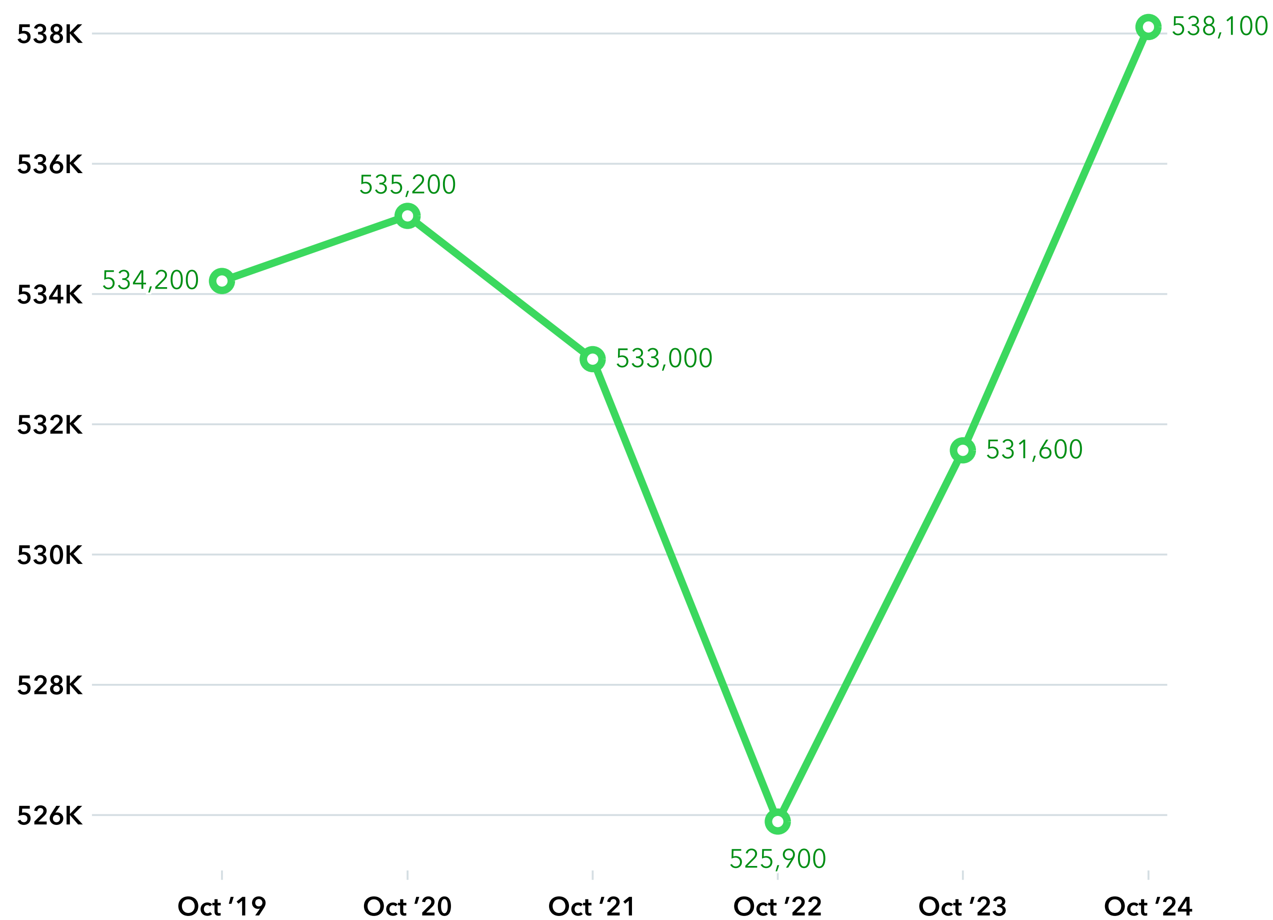


Figure 41, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The **transport and storage** (SIC H) sector had the fastest annual growth rate, at 1.37%. The additional 2,200 jobs took total employment to 161,800. Similar to the professional services sector, the largest monthly increase was in August 2024.

Transport and storage sector (SIC H) small business employment

Total employment year-over-year at UK small businesses with 1-9 employees from October 2019 to October 2024

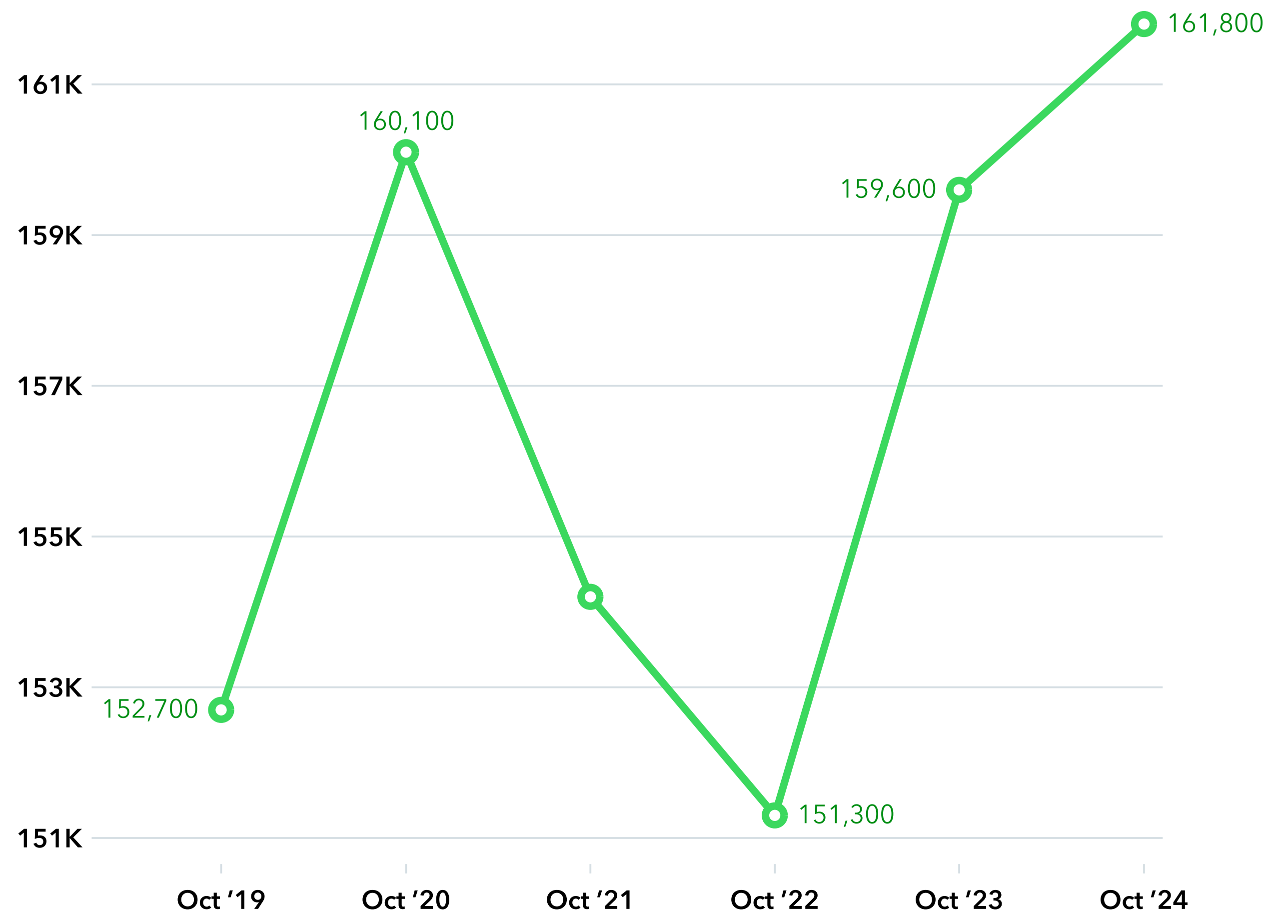


Figure 42, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Worst-performing sectors

The **information and communication sector** (SIC J) had the largest and fastest decline in small business employment from October 2023 to October 2024. The loss of 6,700 jobs, an annual decline of 3.79%, left 173,200 employees at small businesses. The largest monthly decline was in August of 2024.

Information and communication sector (SIC J) small business employment

Total employment year-over-year at UK small businesses with 1-9 employees from October 2019 to October 2024

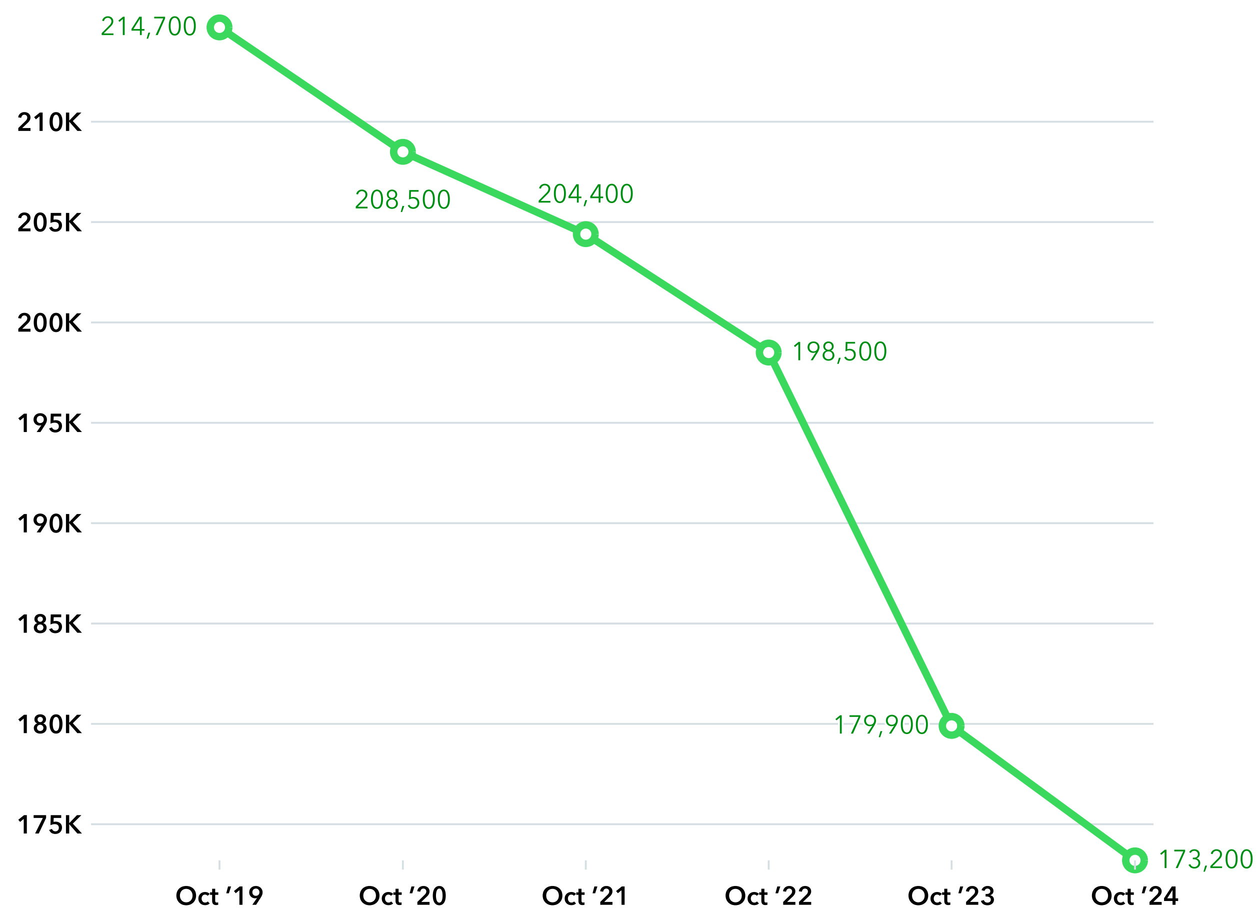


Figure 43, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The **wholesale and retail trades sector** (SIC G) had a similar number of job losses, 6,300 in total, an annual decline of 0.81%. This left 775,500 employees at small businesses in the sector. Again, the largest monthly decline was in August of 2024.

Wholesale and retail trades sector (SIC G) small business employment

Total employment year-over-year at UK small businesses with 1-9 employees from October 2019 to October 2024

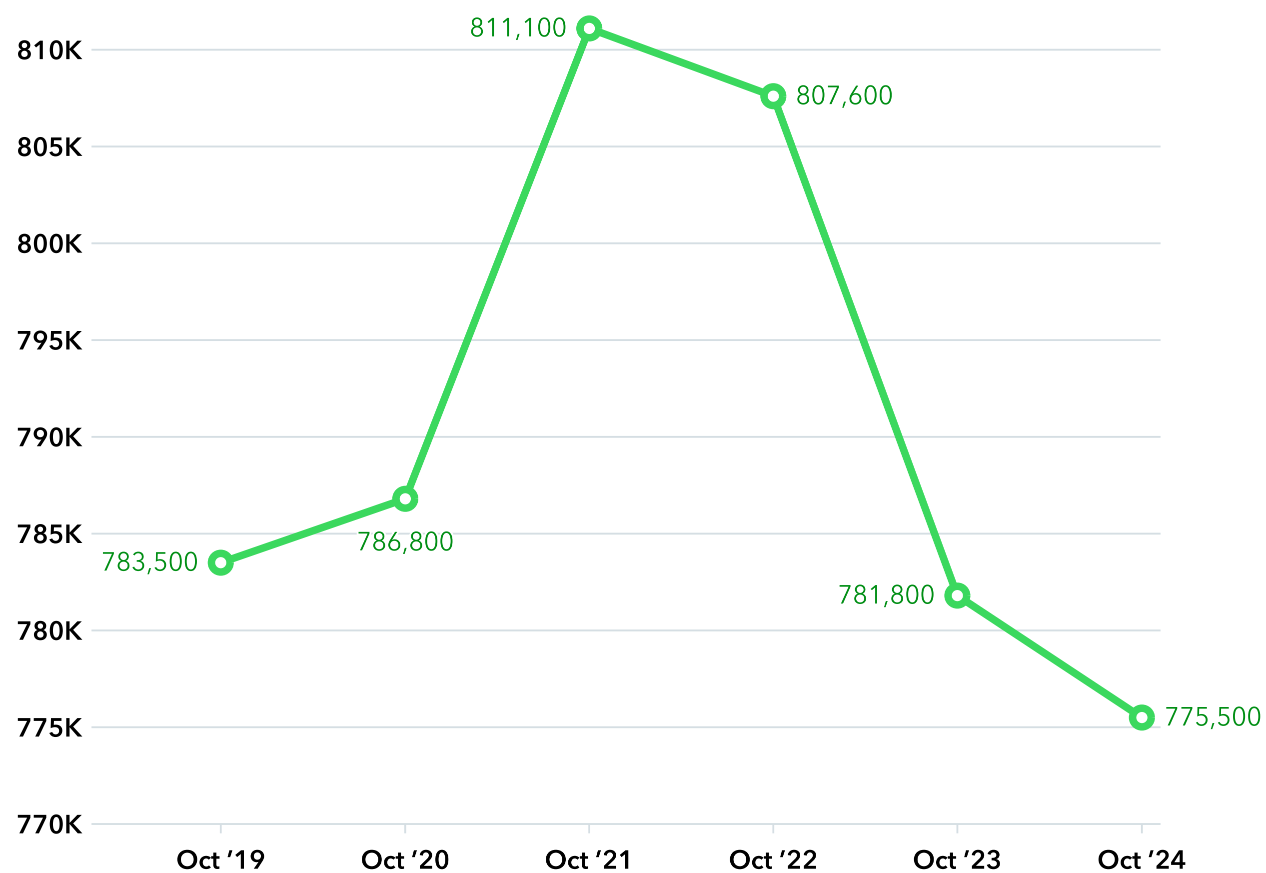


Figure 44, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

The **accommodation and food services sector** (SIC I) lost 5,300 jobs at small businesses, an annual decline of 1.16%, leaving 454,200 employees at small businesses. Again, the largest monthly decline was in August of 2024.

Accommodation and food services sector (SIC I) small business employment

Total employment year-over-year at UK small businesses with 1-9 employees from October 2019 to October 2024

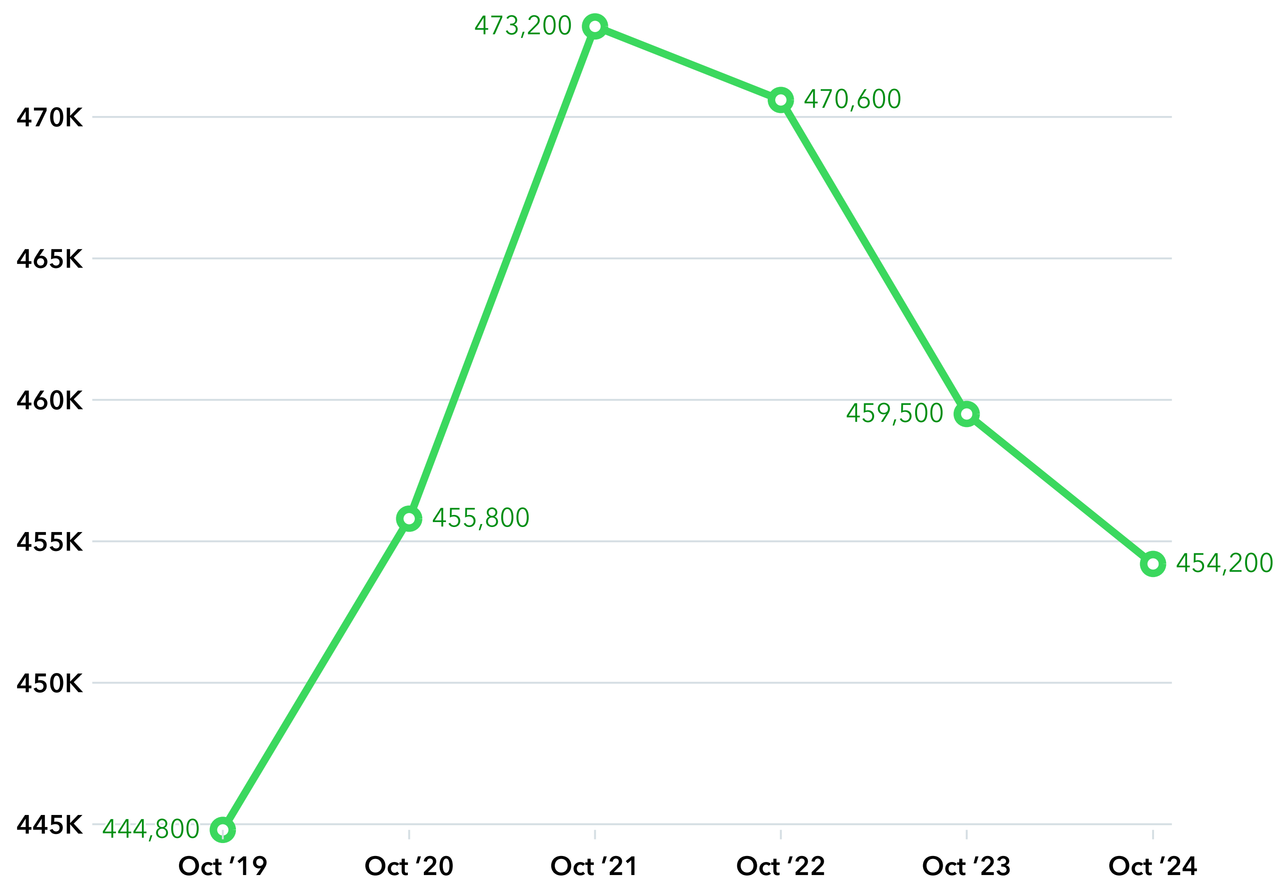


Figure 45, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

National and regional trends

Wales was the only UK nation with small business employment growth from October 2023 to October 2024, adding 400 jobs. The annual growth rate of 0.22% took total small business employment to 180,600.

