



Empowering Small Business:

The Impact of Technology on U.S. Small Business

Fifth Edition



U.S. Chamber of Commerce



Executive Summary

The U.S. Chamber of Commerce Technology Engagement Center (C_TEC) report *Empowering Small Business: The Impact of Technology on U.S. Small Business* examines the pivotal role that diverse technology platforms play in helping small businesses operate and compete. This 5th edition, introduced in 2026, continues our nationwide analysis of U.S. small businesses, exploring the various types and applications of technology used by small businesses, how these factors have changed over time, and the effects of these trends on enterprises and the economy at large.

Key Findings: Year 5 (2026)

- U.S. small businesses run on technology: Nearly 100% of small businesses report using at least 1 technology platform at work.
- High-rate technology adoption is accelerating: 41% now use 6+ platforms, up 9 points from 2025 and nearly 3 times the 2022 level.
- 2/3 of small businesses now use AI. (66%), up 8 points from 2025 and nearly 3 times the share using it in 2023 (23%).
- Small businesses using AI outpace non-AI enabled businesses and are at least 7 points more likely to report sales, profit, and workforce growth.
- AI is a job growth engine for small businesses: 47% say AI is creating jobs today, while 6% say it is enabling headcount reductions.
- 95% of small businesses using AI are working to upskill employees, including 47% providing on-the-job training.
- 84% plan to increase their use of technology over the next 2–3 years, including businesses at every current adoption level.
- AI has become operationally important: 78% of users say limiting access would slow growth, and 75% say it would hurt their bottom line.
- Six in ten small businesses worry about increased litigation and compliance costs from a patchwork of state privacy and AI laws.
- Technology intensity continues to correlate with stronger business performance: Businesses using 2+ platforms are roughly 10 points more likely than low-tech businesses to report growth in sales, profits, and employment.
- Inflation continues to be the top small business challenge, cited by 32% and up 9 points from 2025.

Introduction

As with previous editions, C_TEC partnered with Teneo Research to conduct this nationwide survey of U.S. small businesses. The survey explored how small businesses use various technology platforms, how the use of technology affects business operations and key business metrics, how the adoption of technology sets up small businesses for future success, and how U.S. small businesses adopt artificial intelligence (AI).

The latest edition of this report focuses on the profound emergence of AI and other emerging technologies in the marketplace and the heightened interest in—and use of—the technology by small businesses. Although small businesses continue to express concern over inflation, supply chains, and interest rates, the report reveals that technology provides opportunities for small businesses to save time and resources while providing more tailored and targeted services to compete with larger companies.





Methodology

Working closely with C_TEC, Teneo Research conducted a national survey of 3,732 U.S. small businesses, defined as having fewer than 250 employees. The survey covered a wide range of sectors, including agriculture, energy, health/pharma, transportation, entertainment, media, financials, restaurants, construction, hospitality, professional services, education, retail, manufacturing, real estate, tech, and telecom.

Data was collected across five waves:

- Wave 1: February 22–March 23, 2022
- Wave 2: June 15–July 9, 2023
- Wave 3: June 21–July 16, 2024
- Wave 4: June 6–June 26, 2025
- Wave 5: July 23–August 6, 2026

The survey was fielded online and available for desktop and mobile devices.

Part 1:

Technology Usage in General

Technology use by small businesses has grown to the point where nearly all report using some type of platform at work. The evolution from 2022 to 2026 demonstrates a remarkable trajectory of digital transformation among America's small business community.