Wales's small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2019 to October 2024

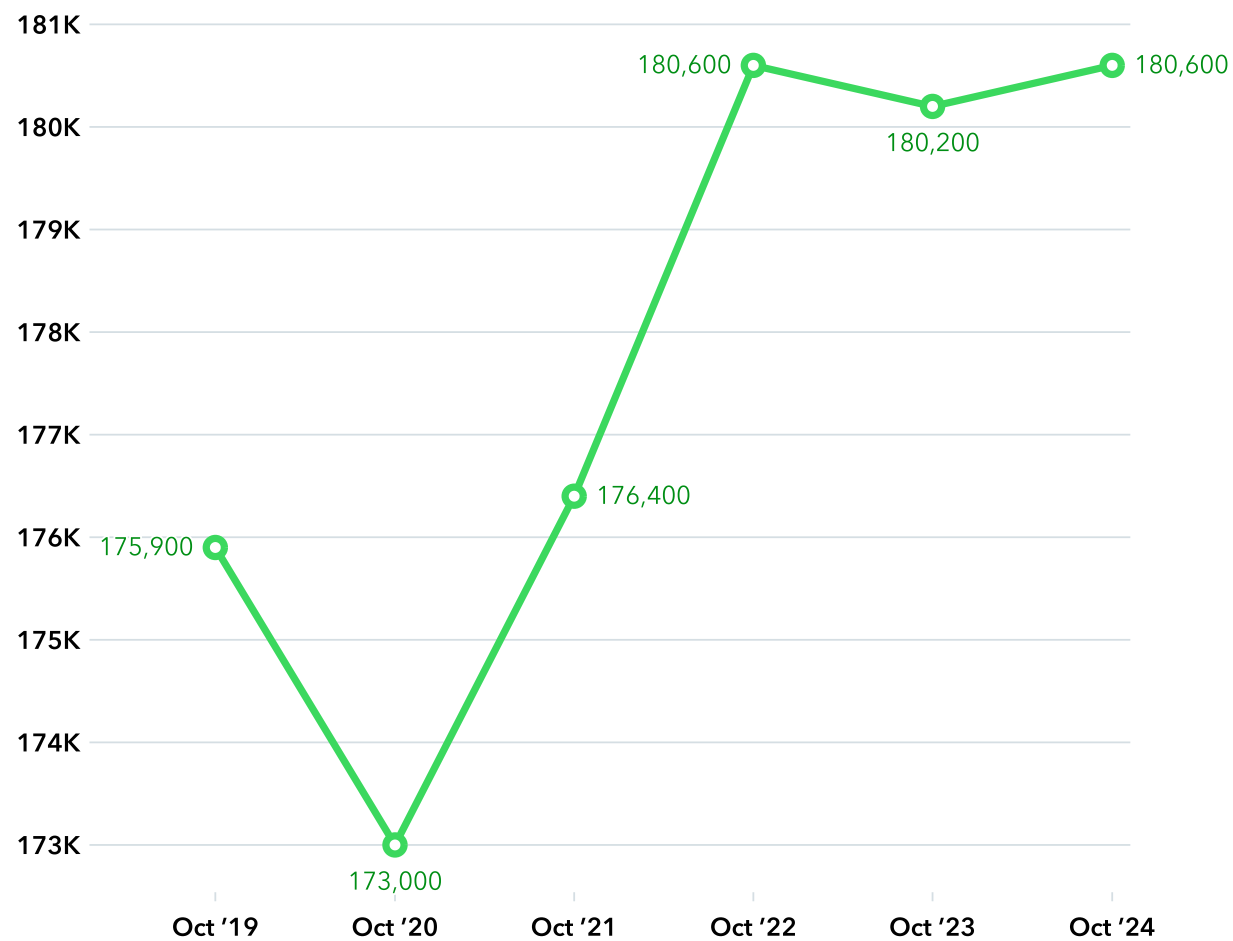


Figure 46, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

England, Scotland, and Northern Ireland all had fewer jobs at small businesses year-over-year. **Scotland** and **Northern Ireland** had the fastest rates of decline, at 0.25% and 0.24%, respectively. This left 294,600 small business jobs in Scotland and 118,700 in Northern Ireland. In **England**, small business employment declined by 0.02% to 3,694,500 jobs. The relatively small change across England masks the fact that some regions enjoyed strong growth, such as Yorkshire and The Humber, while other regions had steeper declines, such as the North East.

England's small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2019 to October 2024

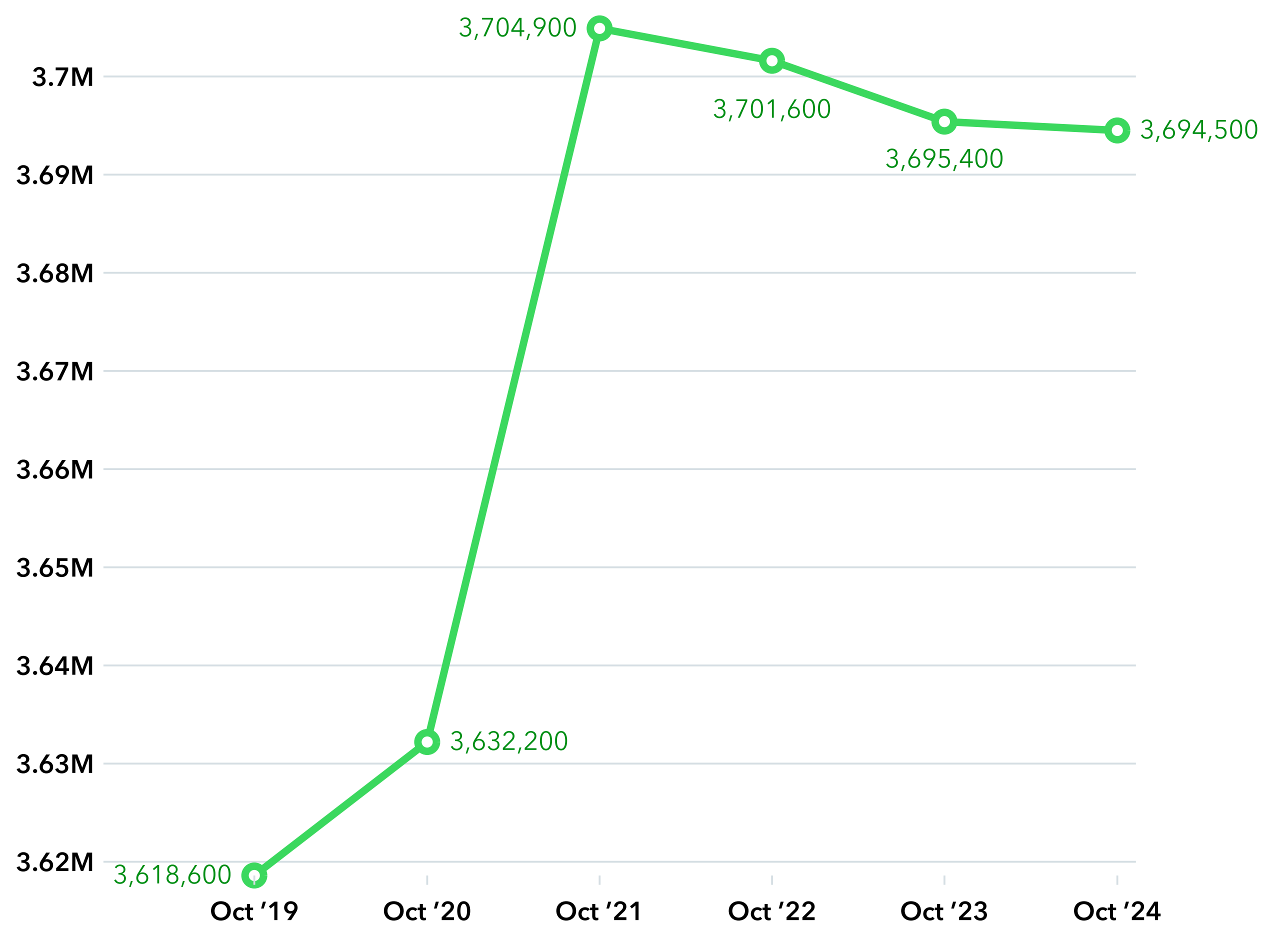


Figure 47, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

Small businesses in **Yorkshire and The Humber** created 700 jobs, an annual increase of 0.21%. In the **North East**, however, small business employment declined by 0.31%—the fastest annual decline in the whole of the UK over this period, with a loss of 400 jobs.

North East England's small business employment

Total employment year-over-year at small businesses with 1-9 employees from October 2019 to October 2024

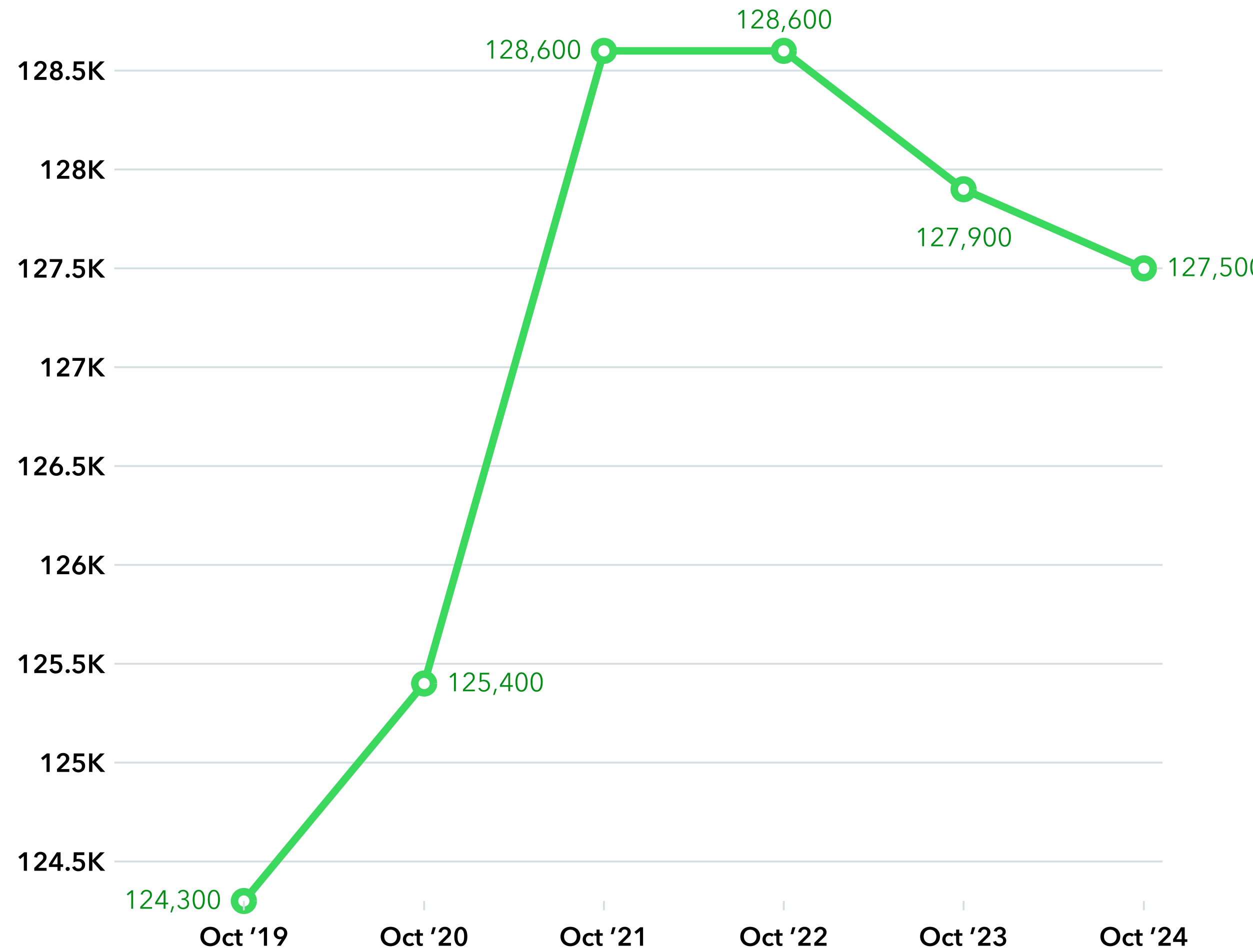


Figure 48, Intuit QuickBooks Small Business Index Annual Report 2025
Source: Intuit QuickBooks Small Business Index (intuit.me/index)

How higher interest rates have affected small businesses this year

How higher interest rates have affected small businesses this year

In this section, we examine the impact of recent monetary policy on small businesses, with a particular focus on its effects on the supply and demand for credit cards as a growing source of financing.

Last year's annual report uncovered a critical insight: Credit cards are an essential source of financing for small businesses and by far the most commonly used type of financing. However, that analysis only scratched the surface, leaving many aspects of this phenomenon unexplored. **Credit card usage among small businesses has substantially increased over time**. Entrepreneurs are not only using credit cards more often, but also carrying higher balances and making higher interest payments, as shown below. This raises important questions: What are the recent trends in credit card usage? What are the broader economic implications of these trends? And what mechanisms link credit card usage to small business performance? This year's report delves deeper into these pressing issues, exploring the causes behind these trends and evaluating any challenges they may pose to small business financial health.

Due to their accessibility, flexibility, and ability to address immediate financial needs, credit cards are a **vital source of financing for small businesses**. In fact, they are currently the number one source of financing for small businesses, offering quick and easy access to funds. This makes them especially useful for managing cash flow gaps, unforeseen expenses, and short-term financing.

In addition, data from the Intuit QuickBooks Small Business Insights survey shows small businesses consider "rewards and benefits" to be one of the main advantages of using credit cards for small business financing.[12]

Our new analysis highlights a long-term shift in the small business credit market. Traditional sources of long-term borrowing from traditional financial institutions are increasingly being replaced by credit cards and fintech lenders. This structural transformation has created unique opportunities but also added complexity to small business credit, especially as small businesses have faced the largest unexpected interest rate hikes in two decades. We analyze how **higher interest rates have intensified small businesses' reliance on credit cards**. Finally, we assess the real-world impacts of these changes, including their effects on small business job creation and revenue growth, shedding light on the critical interplay between credit markets and small business performance.

12 For more information about this survey, its sample, and methodology, see "Data sources and methodology."

"

Financing is the way that a lot of companies grow. I've used it in the past very successfully. But over the past eighteen months, it has become wildly expensive for us to finance and grow the way we want to because of interest rates.

Judd Robertson,
Business owner,
Mighty Pine Heating and Air

Latest trends in small business financing and credit

Labor market tightness is often characterized by firms wanting to hire more workers than there are workers available to offer their services. It has likely obscured many of the challenges small businesses are currently facing, with financing difficulties being among the most significant. In the quarterly Intuit QuickBooks Small Business Insights survey, small businesses are specifically asked about their financing practices.[13] When asked which financing options they had used over the past year, **business credit cards have been the number one choice in the US, Canada, and the UK in each wave of the survey since April 2023**. Figure 49 shows the results from the latest wave of the survey.

Credit cards are the No.1 source of small business financing in the US, Canada, and the UK

Survey question: Which of the following financing options, if any, has the business used over the last 12 months?

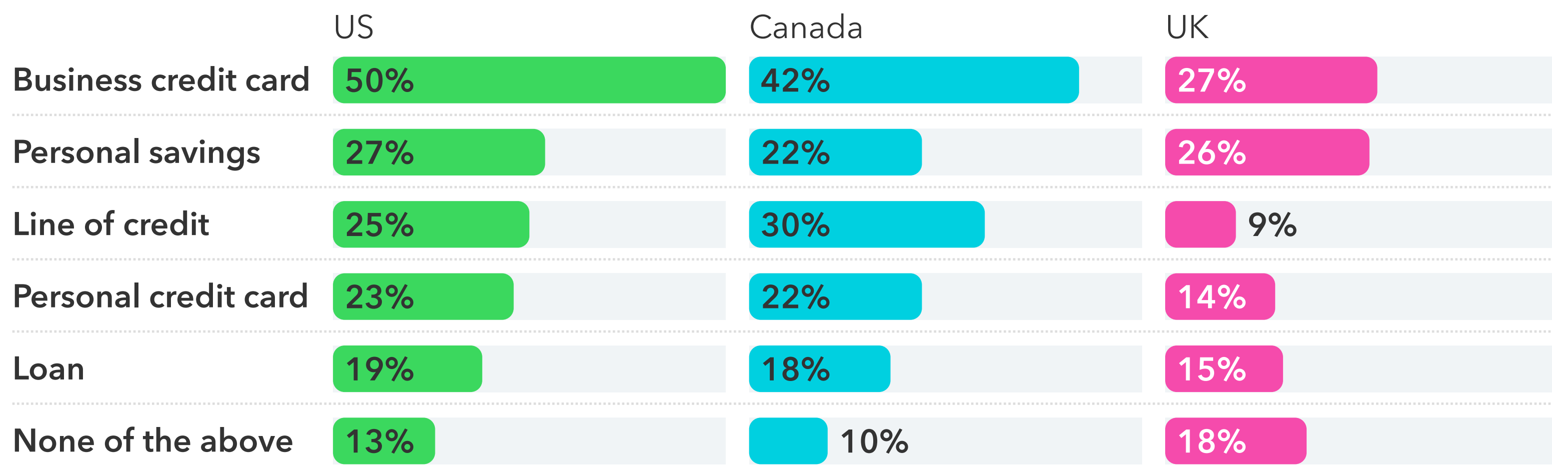


Figure 49, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 5,183 owners and decision-makers of small businesses with 0-100 employees in the US (n=3012), Canada (n=1,013) and the UK (n=1,158).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

13 For more information about this survey, its sample, and methodology, see "Data sources and methodology."

Additionally, when asked about the proportion of expenses charged to credit cards, the survey revealed that 55% of US respondents, 57% of Canadian respondents, and 33% of UK respondents reported charging **more than 25% of their total monthly business expenses to credit cards** (Figure 50). In North America, more than 1 in 10 reported using credit cards for more than 75% of monthly expenses.

The majority of small businesses in North America report using credit cards for more than a quarter of all expenses

Survey question: Approximately what percentage of your business's total monthly expenses are charged to credit cards?

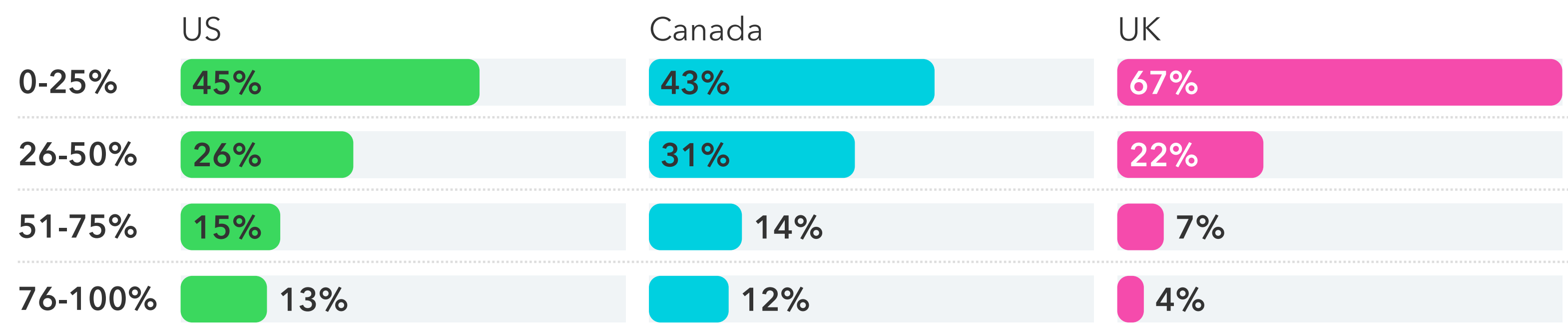


Figure 50, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 4,240 owners and decision-makers of small businesses with 0-100 employees in the US (n=2,590), Canada (n=896) and the UK (n=754).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Figure 51, from [Benetton, Buchak, and Garcia (2022)](), shows that **the composition of credit to small businesses has changed significantly** since the early 2000s. There have been two key trends:

1. Traditional banks have decreased their supply of term loans and diversified them with more credit card products.
2. There has been an overall rise in non-bank[14] lending, but they have kept their credit card supply stable and ventured more into term loans.

These structural shifts alter the way small businesses respond to large, unexpected macroeconomic shocks. Below, we focus on the **impact of macroeconomic conditions** on bank-business relationships, credit card supply, and small business growth.

14 These are non-depository institutions, such as fintechs (financial technology), that provide lending products.

Long-term trends in bank and non-bank lending identified by Matteo Benetton, Greg Buchak, and Claudia Robles-Garcia in 2022

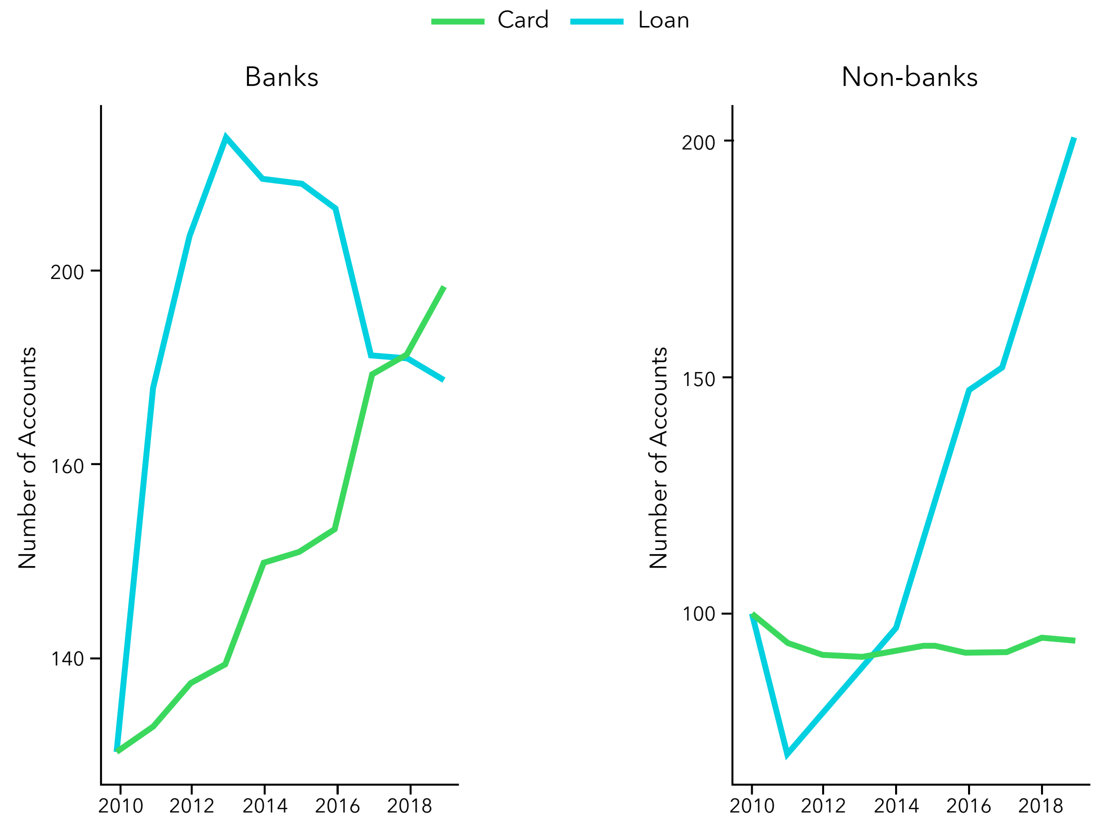


Figure 51, Intuit QuickBooks Small Business Index Annual Report, adapted from "Wide or Narrow? Competition and Scope in Financial Intermediation." Note: Both panels show percentage changes in the number of credit cards (green line) and terms loans (teal line) relative to 2010 (normalized to 100). Left panel describes banks, right panel describes non-banks. The sample period is March 2010 to September 2019.

Source: "Wide or Narrow? Competition and Scope in Financial Intermediation" (Benetton, Buchak, and Garcia, 2022)

Credit card use by US small businesses since 2020

Figures 52 and 53 use anonymized, reweighted financial data of Intuit QuickBooks customers **to track small business credit card use and the amount of borrowing during the last five years**. This analysis is based on a constant cohort of 249,000 US small businesses with 0-100 employees with credit card data recorded in QuickBooks from 2019 to 2024. Reweighting this data ensures it reflects all small businesses of equivalent size—not the QuickBooks customer base or Intuit's business.

From this credit transaction data, we constructed the payments and usage on each of the credit cards and averaged them for a single firm. We then used the sectoral and regional composition of small businesses to reweight the sample to make it nationally representative. From the transaction descriptions, we gathered information on the total interest costs paid by the small businesses and also reweighted them to make them nationally representative.[15]

Rapid rise in small business credit card spending and payments following the COVID-19 pandemic

Chart shows average monthly credit card usage (spending) and payments by small businesses with 0-100 employees from July 2019 to August 2024

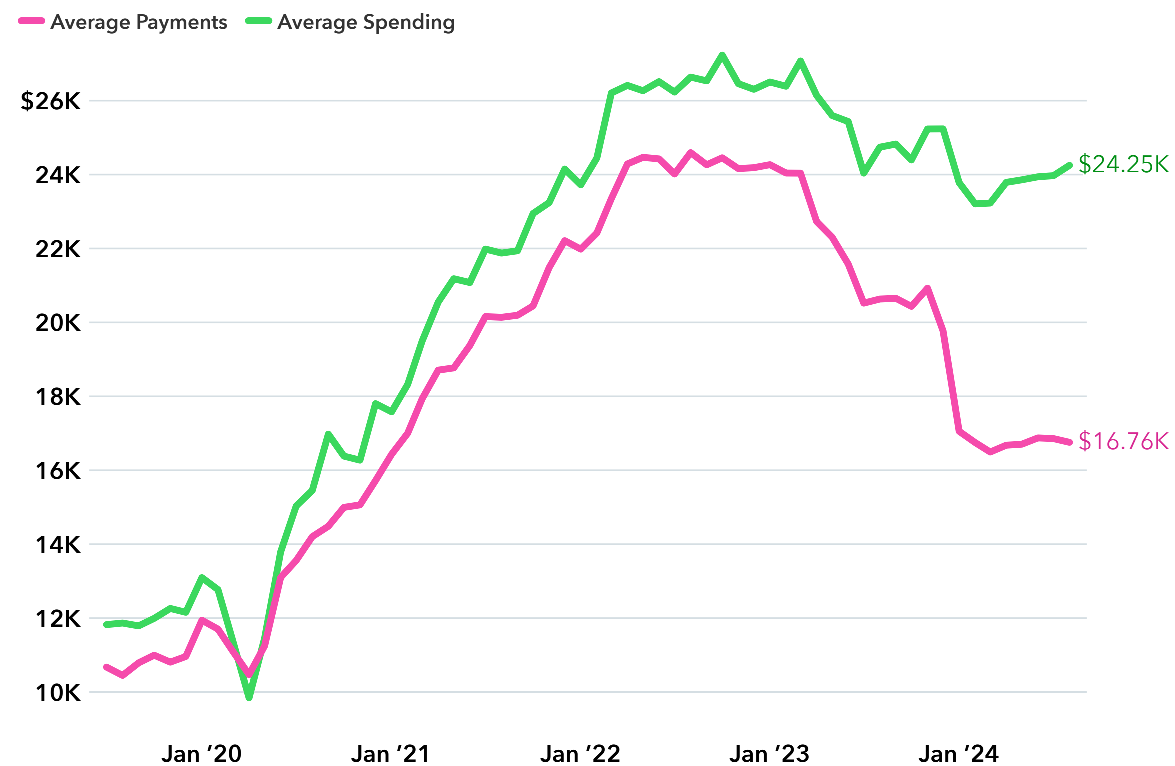


Figure 52, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: Constant cohort of 249,000 US small businesses with 0 to 100 employees with credit card data recorded in QuickBooks from July 2019 to August 2024. This anonymized data has been reweighted to reflect the state and sector makeup of all US small business of equivalent size, not the QuickBooks customer base or Intuit's business.

Source: Intuit QuickBooks Small Business Index Annual Report 2025

15 For more information about these calculations, see "Data sources and methodology."

The figures show a **stark rise in credit card usage and payments soon after the COVID-19 crisis**. The rise in usage, however, outpaced payments, driving up the balances on small business credit cards. Rising costs due to high inflation drove balances up until early 2022. Then the monetary rate hikes intensified the burden by increasing the borrowing cost on these balances. Average monthly interest payments increased by $600 per year ($50 a month) within a span of ten months.

Rapid rise in credit card interest payments by small businesses following the COVID-19 pandemic

Chart shows average monthly credit card interest payments by small businesses with 0-100 employees from July 2019 to August 2024

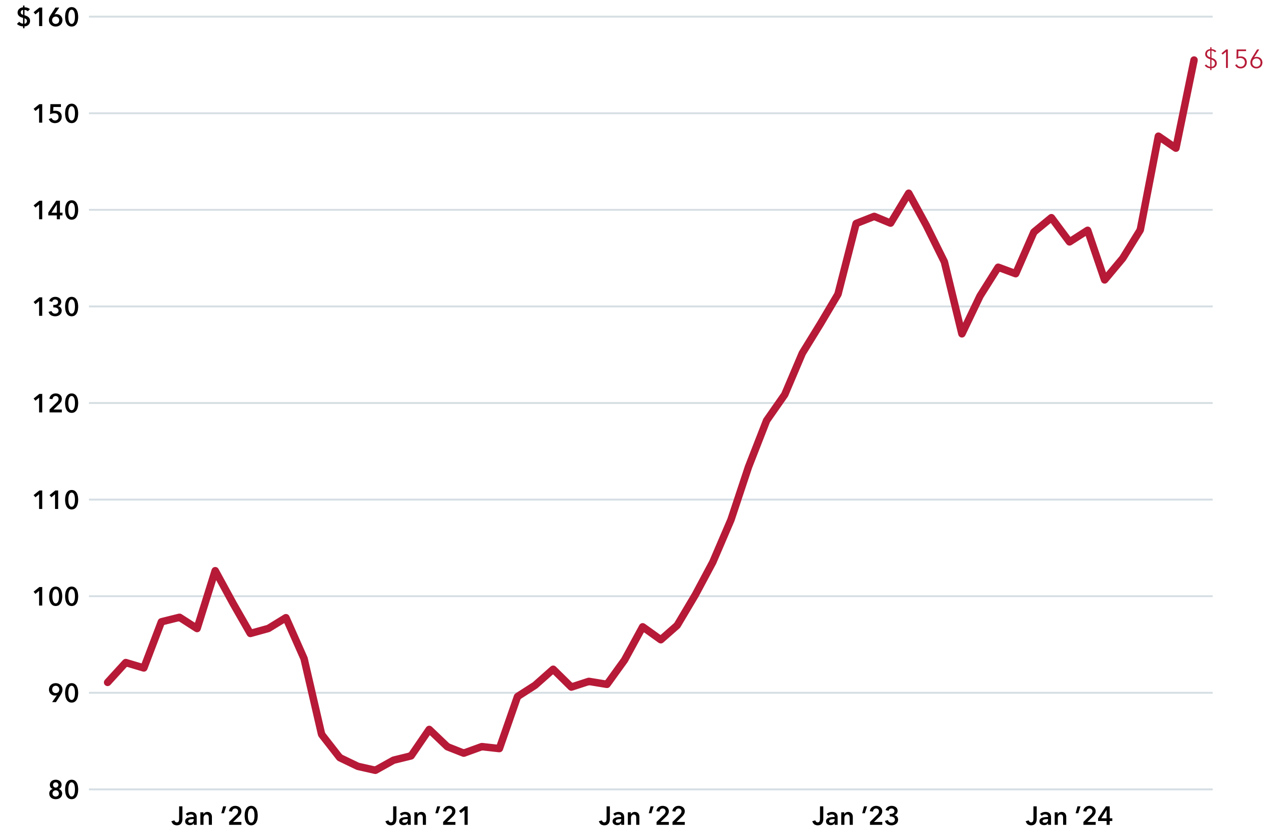
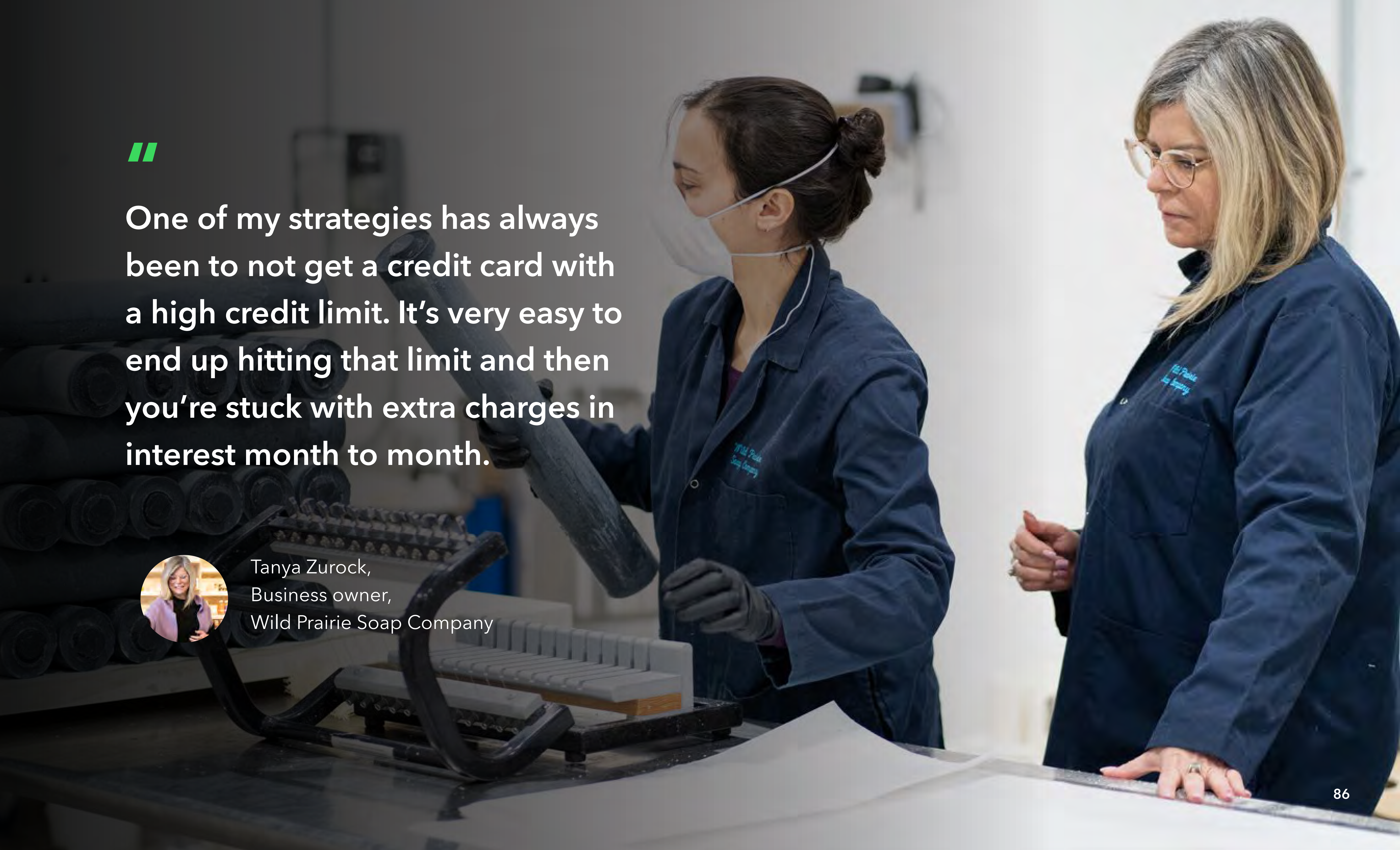


Figure 53, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: Constant cohort of 249,000 US small businesses with 0 to 100 employees with credit card data recorded in QuickBooks from July 2019 to August 2024. This anonymized data has been reweighted to reflect the state and sector makeup of all US small business of equivalent size, not the QuickBooks customer base or Intuit’s business.

Source: Intuit QuickBooks Small Business Index Annual Report 2025



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One of my strategies has always been to not get a credit card with a high credit limit. It's very easy to end up hitting that limit and then you're stuck with extra charges in interest month to month.

Tanya Zurock,
Business owner,
Wild Prairie Soap Company

Distribution of interest payments reveals a rise in borrowing

The average values shown in Figures 52 and 53 mask significant details which tell us more about recent small business financing trends. For example, in Figure 54, we look at the distribution of monthly interest payments on credit cards before and after interest rates were increased. This analysis used anonymized, reweighted financial data of 677,000 Intuit QuickBooks customers with 0-100 employees that have credit card data recorded in QuickBooks in 2022 and 2023.[16] A few insights emerge. First, **higher interest rates drove more small businesses to become borrowers**.

In 2022, 66% of small businesses were borrowers. In 2023, this number increased by 4 percentage points. Not only did more small businesses become borrowers, the amounts that they borrowed and the interest expense associated with such borrowings also increased notably. The number of small businesses paying more than $450 a month in interest charges, for example, increased by 6 percentage points. This suggests that between 2022 and 2023, more businesses became debt-burdened.

16 As above, these results have been reweighted to reflect the state and sector makeup of all US small businesses of equivalent size, not the QuickBooks customer base or Intuit's business.

Noticeable increase in number of small businesses paying more than $450 per month in credit card interest

Chart shows distribution of monthly credit card interest payments by small businesses with 0-100 employees in 2022 and 2023

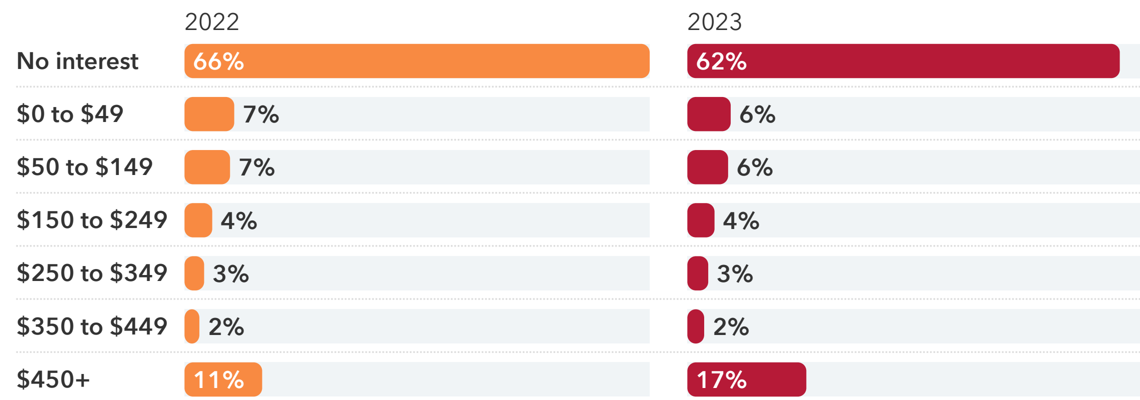


Figure 54, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: Constant cohort of 677,000 US small businesses with 0 to 100 employees with credit card data recorded in QuickBooks in 2022 and 2023. This anonymized data QuickBooks customer base or Intuit's business.

Source: Intuit QuickBooks Small Business Index Annual Report 2025

How interest rates affect credit supply to small businesses

Our analysis below shows higher interest rates have had an uneven impact on small businesses. An increase in the Federal Funds Interest Rate increases the cost of funds for the lenders in the economy and also reduces small business access to lending capital. This in turn results in lower credit supply and higher interest rates for the small businesses that rely on credit for their routine operations. However, banks are differentially affected by a tighter policy environment due to the maturity structure of their assets and liabilities, as well as their sensitivity to variable interest rates. As a result, access to financing for small businesses is relatively more constrained when dealing with banks whose funding costs are rapidly increasing in response to higher policy rates.

Before the Federal Reserve began to increase interest rates in 2022, banks held varying amounts of interest-rate-sensitive (IRS) assets and liabilities, which rise or fall in value when interest rates rise or fall (see box for full definition). This resulted in **different levels of exposure to the interest rate shock**, which is known as the "income gap" (see box for full definition). The income gap measures how a bank's income and costs react to changes in interest rates due to its IRS assets/liabilities. Banks with a higher income gap score have higher levels of IRS assets relative to IRS liabilities, which means their income responds more positively to higher interest rates. Banks with lower scores respond less positively.

Our analysis reveals that banks with lower income gap scores **reduced their lending to small businesses more** than banks with high income gap scores. As noted above, banks with lower scores have less favorably positioned IRS assets and liabilities and consequently faced greater challenges in adapting to the changes in monetary policy.

Interest-rate-sensitive (IRS) assets and liabilities

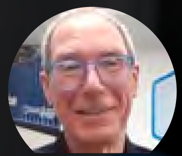
These are defined as services provided by banks that **rise or fall in value when interest rates rise or fall**. Variable-rate bank loans are an example of an IRS asset because higher interest rates increase their value to the bank. Customer deposits are an example of an IRS liability because higher interest rates make it more expensive for banks to provide this service.