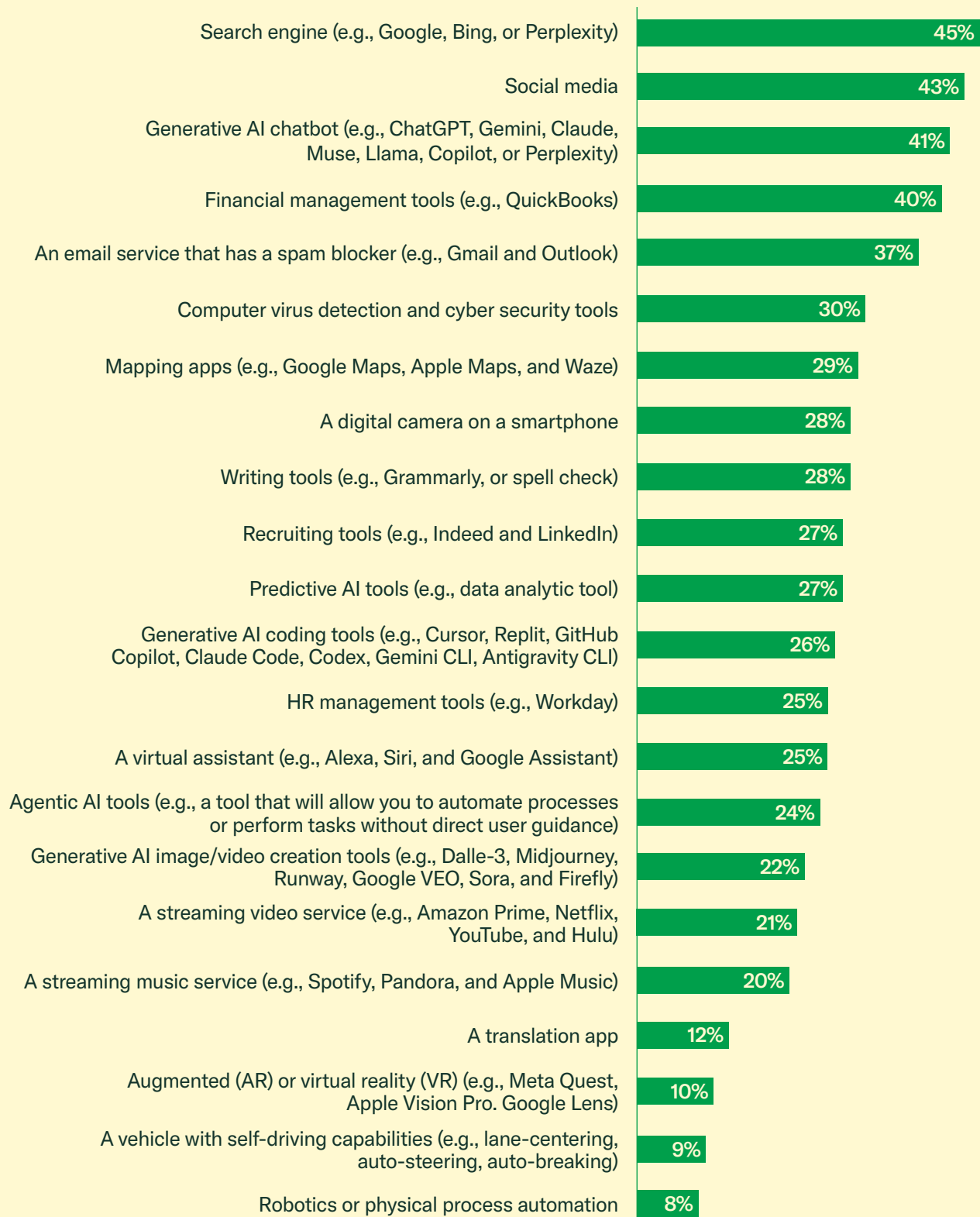
Near- Universal Technology Adoption

The data reveals that technology adoption among small businesses has reached near-universal levels. Nearly 100% of small businesses now report using at least 1 technology platform at work, representing a steady climb from 93% in 2022, to 95% in 2023, 99% in 2024, and maintaining at 99% in both 2025 and 2026.

Most Popular Technology Platforms

Use of generative AI ranks among the top 3 types of technology in 2026, just behind search engines and social media. The most commonly used technologies include the following:

Which of the following technologies do you use at work?