Income gap

This is a measure of a bank's **interest rate sensitivity**, which captures how its income changes in response to unexpected interest rate hikes. If a bank has a positive score on the income gap measure (because they have a favorable IRS asset position), their income responds positively to an interest rate hike. The higher the score, the larger the response. Conversely, if a bank has a negative score on the income gap measure (because they have an unfavorable IRS asset position), their income responds negatively to an interest rate hike. The income gap metric is calculated as the ratio of its interest rate-sensitive assets minus its interest rate-sensitive liabilities, normalized by the bank's total assets. See methodology section for more information. rates make it more expensive for banks to provide this service.

"

Banks and financial institutions have to make money as well. We're all in business…So you have to be realistic…You learn not to dive in rashly. You take your time and assess whether the interest rate is sensible or whether you can get a better deal elsewhere.



Ray Wheeler,
Business owner,
Guardtech Cleanrooms

Higher interest rates had an uneven impact on credit card debt supply for small businesses

Figures 55 and 56 show that the income gap (the measure of a bank's exposure to interest rate risk) did not predict any differential role on small business credit card usage and borrowing when interest rates were low, but had a significant impact when interest rates started to rise. This highlights the importance of the banking sector in the transmission of monetary policy to small businesses. More importantly, it **reinforces long-term trends in credit card lending**. Banks that issued more credit card loans before the interest rate hike were, by design, more exposed to interest-rate-sensitive assets. When rates increased, these banks received higher income, which enabled them to offer better terms to borrowers compared to other banks, making them more attractive to customers. Consequently, these banks were able to issue even more credit card loans after the rate hike, further strengthening their position in the market.

After interest rates spiked, small businesses received more credit from banks with higher income gap* scores

Chart shows the relationship between: 1) How banks' finances were affected by interest rates and 2) Credit card spending by banks' small business customers before and after interest rates were increased in 2022

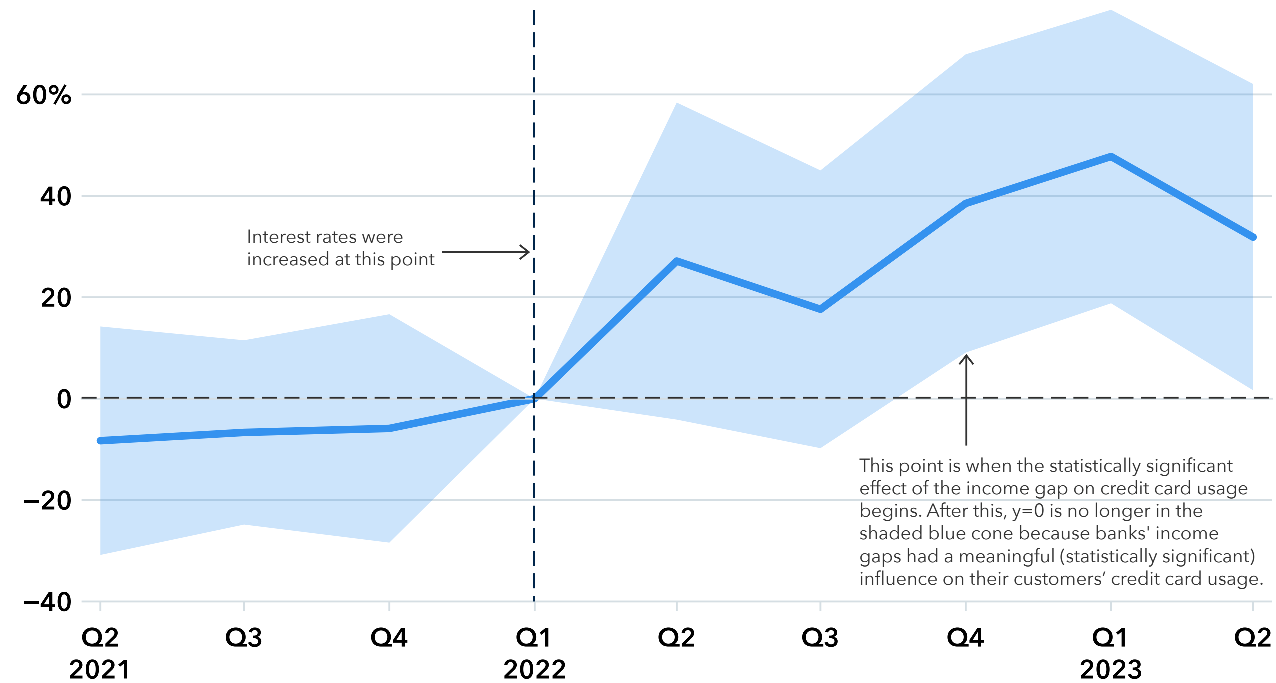


Figure 55, Intuit QuickBooks Small Business Index Annual Report 2025. Based on a fixed effects regression that controls for time as well as various bank and firm attributes to estimate the effect of banks' income gap scores on small business credit card usage (spending). This shows that banks with higher income gap scores saw more credit card usage from their small business customers than banks with lower income gap scores. The Y axis represents the effect of the income gap score on credit card usage, showing the percent increase in usage per 1% increase in the income gap. The blue cone around the line shows the 95% confidence interval for the estimated effect. *Note: "Income gap" is a measure of a bank's exposure to interest rate risk, based on its interest-rate-sensitive assets/liabilities. If a bank has a positive income gap score, their income responds positively to an increase in interest rates.

Source: Intuit QuickBooks Small Business Index Annual Report 2025

The figures show how the measure of a bank's income gap impacts credit usage by small businesses and the probability of paying interest of its customers before and after the monetary policy rate hikes. The monetary policy rate hikes begin in the first quarter of 2022. We can see that prior to the rate hikes, the dependence of credit card usage and interest payments on income gap was uniformly zero. However, as interest rates start to increase, it positively affects **both the credit card usage and the probability of paying interest**. Specifically, the y-axis on the graphs represents the average effect of the small businesses' banks' income gap on their use of credit cards and the probability of them paying interest on that credit card. It shows that in the period where Federal Funds Rate starts to increase, a one unit change in the income gap score leads to about thirty percent higher credit card usage and ten percent higher probability of paying interest.[17]

17 To establish this, we looked at two credit card accounts within the same firm to isolate the effect of the bank's income gap on lending from the business' demand for credit. See the methodology section for more details.

Small businesses were more likely to pay interest on credit cards after interest rates spiked if their banks had higher income gap* scores

Chart shows the relationship between: 1) How banks' finances were affected by interest rates and 2) Credit card interest payments by banks' small business customers before and after interest rates were increased in 2022

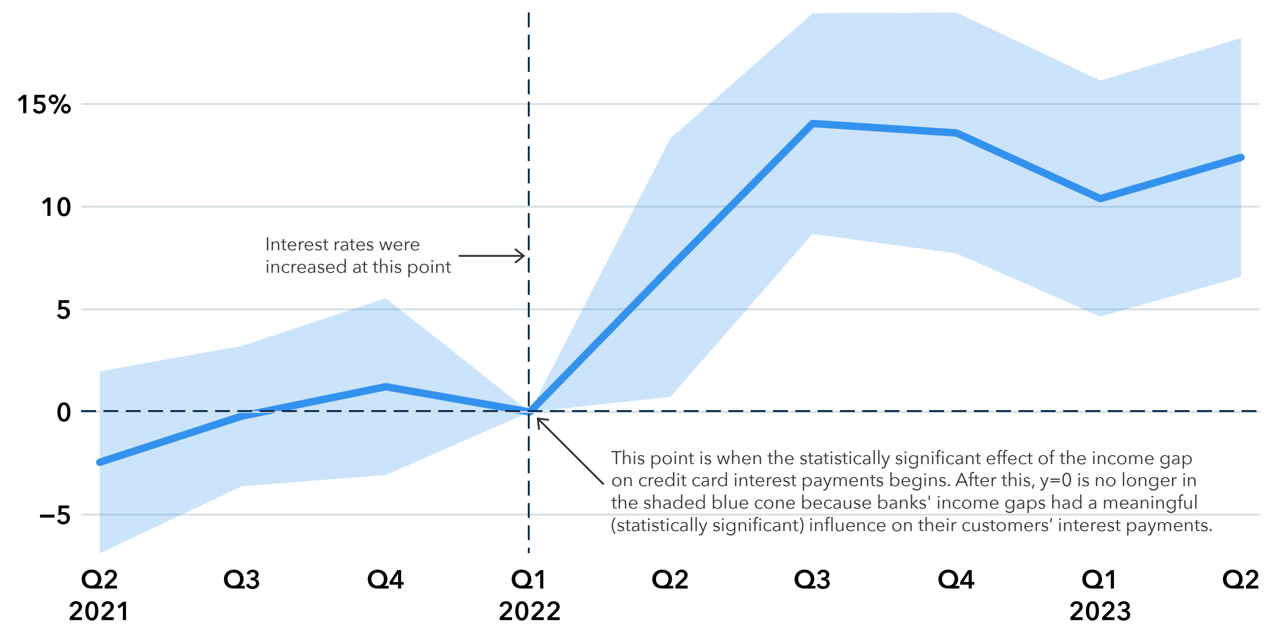


Figure 56, Intuit QuickBooks Small Business Index Annual Report 2025. Based on a fixed effects regression that controls for time as well as various bank and firm attributes to estimate the effect of banks' income gap scores on small business credit card interest payments. This shows that small business customers of banks with higher income gap scores paid more credit card interest than small business customers of banks with lower income gap scores. The Y axis represents the effect of the income gap score on credit card interest payments, showing the percent increase in payments per 1% increase in the income gap. The blue cone around the line shows the 95% confidence interval for the estimated effect. *Note: "Income gap" is a measure of a bank's exposure to interest rate risk, based on its interest-rate-sensitive assets/liabilities. If a bank has a positive income gap score, their income responds positively to an increase in interest rates.

Source: Intuit QuickBooks Small Business Index Annual Report 2025

In the short term, credit card financing has enabled some small businesses to grow faster than others

Figure 57 illustrates the crucial role of credit supply on the short-term performance of small businesses during a significant monetary shock. The impact of this metric is striking: Small businesses working with banks in the bottom 25% of the income gap measure (banks with less favorable IRS asset positions) had **notably lower employment and revenue growth** than small businesses working with banks in the top 75% of the income gap measure (banks with more favorable IRS asset positions). These significant differences underscore the critical role that a bank's interest rate sensitivity plays in driving small business performance and growth.

As Figure 57 shows, small businesses working with banks in the top 75% of the income gap measure had:

- Quarterly employment growth of 1.32%, which is 0.82 percentage points higher than those working with median income gap banks at the 50th percentile (Akcigit et al., 2025).[18]
- Quarterly revenue growth of 9.6%, which is 6 percentage points higher than those working with median income gap banks at the 50th percentile.

18 Akcigit, U., R. Chhina, S. Cilasun, J. Miranda, & N. Serrano-Velarde (2025), "Credit Card Entrepreneurs", University of Chicago Working Paper.

Small businesses that received more credit from banks had higher employment and revenue growth

Chart shows small business employment and revenue growth relative to their banks' income gap* scores, with customers of higher-scoring banks (50th, 75th, 100th percentile) showing higher growth on both measures than customers of lower-scoring banks (25th percentile).

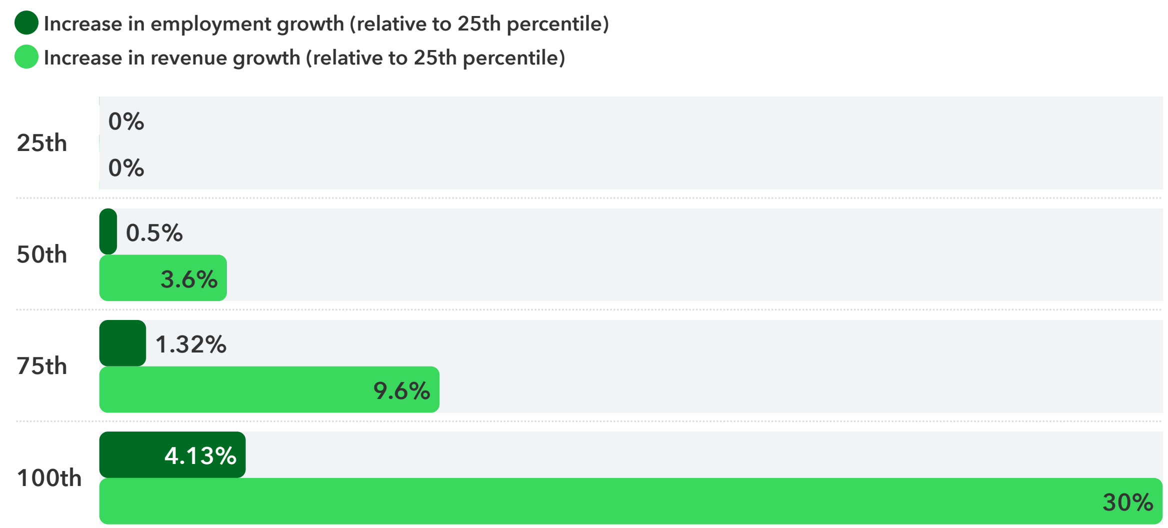
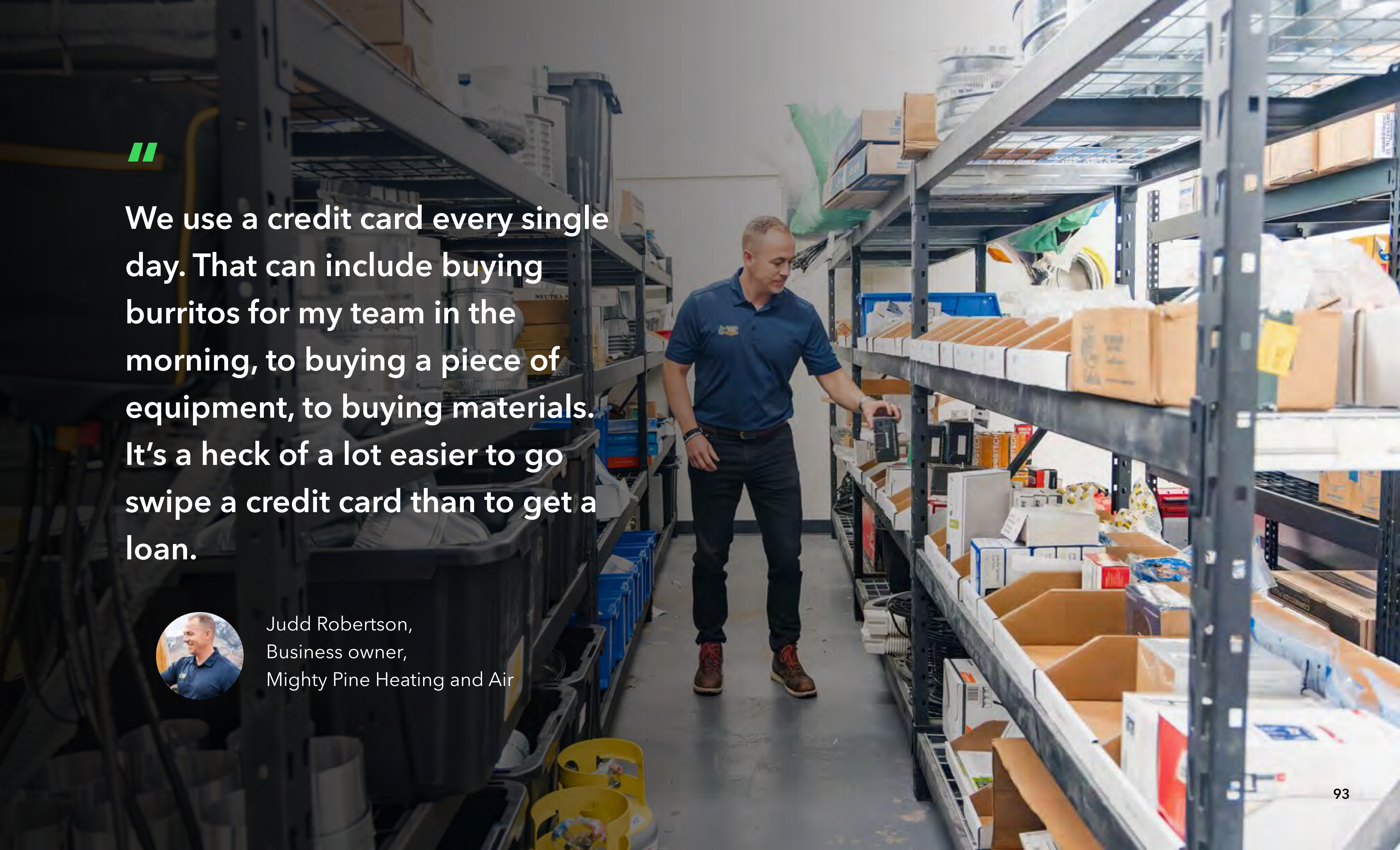


Figure 57, Intuit QuickBooks Small Business Index Annual Report 2025. The green bars show employment and revenue growth at small businesses whose banks are in the 50th, 75th and 100th percentile of all income gap scores. The percent increases shown are relative to those of small businesses whose banks have lower income gap scores, in the 25th percentile. So, small businesses whose banks are in the 100th percentile have 30% higher revenue growth and 4.13% higher employment growth than small businesses whose banks are in the 25th percentile. *Note: "Income gap" is a measure of a bank's exposure to interest rate risk, based on its interest-rate-sensitive assets/liabilities. If a bank has a positive income gap score, their income responds positively to an increase in interest rates.

Source: Intuit QuickBooks Small Business Index Annual Report 2025



"

We use a credit card every single day. That can include buying burritos for my team in the morning, to buying a piece of equipment, to buying materials. It's a heck of a lot easier to go swipe a credit card than to get a loan.

Judd Robertson,
Business owner,
Mighty Pine Heating and Air

High interest rates and credit card delinquencies

The positive impacts noted above are short-term. Moreover, **overreliance on credit can lead to long-term risks**. Businesses may emerge from the interest rate shock burdened with heavy debt, potentially hindering future growth and stability. In addition to the direct cost of high debt burdens, a rise in interest rates can also impact the future prospects of small business owners if the debt becomes unsustainable and leads to credit defaults. This impacts credit scores and could hamper the ability to raise future credit. Figure 58 shows an uptick in delinquencies after interest rates were increased.

More small businesses made late credit card payments after interest rates spiked

Chart shows the share of small business (with 0-100 employees) with monthly credit card delinquencies (late payments) from July 2019 to August 2024

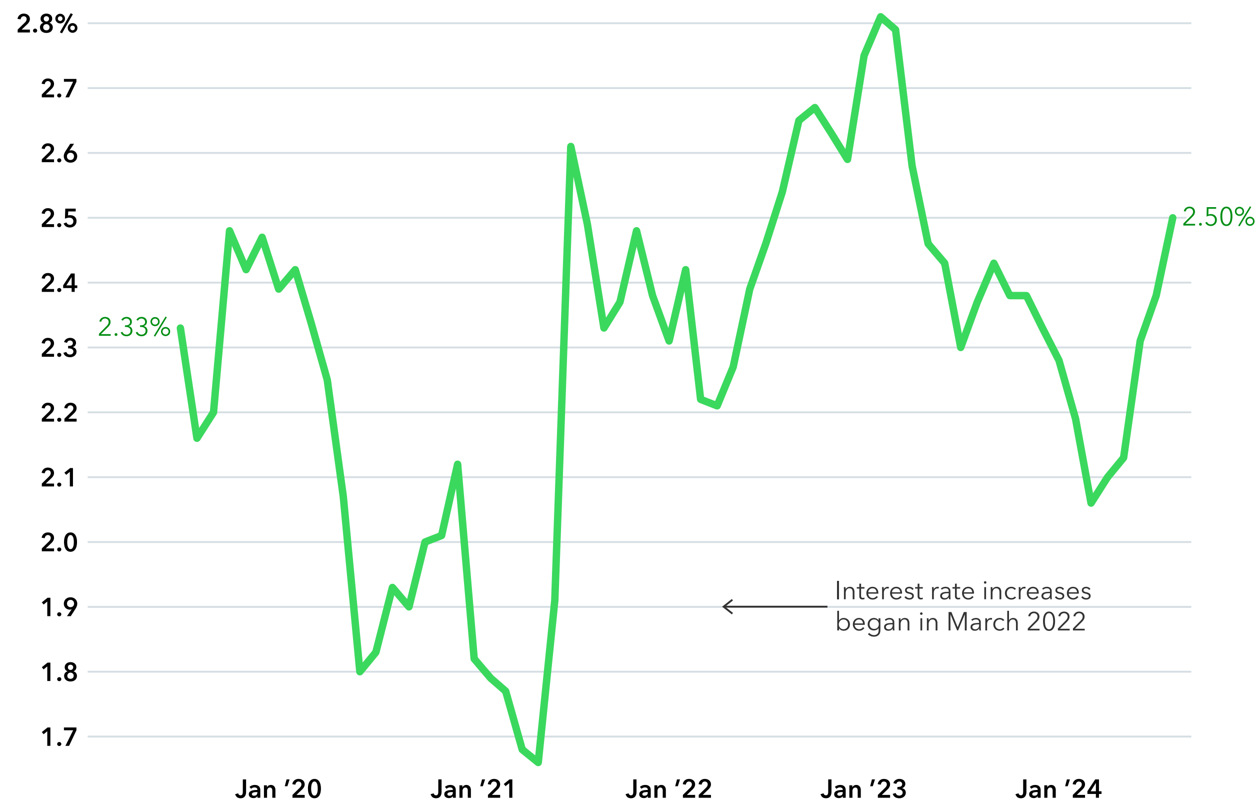


Figure 58, Intuit QuickBooks Small Business Index Annual Report 2025. Monthly credit card delinquency rates from 2019 to 2024: defined as the percentage of small businesses with assessed late fees out of all small businesses in the sample. Anonymized data is from a constant cohort of 249,000 US small businesses with 0-100 employees with credit card data recorded in QuickBooks from July 2019 to August 2024. This data has been reweighted to reflect the state and sector makeup of all US small businesses of equivalent size, not the QuickBooks customer base or Intuit's business.

Source: Intuit QuickBooks Small Business Index Annual Report 2025

Key takeaway

During this recent period of high interest rates, small businesses that had business relationships with larger credit card banks and made greater use of this source of credit were able to outperform small businesses that used other lenders. In the short-term, this ability to access diverse sources of capital and loan products is good news for small business growth. But it may carry longer-term risks due to the higher cost of borrowing for this particular product and because it could accelerate an existing trend which shows small businesses are increasingly reliant on credit cards over other sources of financing.

How small businesses are using digital tools and AI

How small businesses are using digital tools and AI

In this section, we look at how small businesses continue to shift away from manual processes to digital systems and tools such as software, apps, ecommerce, and AI. The insights in the section are based on a new analysis of how approximately 5,000 small businesses (with 0-100 employees) responded to the quarterly [Intuit QuickBooks Small Business Insights survey] in 2024.[19]

19 For more information about this survey, its sample, and methodology, see "Data sources and methodology."

> It’s hard for me to overstate just how impactful digital tools have been to our revenue growth. AI is going to allow our team to stay in their creative bent as much as they can and take some of the mundane office tasks off our hands.

Judd Robertson,
Business owner,
Mighty Pine Heating and Air

In today's rapidly evolving business environment, digitization has become essential for small businesses aiming to stay competitive, improve efficiency, reduce costs, and access new markets. By adopting digital technologies, small businesses can **streamline operations, improve communications, and make data-driven decisions**. This transition is especially crucial for those in industries where agility and innovation are critical to success.

At the same time, we are witnessing an unprecedented transformation driven by artificial intelligence (AI). AI technologies are advancing rapidly and offer new possibilities for small businesses to automate tasks, enhance customer experiences, and optimize business processes. From predictive analytics to machine learning-driven solutions, **AI is transforming how small businesses operate** by providing tools that were once only accessible to large corporations. This fast-paced AI revolution is helping smaller enterprises to scale faster and compete on a more level playing field with larger firms.

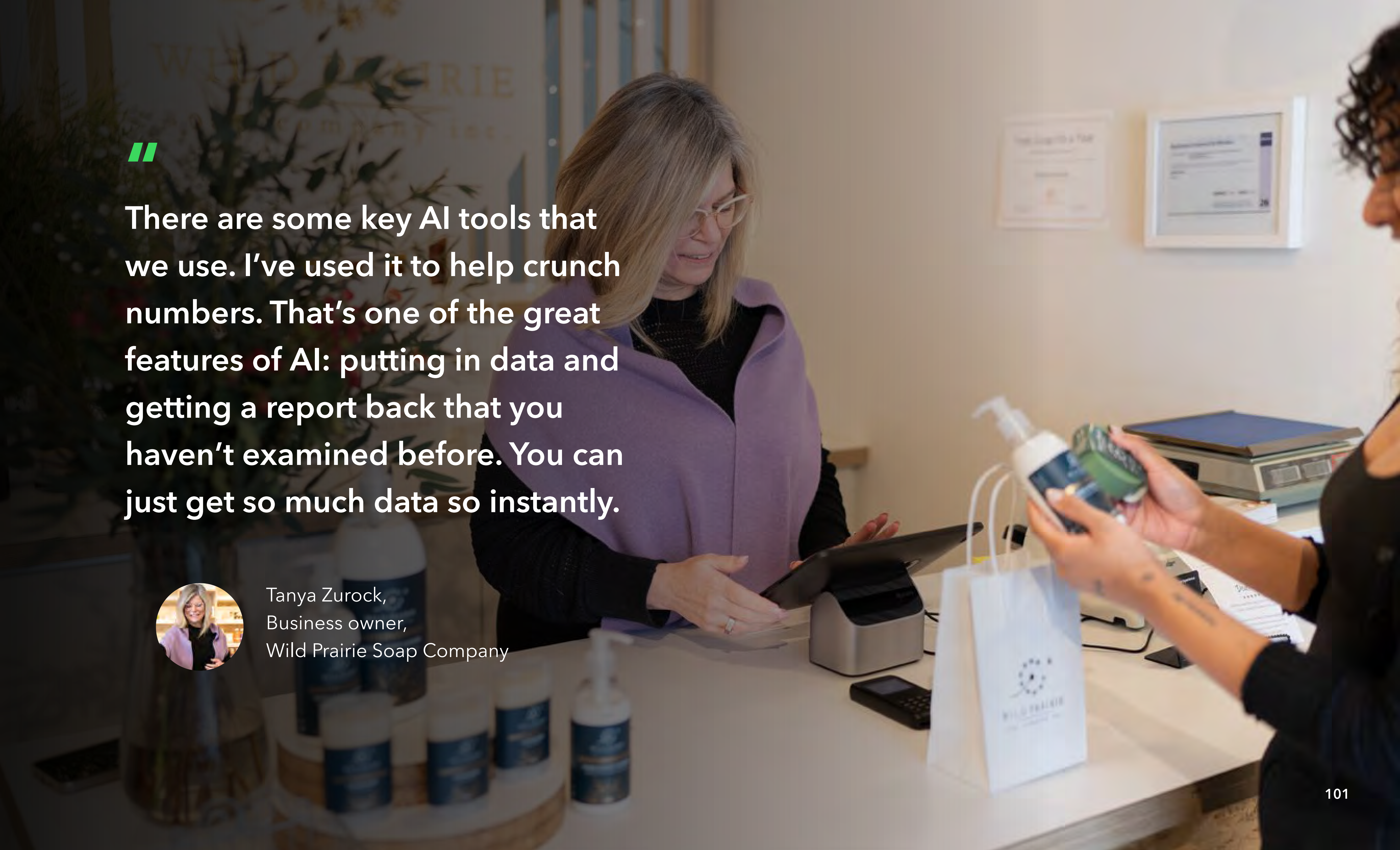
How AI can benefit small businesses

The intersection of digitization and AI presents a unique opportunity for small businesses. Digitization lays the foundation by enabling more efficient operations and connectivity. **AI takes this transformation further by introducing smarter and more adaptive systems**. For small businesses, embracing both trends is not just an option but a necessity for growth, survival, and long-term success in an increasingly digital and AI-driven world.

Most studies on the adoption of digital tools and AI tend to focus on large firms, primarily because of the availability of data and the higher visibility of these organizations in technological transformations. As a result, the experiences and challenges faced by small businesses in adopting these technologies are often overlooked.

The Small Business Insights survey **addresses this gap by specifically focusing on small businesses (with 0–100 employees)**, providing valuable insights into their unique adoption patterns, barriers, and opportunities in the digital and AI landscape. By capturing and analyzing this data, we aim to contribute to a more comprehensive understanding of how these small businesses engage with digital transformation and AI, helping to inform policy and support tailored solutions.

In our analysis of the survey responses from small businesses in the US, Canada, and the UK, we begin with an overview of the adoption of digital tools and AI in these countries. Next, we explore the **relationship between digital tool usage and small business performance**, utilizing various performance indicators to assess this correlation. Lastly, we investigate why these technologies have not been adopted, aiming to uncover the key barriers that prevent small businesses from embracing digital transformation and AI.



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There are some key AI tools that we use. I've used it to help crunch numbers. That's one of the great features of AI: putting in data and getting a report back that you haven't examined before. You can just get so much data so instantly.

Tanya Zurock,
Business owner,
Wild Prairie Soap Company

95% of small businesses report using digital tools

The survey examines the adoption of various digital and AI tools by small businesses. Respondents are given a comprehensive list of the different areas of their business—from marketing to financial management—and asked to identify where they have implemented digital tools to help them manage these processes.[20] As shown in Figure 59, **social media is the most commonly adopted** digital tool by small businesses in the US.

In Canada and the UK, establishing a business website is more prevalent. Additionally, accounting and financial software, online payment platforms, cloud computing services, and email marketing solutions are widely used across these countries. Overall, just 5% of surveyed small businesses reported that they don't use any digital tools at all.

20 Please note the difference in methodology between the Intuit QuickBooks Small Business Insights survey and the recent Intuit QuickBooks Business Solutions Survey, published in September 2024. Both surveys look at the use of digital tools by businesses with 0-100 employees but from different perspectives. The Small Business Insights survey focuses on the number of different areas of the business that are managed with digital tools. The Business Solutions Survey focuses on the total number of digital tools that small businesses use. The former gives a lower average estimate while the latter gives a higher average estimate.

The most popular digital tools among small businesses in the US, Canada, and the UK are used for online marketing

Survey question: Which of the following digital tools has the business adopted?

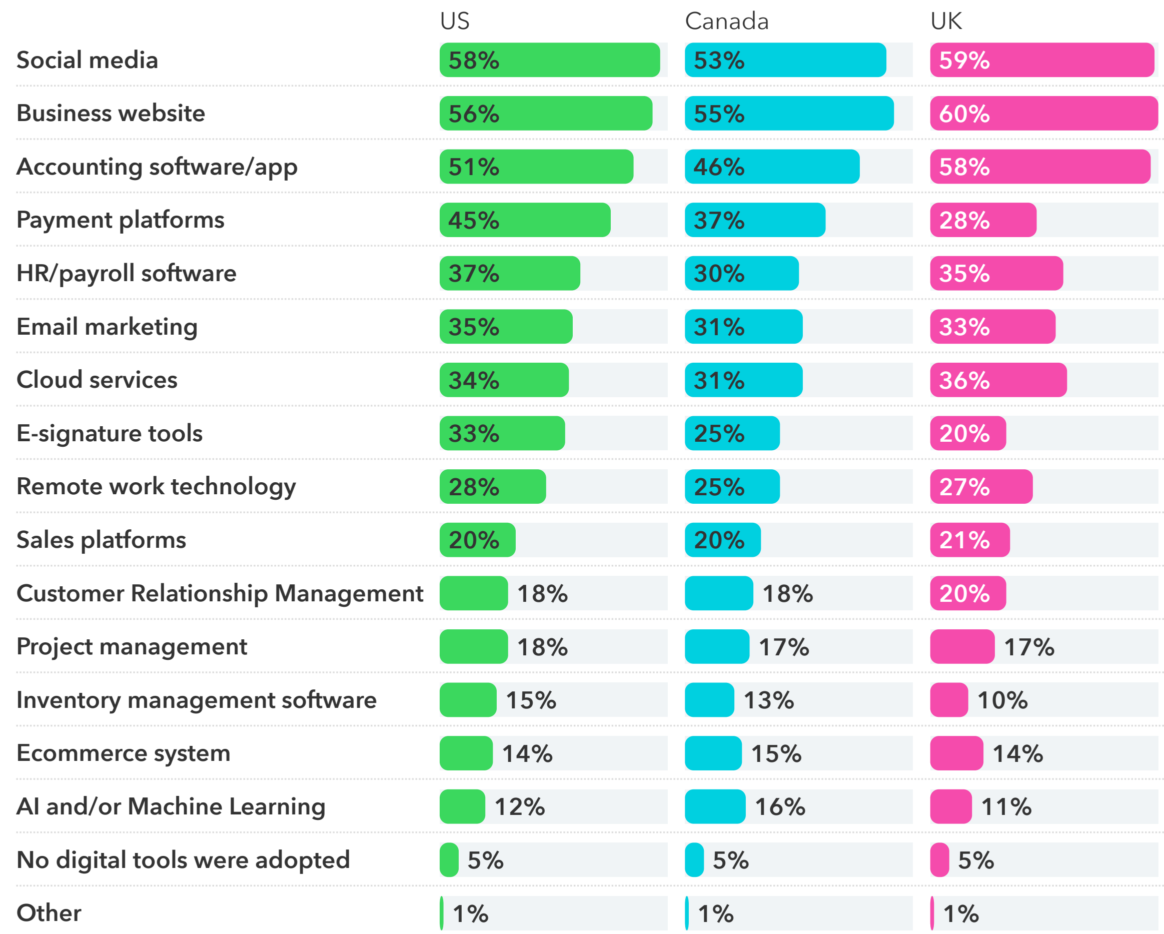


Figure 59, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 2,836 owners and decision-makers of small businesses with 0-100 employees in the US (n=1,506), Canada (n=553) and the UK (n=777).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Canada and the UK lag behind the US

To assess the extent of digital tool adoption, we categorized firms into four groups based on how many areas of their business they manage with digital tools: up to 2, 3 to 4, 5 to 7, and 8 or more. As shown in Figure 60, significant differences emerge across countries. **Small businesses in the US are making more extensive use of digital tools**, with 48% reporting that they manage 5 or more different areas of their business with the help of this technology. In Canada and the UK, roughly 40% reported managing less than 5 areas of their business with digital tools—indicating a more conservative approach to digital adoption.

The most digitally-integrated small businesses manage more than 8 areas of their business with digital tools

US small businesses are more digitally-integrated than in Canada and the UK

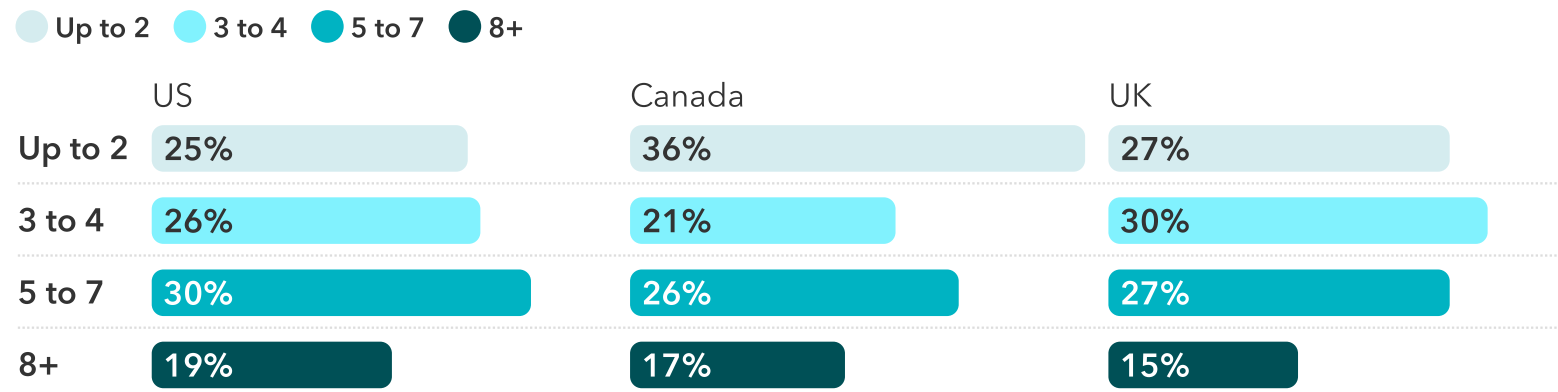


Figure 60, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 2,836 owners and decision-makers of small businesses with 0-100 employees in the US (n=1,506), Canada (n=553) and the UK (n=777).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Women report making more use of digital technology than men

Figure 61 provides insights into whether small businesses owned and operated by women or men are more likely to use digital tools. According to the survey findings, **women in all three countries are more likely than men to report the highest rates of use**, managing 8 or more areas of their business with digital tools. In Canada, the gap is particularly striking: 42% of men are in the lowest-use group (up to 2), compared to just 26% of women.

In the US, Canada, and the UK, women report greater use of digital tools at small businesses than men

Women owners and decision makers of small businesses are more likely to report managing 8+ different areas of their business with the help of digital tools

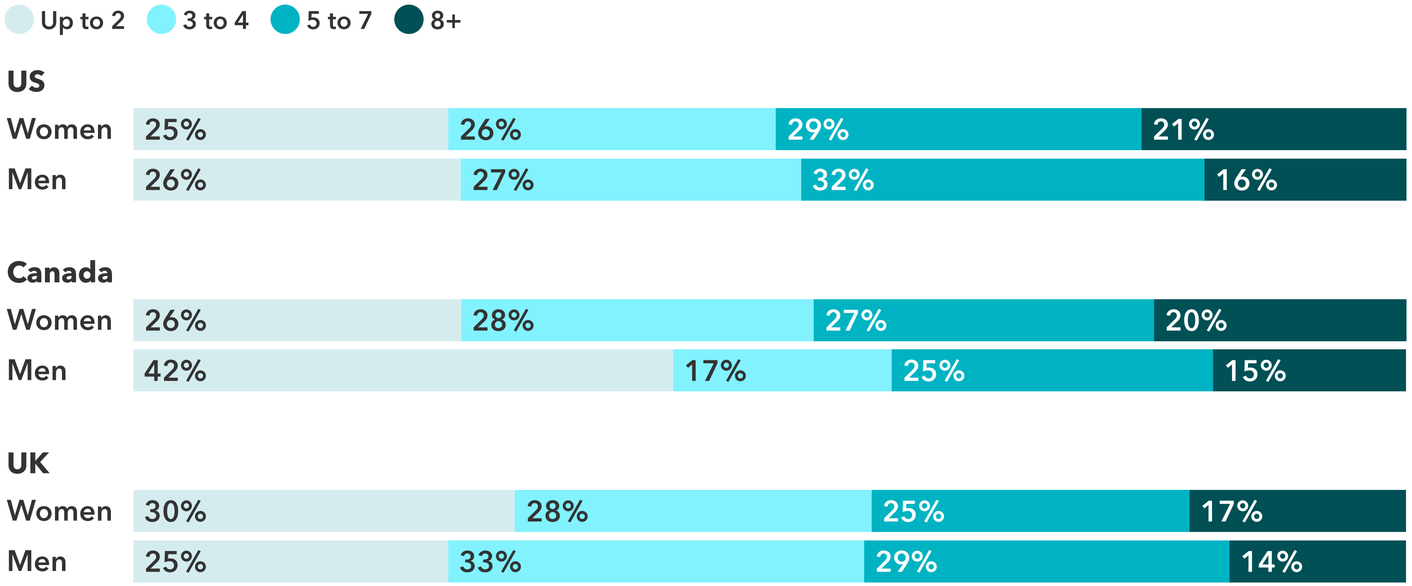


Figure 61, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 2,836 owners and decision-makers of small businesses with 0-100 employees in the US (n=1,506), Canada (n=553) and the UK (n=777).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Business owners with more formal education are more likely to go digital

The use of digital tools is **closely linked to the education level** of business owners and managers. As mentioned in the OECD Skills Outlook 2019: Thriving in a Digital World and in the World Bank's Digital Progress and Trends Report 2023, individuals with higher levels of education tend to have a better understanding of the benefits of digitization and are more adept at using these tools effectively.

Figure 62 illustrates the adoption of digital tools by education level, **revealing a clear positive correlation between higher education and greater use of digital tools**. In the US and the UK, small businesses led by individuals with “more than a bachelor’s degree” are the most likely to manage 8 or more areas of their business with digital tools. In Canada, those with a bachelor’s degree are the most likely to make the most use of digital tools. In all three countries, those with “less than a bachelor’s degree” show the lowest adoption rates. Furthermore, in the US, Canada, and the UK, there is a difference of about 10 percentage points between the “less than bachelor’s” and “more than bachelor’s” groups managing up to 2 areas of their business with digital tools.

In the US, Canada, and the UK, small business owners and managers with more formal education report greater use of digital tools

Owners and decision makers of small businesses who have at least a bachelor's degree are more likely to report managing 8+ different areas of their business with the help of digital tools

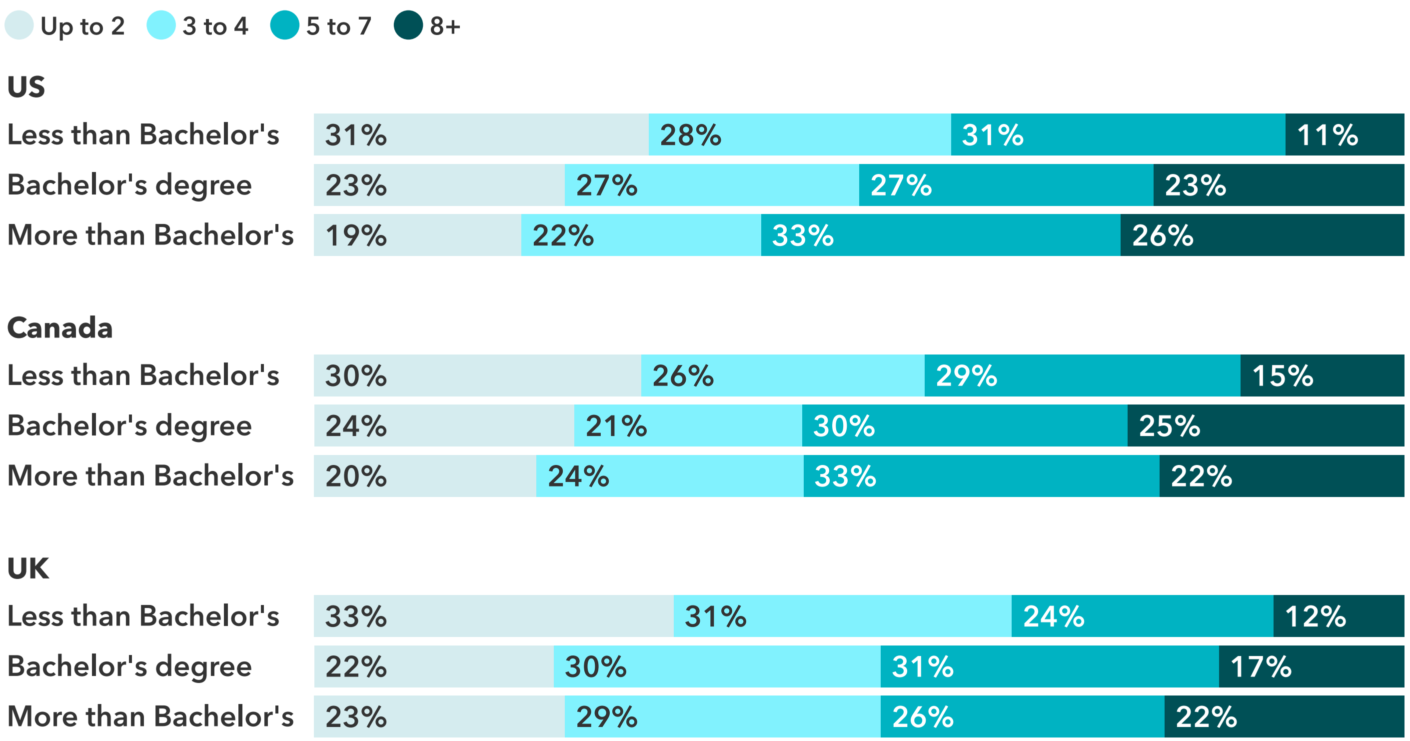


Figure 62, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 2,836 owners and decision-makers of small businesses with 0-100 employees in the US (n=1,506), Canada (n=553) and the UK (n=777).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Money matters: Digital financial management systems bring the most benefits

The survey also identifies which types of digital tools small businesses find most useful. As shown in Figure 63, the tools they consider to be most useful are typically those that are already widely adopted. Across all three countries, **accounting and financial software is regarded as the most valuable digital tool**. This is followed by business websites and social media, both of which are seen as improving interactions with potential customers.

The most useful digital tools are those that help with financial management, according to small businesses in the US, Canada, and the UK

Survey question: Which digital tools are most useful in your business?

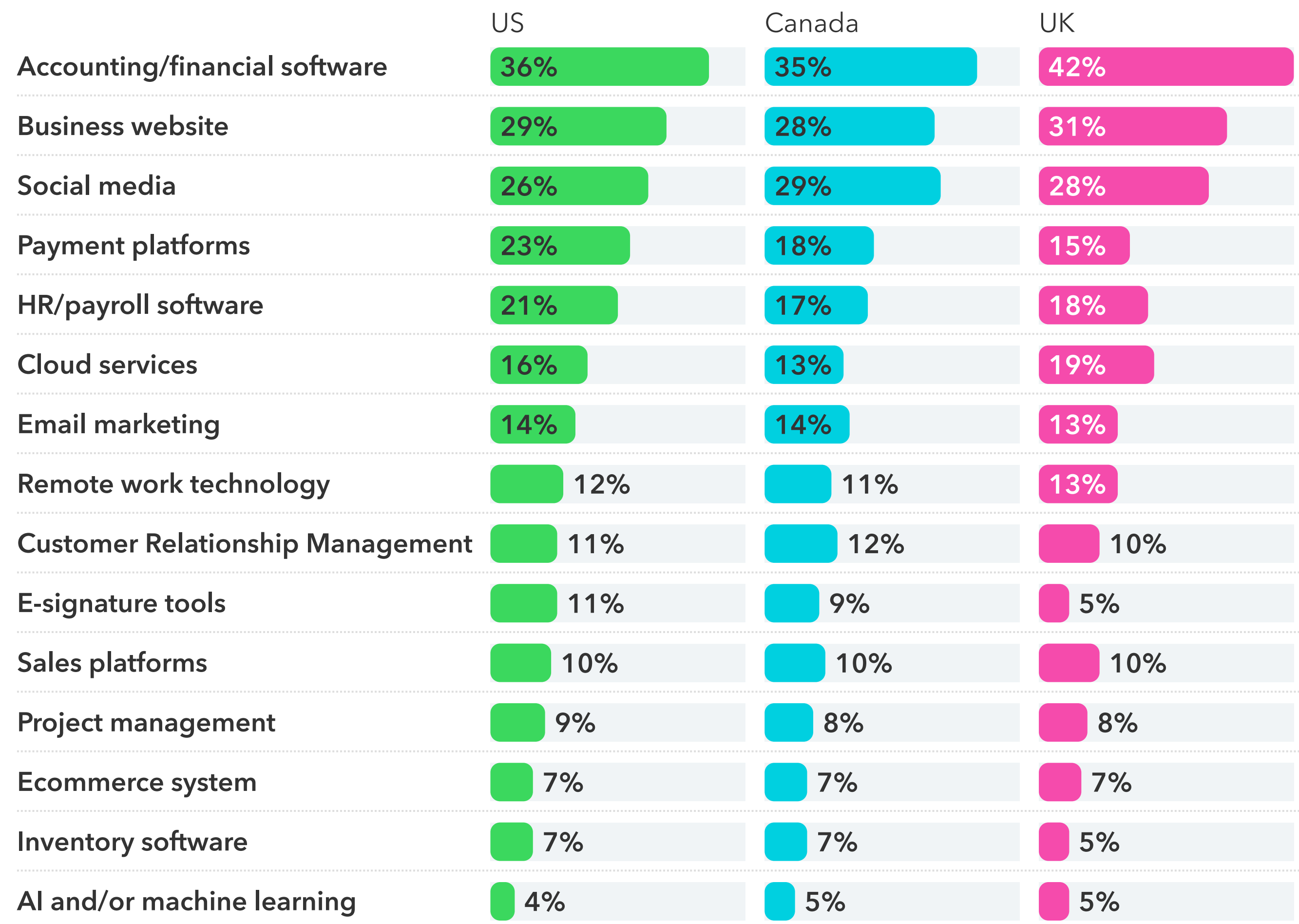


Figure 63, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 4,267 owners and decision-makers of small businesses with 0-100 employees in the US (n=2,257), Canada (n=857) and the UK (n=1,153).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

How small businesses learn about digital tools

Understanding how small businesses learn about new digital tools is also crucial. As shown in Figure 64, there are **notable differences across countries**. In the US, respondents identified friends as their primary source for discovering new digital tools, followed closely by social media, suppliers/customers, and advertisements. In Canada, social media was the most common source, followed by advertisements, suppliers/customers, and reviews from publications/websites. Learning from friends is much less common among Canadian small businesses. In the UK, interactions with customers and suppliers are the most popular way of learning about new digital tools. Social media is the second most common source, similar to the US. UK small businesses rely on friends and advertisements to a lesser extent.

For small businesses, social media is one of the most popular sources of information about digital tools

Survey question: How do you learn about new digital tools?

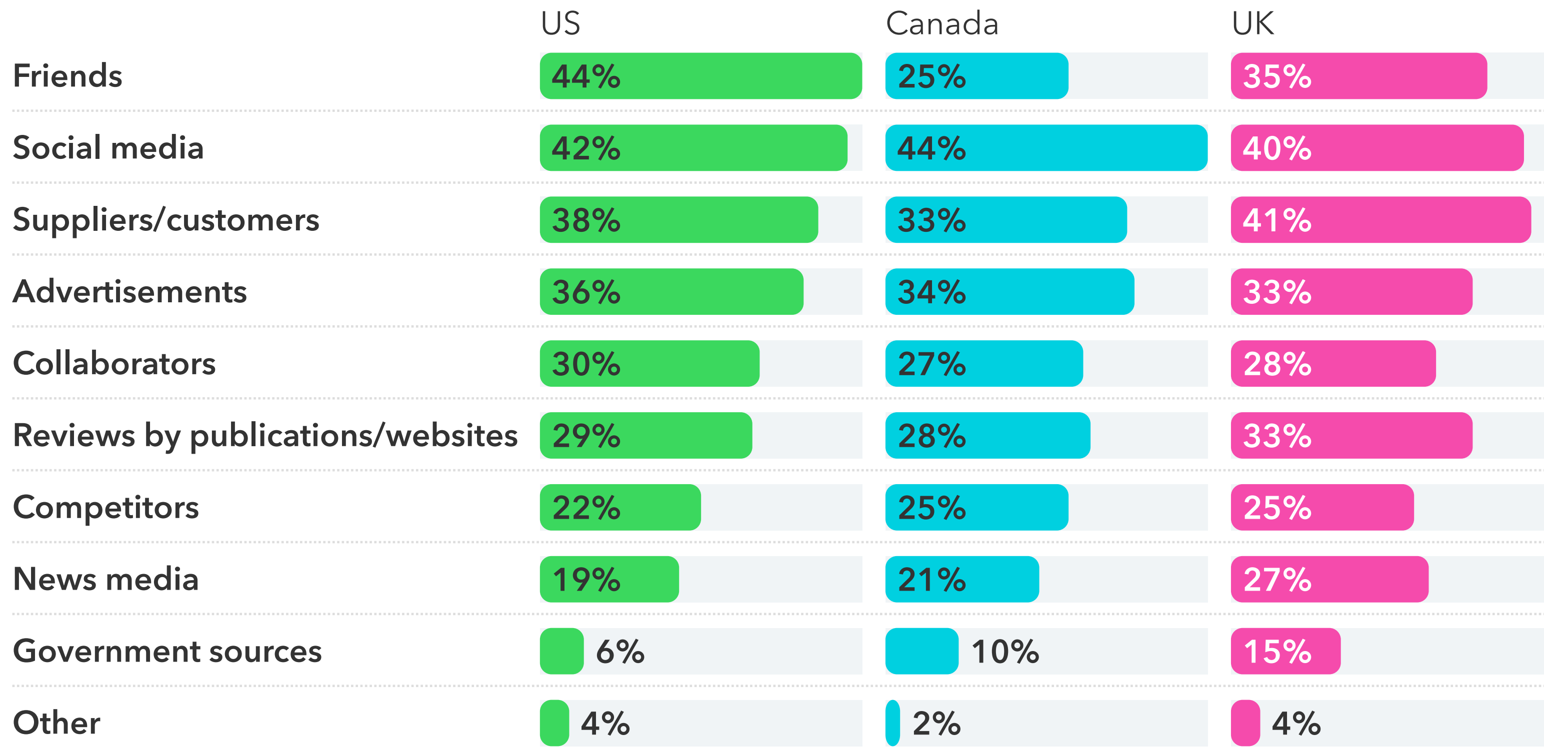


Figure 64, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 4,267 owners and decision-makers of small businesses with 0-100 employees in the US (n=2,257), Canada (n=857) and the UK (n=1,153).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

An important observation is that, in all three countries, government sources play a much smaller role in helping small businesses learn about new digital tools. This suggests **a potential opportunity for governments to take a more active role** in promoting and disseminating information on emerging technologies, in order to help small businesses grow and scale in this digital economy.

How small businesses benefit from going digital

We also sought to understand how digital tools benefit small businesses in their operations. The results show striking similarities across the surveyed countries (Figure 65). The majority of small businesses reported that digital tools primarily help them by saving time, which is crucial for streamlining day-to-day tasks and reducing manual efforts. Another key benefit cited by small businesses is improved efficiency. By **automating processes, improving workflows, and enabling better decision-making**, digital tools help businesses operate more smoothly and effectively. This increased efficiency not only improves productivity but also allows small businesses to focus on higher-value activities.

The most common benefit from using digital tools, according to small businesses, is higher productivity

Survey question: Thinking of your most useful digital tools, in which of the following ways (if any) are they helping your business?

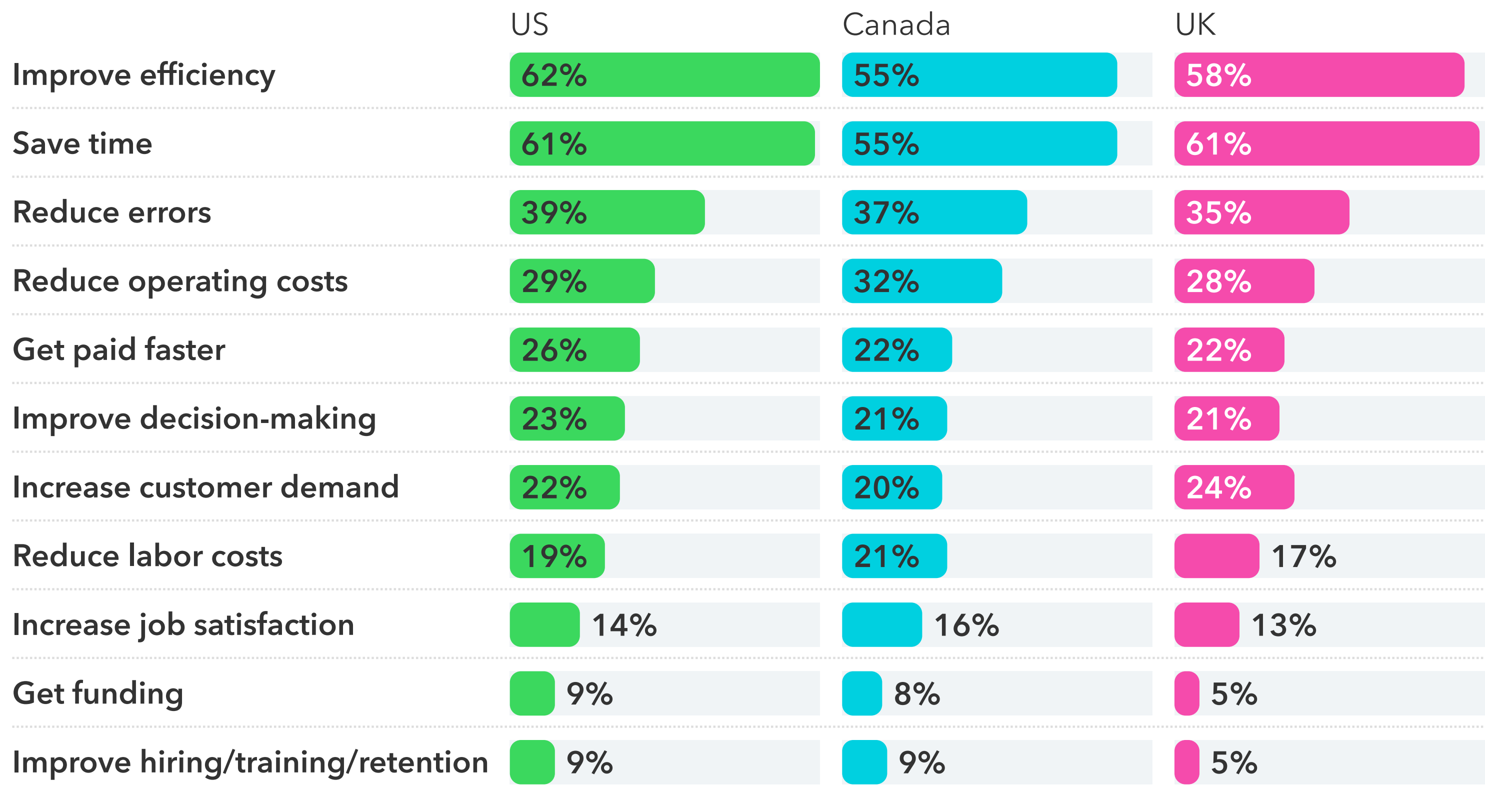


Figure 65, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 5,183 owners and decision-makers of small businesses with 0-100 employees in the US (n=3,012), Canada (n=1,013) and the UK (n=1,158).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

The third most commonly reported benefit is a **reduction in errors**. Digital tools, particularly in areas such as accounting, inventory management, and data entry, help minimize human error, leading to increased accuracy and more reliable outcomes. This reduction in mistakes can significantly impact overall business performance by reducing the need for costly corrections and rework. Overall, firms across the US, Canada, and the UK report that digital tools play an integral role in improving their operational efficiency, accuracy, and time management.

How often do small businesses use AI?

Given the rapid advancements in AI, this year's survey placed greater emphasis on understanding small businesses' approaches to AI technologies. Figure 66 shows how often small businesses use AI-enabled tools in their operations. While a significant portion of respondents in all three countries reported never using AI in their business—40% in the US, 38% in Canada, and 46% in the UK—some already use it on a daily basis. **Daily AI use is most prevalent in Canada**, where 19% of small businesses reported using AI tools daily, compared to 15% in the US and 11% in the UK. [21]

21 Other surveys, including the [2023 Small Business AI Survey] commissioned by Intuit QuickBooks, show higher rates of AI use among small businesses. In this survey, almost 90% reported that they have used some form of AI at work.

Small businesses in Canada are the most likely to report daily use of AI

Survey question: Common applications that use AI include ChatGPT, Grammarly and Writer, translation services, video editing software, and data analytics tools. How frequently, if at all, do you use any AI-enabled tool for your business

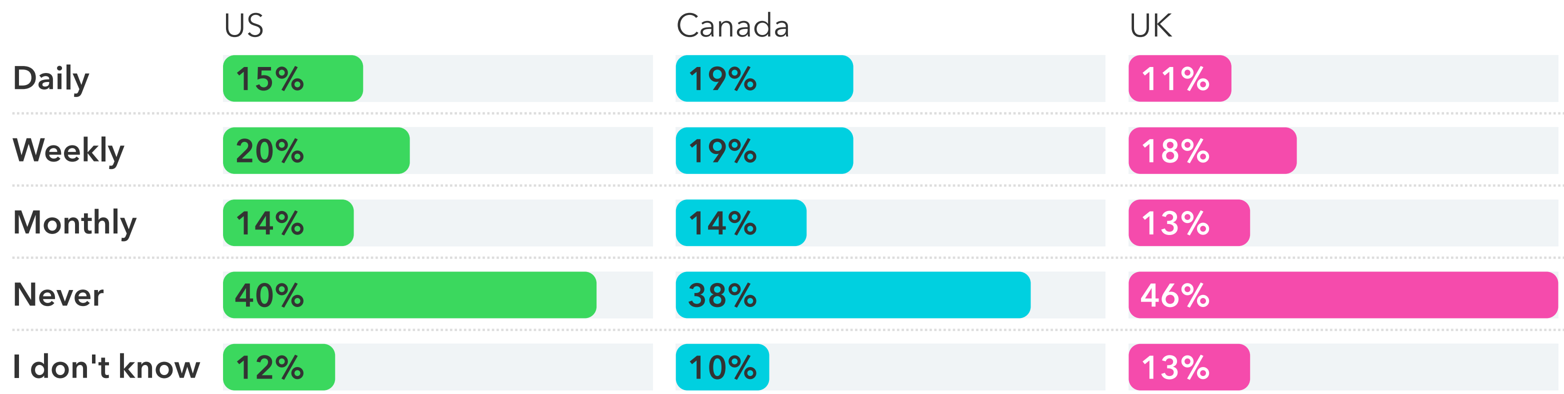


Figure 66, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 5,183 owners and decision-makers of small businesses with 0-100 employees in the US (n=3,012), Canada (n=1,013) and the UK (n=1,158).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Small businesses say AI can boost their productivity

Finally, the survey examined respondents' sentiments regarding the impact of AI on their productivity. The findings reveal a clear trend: A relatively smaller proportion of respondents consider AI unhelpful in their business operations, with only 13% in the US, 14% in Canada, and 13% in the UK expressing this view. A much larger share of respondents perceive **AI as a valuable tool for enhancing productivity**, with 46% of US respondents, 49% of Canadian respondents, and 39% of UK respondents reporting that AI has positively impacted their work efficiency (Figure 79).

Around 2 in 5 small businesses report that AI is helping them boost productivity

Survey question: On a scale of 1 to 5 (1 = very unhelpful; 5 = very helpful) which of the following describes your current views of AI's impact on your productivity?

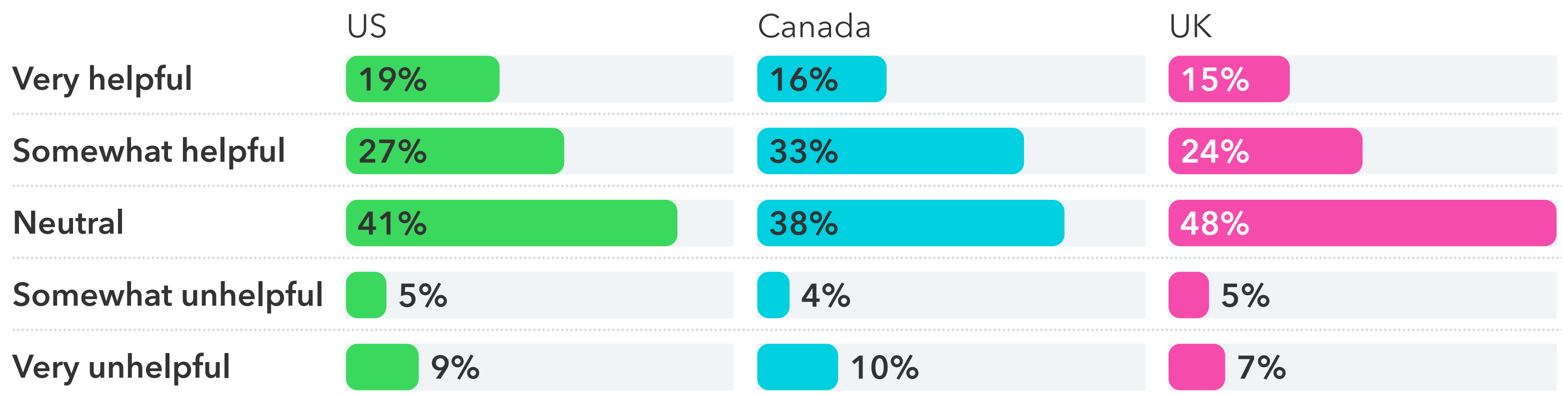


Figure 67, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 5,183 owners and decision-makers of small businesses with 0-100 employees in the US (n=3,012), Canada (n=1,013) and the UK (n=1,158).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Notably, nearly 50% of UK respondents reported a neutral sentiment, indicating that they view AI as having neither a helpful nor an unhelpful effect on their productivity. This suggests that while AI adoption is growing, many small businesses may still be in the early stages of understanding or fully realizing its potential. However, the overall trend points to an increasing recognition of AI's role in boosting productivity, with fewer small businesses finding it unhelpful compared to those who see it as a beneficial tool. This highlights **the growing importance of AI in shaping business operations** across industries.

Impact of digital tools on small business performance

As noted above, there is **widespread adoption of digital and AI tools** among small businesses in the US, Canada, and the UK, with regional differences in preferred tools and perceived usefulness. The adoption of digital tools plays a crucial role in enhancing small business performance across various dimensions. These technologies have the potential to streamline operations, improve efficiency, and ultimately boost productivity. Next, we explore the relationship between the use of digital tools and small business performance, using different indicators. For this analysis, we began by examining if higher adoption of digital tools is positively associated with productivity growth.

Digital tools and productivity

Figure 68 illustrates a clear positive relationship between the number of business areas that are managed with digital tools and the percentage of small businesses reporting increased productivity. In other words, **more use of digital tools correlates with higher productivity**. In both the UK and Canada, over 70% of small businesses managing eight or more areas digitally have reported a productivity boost in the past three months. Similarly, in the US, 67% of small businesses with extensive use of digital tools experienced productivity gains. This trend highlights the strong correlation between comprehensive digital tool integration and business performance, with small businesses leveraging digital tools across multiple functions seeing a more pronounced improvement in efficiency and output.

In the US, Canada, and the UK, higher use of digital tools correlates with higher productivity

Small businesses that report managing 8+ different areas of their business with the help of digital tools are also more likely to report higher productivity

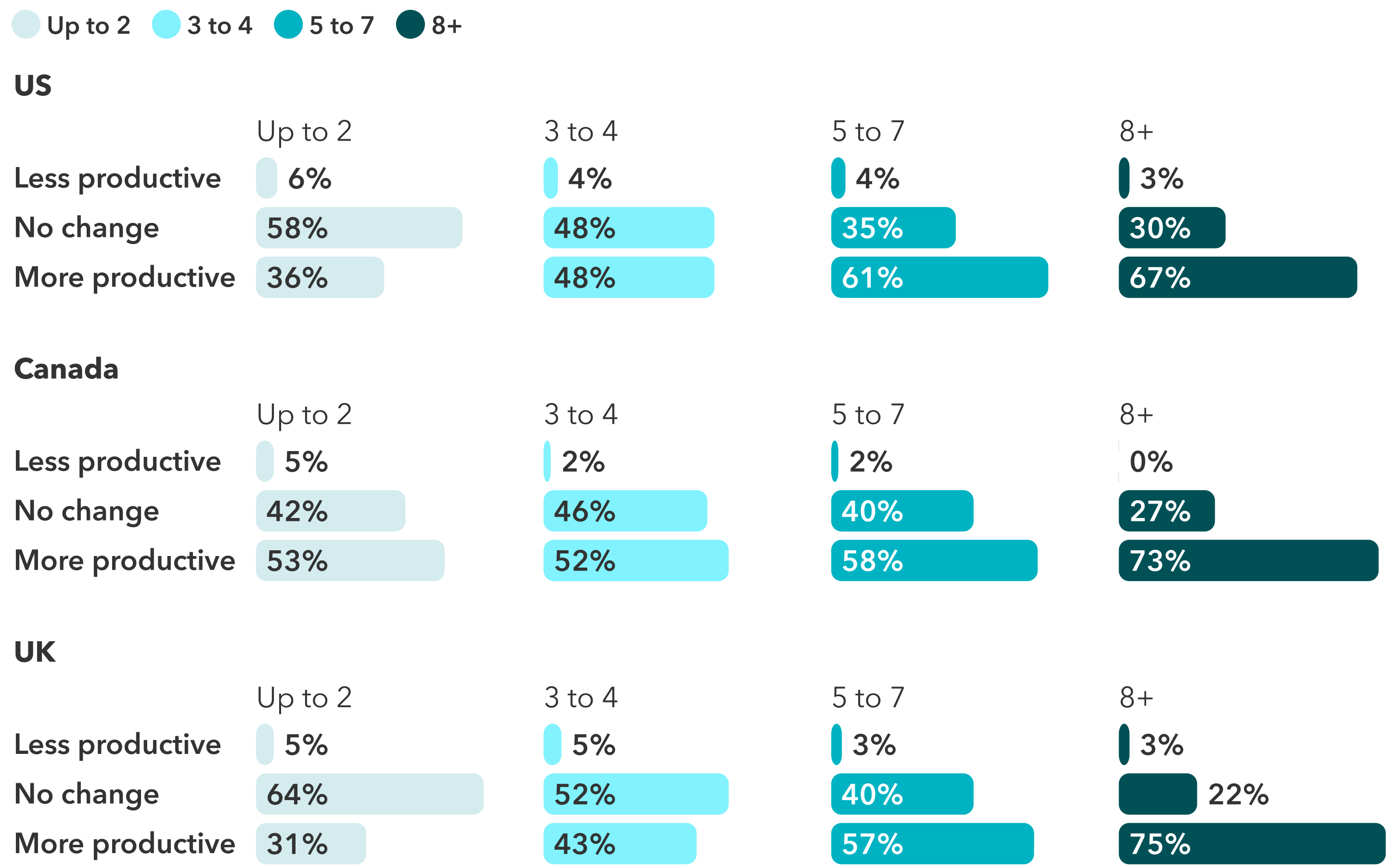


Figure 68, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 2,836 owners and decision-makers of small businesses with 0-100 employees in the US (n=1,506), Canada (n=553) and the UK (n=777).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Digital tools and revenue

We also analyzed the relationship between digital tool adoption and sales revenue growth, revealing a similar pattern to that observed with productivity (Figure 69). A broader application of digital tools across various business functions is positively associated with positive sales revenue growth across the surveyed small businesses. In other words, **more use of digital tools correlates with higher revenue**. The proportion of small businesses reporting a rise in sales revenue is highest among those managing eight or more areas of their business with digital tools in all three countries. While the percentages are lower than those reporting productivity gains, they remain significant: 45% of small businesses in the US, 59% in Canada, and 57% in the UK reported an increase in sales revenue. Among the same group, the share of small businesses that reported maintaining constant sales revenue was 28% in the US, 16% in Canada, and 19% in the UK. These results emphasize the importance of digital tool integration not only for improving productivity but also for driving sales performance.

In the US, Canada, and the UK, higher use of digital tools correlates with higher sales revenue

Small businesses that report managing 8+ different areas of their business with the help of digital tools are also more likely to report higher sales revenue

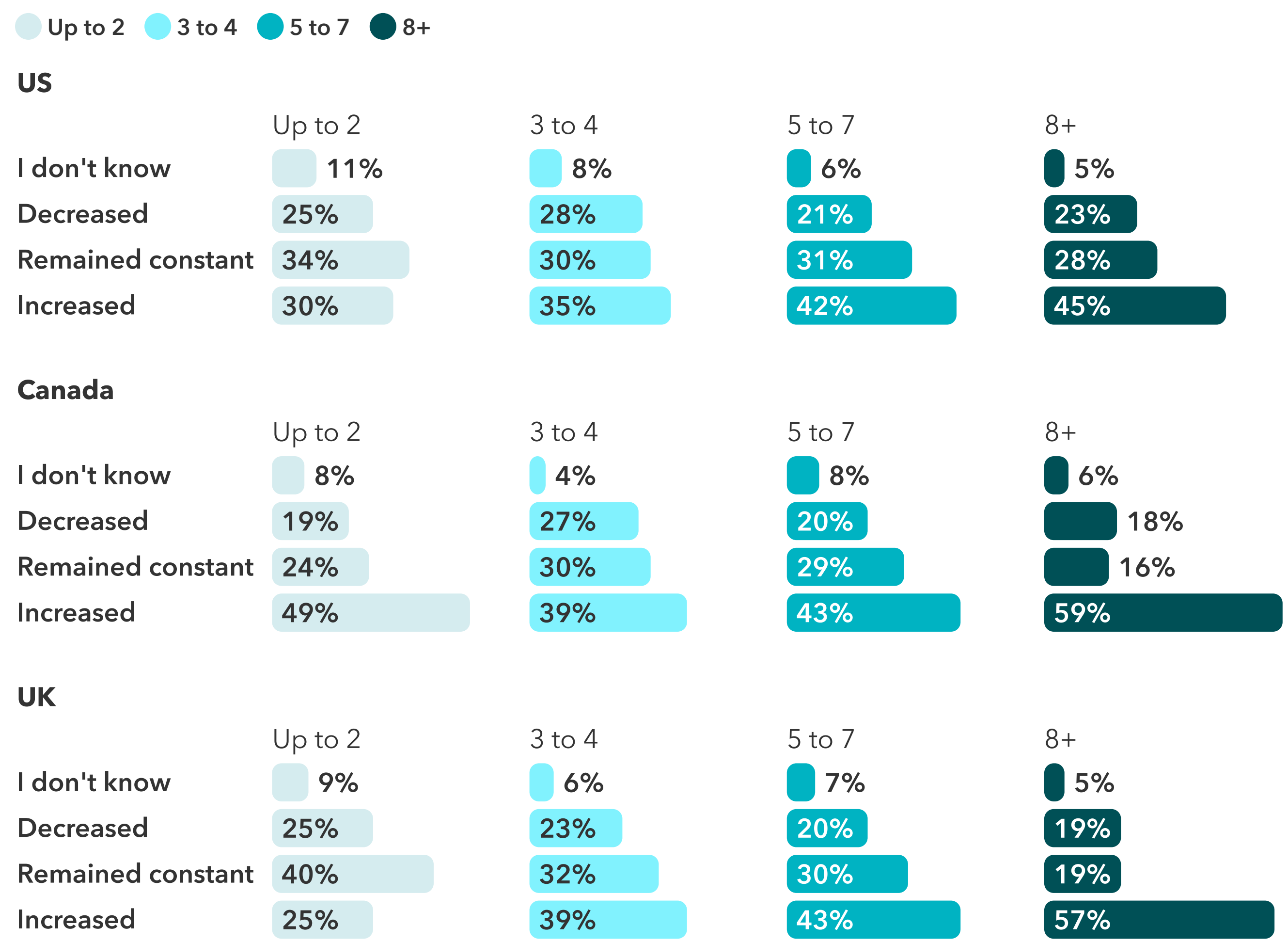


Figure 69, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 2,836 owners and decision-makers of small businesses with 0-100 employees in the US (n=1,506), Canada (n=553) and the UK (n=777).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Digital tools and future revenue growth

Small businesses that integrate digital tools across more areas of their business are also **more likely to forecast positive future revenue growth**. Figure 70 shows this trend clearly. Among US respondents managing up to 2 areas of their business digitally, only 38% expect an increase in their sales. But among small businesses managing 8 or more areas of their operations digitally, this figure is 1.6 times higher. Canadian small businesses show greater optimism overall regarding their sales growth. Here again, the difference between low and high adopters remains significant—53% of those managing up to 2 areas of their business digitally expect sales growth, whereas this figure is 1.29 times higher for those managing 8 or more areas digitally. The disparity is even more pronounced among UK small businesses. Only 30% of those managing up to 2 areas digitally anticipate positive sales growth, compared to 64% for small businesses managing 8 or more areas digitally—more than double the figure for low-adoption small businesses.

In the US, Canada, and the UK, higher use of digital tools correlates with higher predicted sales revenue in future

Small businesses that report managing 8+ different areas of their business with the help of digital tools are also more likely to predict higher sales revenue

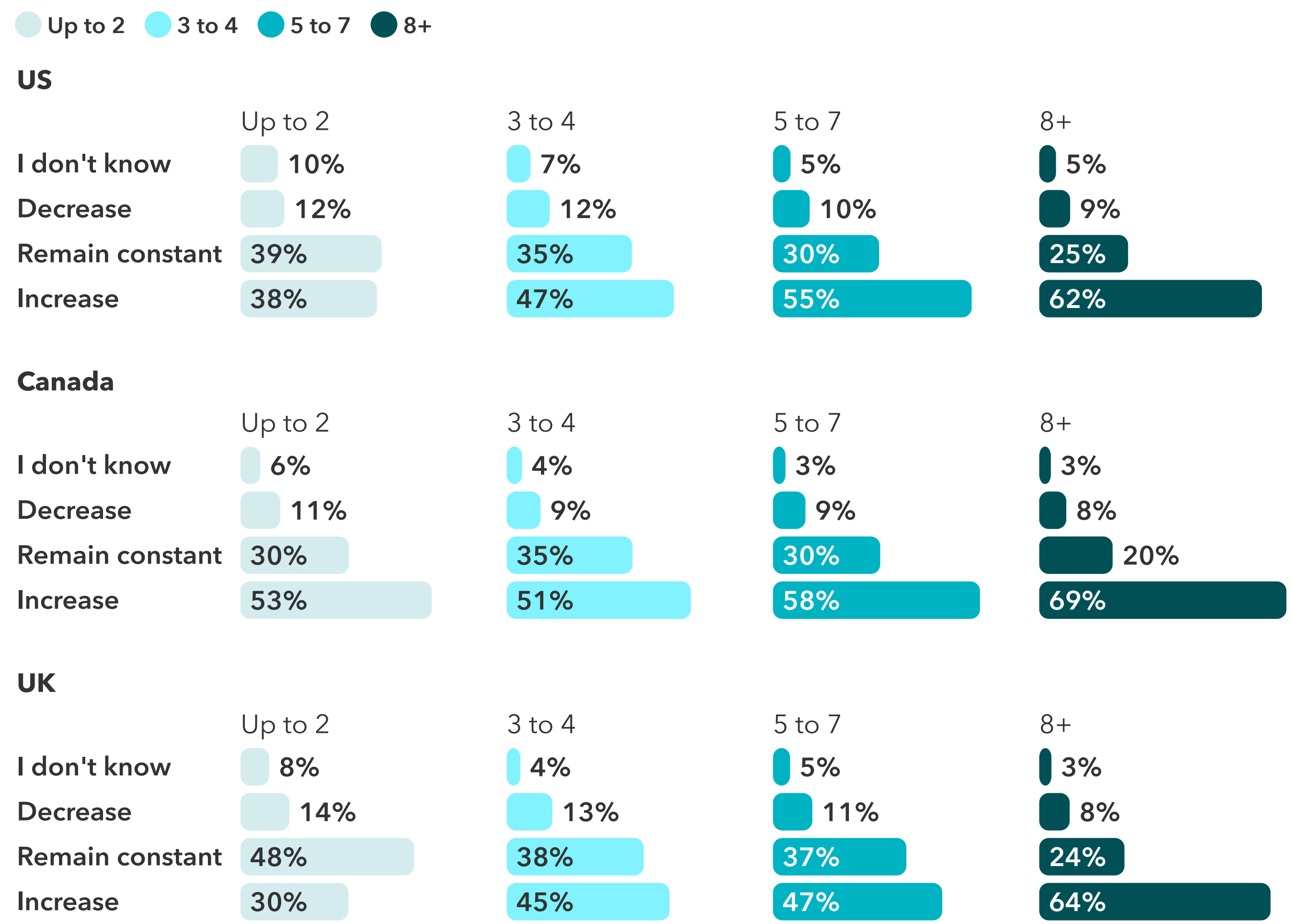


Figure 70, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 2,836 owners and decision-makers of small businesses with 0-100 employees in the US (n=1,506), Canada (n=553) and the UK (n=777).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Digital tools and confidence

Digital tools can significantly enhance a small business's ability to make accurate predictions regarding their financial performance. To assess this impact, we analyzed responses to the question, "How sure are you about your sales revenues forecast?" As shown in Figure 71, small businesses that integrate digital tools more widely across their business tend to express **greater confidence in their revenue forecasts**. In the US, for example, the share of respondents who reported feeling confident about their sales revenue predictions rises from 50% among those managing up to two areas of their business with digital tools to 72% for small businesses that manage eight or more areas this way. Similarly, in Canada, confidence increases from 53% to 65%. In the UK, it rises from 57% to 71%. This highlights a consistent pattern of greater confidence as businesses make more use of digital tools in their operations.

In the US, Canada, and the UK, higher use of digital tools correlates with higher confidence in future sales revenue predictions

Small businesses that report managing 8+ different areas of their business with the help of digital tools are also more likely to be confident about the accuracy of their future sales revenue predictions

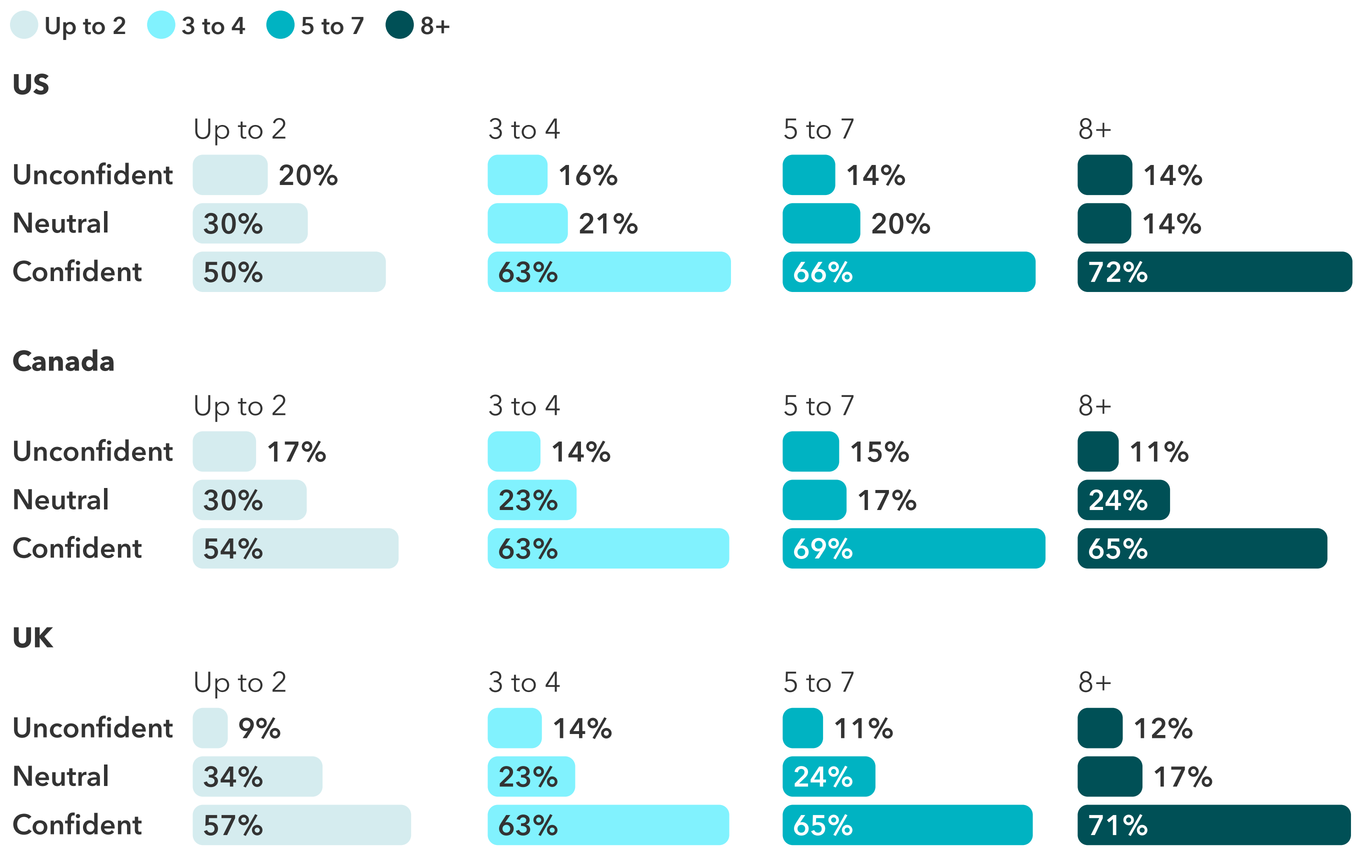


Figure 71, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 2,836 owners and decision-makers of small businesses with 0-100 employees in the US (n=1,506), Canada (n=553) and the UK (n=777).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

Reasons for not adopting digital tools

Understanding the reasons for not using digital tools is crucial for identifying the barriers small businesses face in embracing technology. By investigating these obstacles, stakeholders can develop **targeted strategies and policies to help businesses overcome challenges and enhance their digital capabilities**. Additionally, gaining insights into non-adoption can inform future initiatives aimed at promoting digital transformation, ultimately fostering a more competitive and resilient business environment. Figure 72 presents the key reasons for small businesses not adopting digital tools, showing similar patterns across the three countries surveyed. The most frequently cited reason for non-adoption in the US, Canada, and the UK is the cost of digital tools. Overall, roughly 1 in 4 respondents (23% in the US, 25% in Canada, and 29% in the UK) reported cost as the primary barrier.

Barriers to making more use of digital tools, according to small businesses in the US, Canada, and the UK

Survey question: What are your main reasons for not adopting new digital tools?

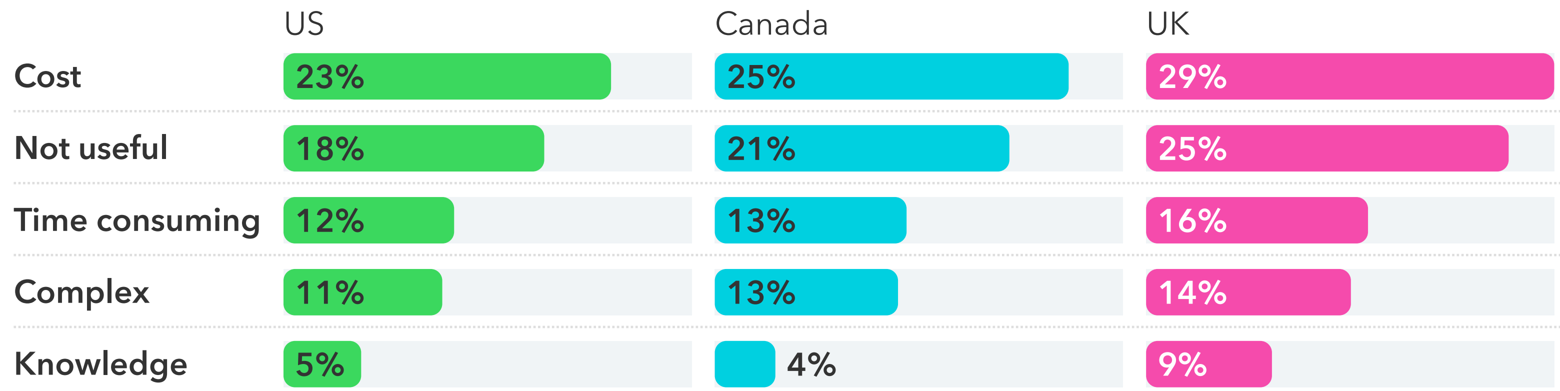


Figure 72, Intuit QuickBooks Small Business Index Annual Report 2025. Sample: 2,836 owners and decision-makers of small businesses with 0-100 employees in the US (n=1,506), Canada (n=553) and the UK (n=777).

Source: Intuit QuickBooks Small Business Insights Survey, July 2024 (intuit.me/insights)

The second most common reason across all three countries is the perception that digital tools are not useful for their specific business needs. Additionally, two other closely-related barriers identified were the perceptions that digital tools are too time-consuming to implement or too complex to use. These concerns highlight broader challenges small businesses face when integrating new technologies, such as **the need for training, technical support, and resources to ease the transition**. Addressing these barriers could be crucial in supporting greater adoption of digital tools and improving small business performance.

Key takeaway

In the US, Canada, and the UK, small businesses that make the most of digital tools to manage their business operations are the most likely to report **higher productivity, higher revenue, and higher levels of confidence** in their future sales forecasts. The top benefits they identify are efficiency, accuracy, and cost savings.

Data sources and methodology

Data sources and methodology

Learn more about the data sources and methodologies behind the statistics used in this report, including the Intuit QuickBooks Small Business Index and the Intuit QuickBooks Small Business Insights Survey.

The critical role of small businesses in the economy

References

- U.S. Census Bureau: Business Dynamics Statistics
- UK Office for National Statistics: Firm-level business dynamism estimates from the Longitudinal Business Database: summary statistics, 2001-2023,
- Statistics Canada: Computations from business sector employment flow rates by firm size, provinces and the territories (Table: 33-10-0090-01; formerly CANSIM 527-0010)
- OECD: Entrepreneurship at a Glance 2017
- Andrews, D., A. Charlton, and A. Moore (2021), "COVID-19, productivity and reallocation: Timely evidence from three OECD countries", OECD Economics Department Working Papers, No. 1676, OECD Publishing, Paris, https://doi.org/10.1787/d2c4b89c-en.
- Intuit QuickBooks Small Business Insights, a quarterly survey of more than 5,000 small businesses in the US, Canada, UK, and Australia. (See "How small businesses are using digital tools and AI" below for more details.)

Recent employment and revenue trends from the Small Business Index

Methodology

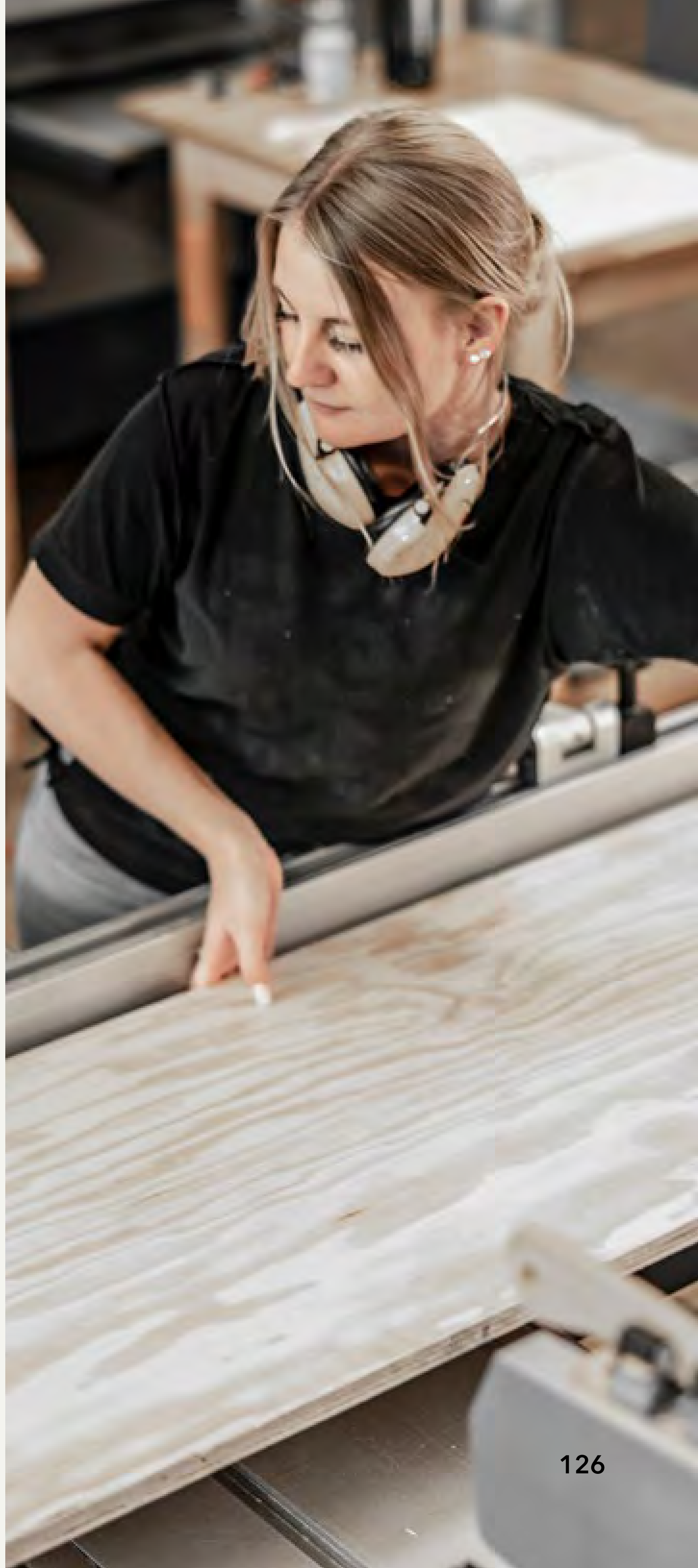
The [Intuit QuickBooks Small Business Index]() tracks monthly changes in small business employment, job vacancies, or revenue in the US, Canada, and the UK. The Index is powered by anonymized data from more than 557,000 QuickBooks customers which is combined with official statistics using robust economic models developed by the authors of this report. Read a summary methodology or download the full methodology here. This methodology ensures the Small Business Index accurately reflects the general population of small businesses, not the QuickBooks customer base or Intuit's business, and provides high-frequency insights before equivalent official statistics are published.

In the US, the Small Business Index currently tracks:

- Total employment on a monthly basis from January 2015 to the present at small businesses with 1 to 9 employees at the national, regional, and sector levels; and for 20 states. Sample: 444,000 small businesses using the QuickBooks platform.
- Average real monthly revenue from May 2019 to the present at small businesses with 1 to 9 employees, available at the national, regional, and sector levels; and for 20 states. Sample: 300,000 small businesses using the QuickBooks platform. Revenue is deflated to 2017 dollars to remove the impact of inflation and show real changes in revenue.

In Canada, the Small Business Index currently tracks:

- Total employment on a monthly basis from January 2015 to the present at small businesses with 1 to 19 employees at the national, regional, and sector levels. Sample: 87,000 small businesses using the QuickBooks platform.



In the UK, the Small Business Index currently tracks:

- Total employment on a monthly basis from January 2019 to the present at small businesses with 1 to 9 employees, available at the national, regional, and sector levels. Sample: 26,000 small businesses using the QuickBooks platform.
- Total job vacancies on a monthly basis from January 2018 to the present at small businesses with 1 to 9 employees at the national, regional, and sector levels. Sample: 26,000 small businesses using the QuickBooks platform.

External data sources used for the Small Business Index:

- U.S. Bureau of Labor Statistics: Business Employment Dynamics (BED), Job Openings and Labor Turnover Survey (JOLTS), and Statistics of US Businesses (SUSB) revenue series
- U.S. Bureau of Economic Analysis: Regions of the US
- Federal Reserve Bank of St. Louis: Consumer Price Index for All Urban Consumers
- Statistics Canada: Labour Force Survey and regions of Canada
- UK Office of National Statistics: Business Population Estimates and Vacancy Survey
- Sector classifications: North American Industry Classification System (NAICS) and UK Standard Industrial Classification.

How higher interest rates have affected small businesses this year

References

- FDIC, Wide or Narrow? Competition and Scope in Financial Intermediation
- OECD, Skills Outlook 2019: Thriving in a Digital World
- World Bank, Digital Progress and Trends Report 2023

Methodology

Figures 52, 53 in this section (credit card usage, credit card payments and interest, and the distribution of average interest payments) plot average values of credit card usage, payments and interest payments for an average small business in the US with 0 to 100 employees. The analysis is based on a cohort of 249,000 small businesses using the QuickBooks platform consistently between July 2019 and August 2024 and is reweighted by sector and region to make the insights nationally-representative. Figure 54 shows a comparison of 2022 and 2023 interest payments and is based on a cohort of 677,000 small businesses using the QuickBooks platform consistently in 2022 and 2023.

In the first step, for each of these firms, we used anonymized data to calculate the total usage and value of payments on all of the credit cards used for business purposes and summed these values up to get a firm-level total. We then used the anonymized transaction descriptions to establish if the firm was charged interest on any of their credit cards and again summed these values up to a firm-level total.

In the next step, we took the firm-level totals and aggregated them to sector and regional level cells. To make these nationally-representative, we then reweighted each cell to make the regional and sectoral cross composition of the firms align with the corresponding composition in the US economy.

The figures shown in the report plot the averages of these nationally-representative statistics. As these are reweighted nationally-representative plots, they do not reflect the Intuit QuickBooks customer base or Intuit's business.

Methodology for income gap calculations and small business growth

This analysis behind Figures 55, 56, and 57 follows changes within small businesses over time and reports these changes by bucket (50th percentile, 75th percentile, etc., as shown in Figure 57) relative to the smallest group. As above, the findings from this analysis do not reflect the Intuit QuickBooks customer base or Intuit's business.

Because small businesses are particularly reliant on financial institutions for their funding needs, the analysis explores how interest rate policies enacted by monetary authorities to tame inflation from January 2022 have affected them. It compares small business credit card usage as a function of the Interest Rate Sensitive (IRS) asset position (controlling for bank size and equity ratio) of the institutions they bank with. The interest rate sensitivity of assets measures the exposure of the bank's asset position to the changes in interest rate, with the result described as its "income gap." This is calculated from Bank Holding Company data using the following formula:

Income Gap = (Rate Sensitive Assets - Rate Sensitive Liabilities) / Total Assets

The analysis shows that banks and other financial institutions with a large positive gap (because they have more IRS assets than liabilities) had an increase in their income during the rate hikes relative to banks with a low income gap (because they have more IRS liabilities than assets). Further, these banks were able to maintain a higher credit card debt supply at low rates. A key challenge with this type of analysis is distinguishing the impact that changes in policy have on bank lending, and thus on small businesses, from changes in demand from small businesses themselves. To address this issue we compared two credit card accounts of the same firm, thus controlling for the demand at the firm-level.

After establishing the differential credit card debt supply shock depending on the banking partner, we analyzed its impact on revenue and employment growth of small businesses. As firms' bank relationships are relatively sticky in the short term (in other words, they do not change banking partners very frequently), the firms with higher income gap banking partners had a relatively larger credit card debt supply. We used this difference between supply across firms to establish the impact of credit card debt supply on firm-level outcomes such as revenue and employment.

How small businesses are using digital tools and AI

All of the data used in this section comes from the Intuit QuickBooks Small Business Insights survey. This is a quarterly, international, online survey of small business health, opinions, and priorities commissioned by Intuit QuickBooks in the US, Canada, the UK, and Australia every three months since September 2021. The average sample size for each wave of the survey is more than 5,700 small businesses worldwide (please note that the 500 responses from quarterly surveys fielded in Australia are not included in this report). In the US, Canada, and the UK, participants are the owners and decision-makers of businesses with 0-100 employees. They are recruited from two sources, listed below. The total number of respondents to the July 2024 wave of the survey used in this report is 5,183. Of these, 3,012 respondents are from the US, 1,013 respondents are from Canada, and 1,158 respondents are from the UK.

Dynata panel

Roughly 3,500 survey respondents in total per wave (including Australia). Of these, at least 1,500 are from the US, at least 600 are from Canada, and at least 750 are from the UK. In the July 2024 wave used in this report, the total number of Dynata panel respondents for the data used in this report was 2,868; comprising 1,507 respondents in the US, 608 respondents in Canada, and 754 respondents in the UK. In each wave, at least 50% of the respondents are small business owners. The remainder are senior decision-makers within small businesses who have a detailed knowledge of their employer's financial performance, workforce strategy, and business priorities. For each wave of the survey, 50% of the sample are repeat respondents who have previously taken the survey to allow opinions and business health to be tracked more effectively over time. All respondents receive remuneration. All responses are anonymous. Every effort is made to make these samples as representative as possible of small businesses in each country but as with all online surveys, there are limitations. To give the largest possible sample size for each wave of the survey, responses from the Dynata panel are combined with responses from the QuickBooks customer panel, described below, whenever possible.

Intuit QuickBooks customer panel

The number of survey participants drawn from the QuickBooks customer base varies over time but the average is roughly 2,000 respondents per wave. In the July 2024 wave used in this report, the total number of QuickBooks customer respondents was 2,315; comprising 1,505 respondents in the US, 405 respondents in Canada, and 405 respondents in the UK. Respondents are drawn from a pool of QuickBooks Online subscribers in each of the three countries who have been active in their accounts in the past 30 days. As with the Dynata audience panel described above, respondents are typically from small businesses with 0 to 100 employees. All respondents receive remuneration. All responses are anonymous.

Rounding

For clarity, percentages have been rounded to the nearest whole number so in some cases the survey responses may not add up to 100%. Please also note that all responses to multiple choice questions are shown as a percentage of the total number of respondents, not the total number of responses, to better reflect the number of people who chose each answer option. As a result, for these questions, the sum of the responses will always be greater than 100 percent.

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