Notable Technology Adoption Trends

Several technology categories have seen significant growth since 2025:

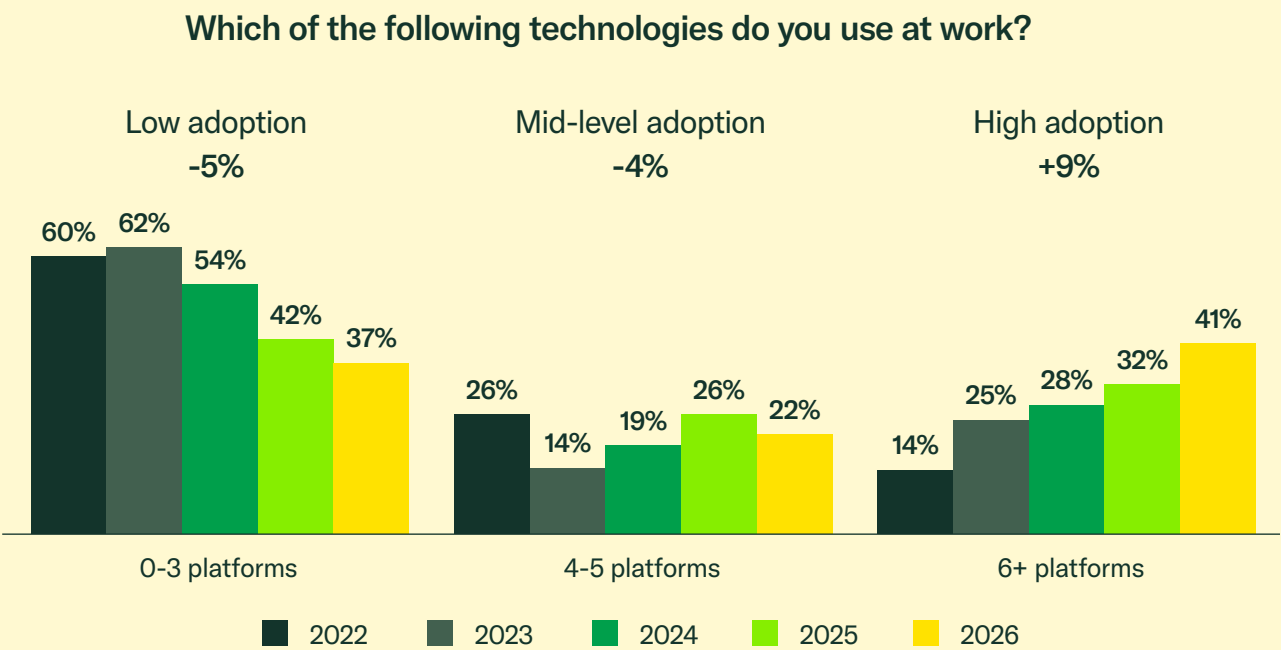
- Writing tools: +7 percentage points
- Generative AI coding tools: +6 percentage points
- Generative AI image tools: +6 percentage points
- Financial management tools: +5 percentage points

High-Tech Adopters Now Dominate

A remarkable shift has occurred in the distribution of technology adoption levels among small businesses. High-tech adopters—those using 6 or more technology platforms—now make up the largest share of U.S. small businesses at 41%, up 9 points from 2025 and nearly 3 times the 2022 level of 14%.

This represents a fundamental transformation in how small businesses operate:

- Low adoption (0–3 platforms): Declined from 60% in 2022 to 37% in 2026
- Mid-level adoption (4–5 platforms): Remained relatively stable at 22% in 2026
- High adoption (6+ platforms): Surged from 14% in 2022 to 41% in 2026



At the same time, the share using 3 or fewer platforms has fallen 23 points from its 2023 peak, indicating a clear trend toward more comprehensive technology integration.

How Small Businesses Use Technology

Small businesses are using technology to manage operations and engage with customers. The most common applications for technology in small businesses include customer-focused efforts such as marketing and engagement, as well as internal operations like payroll management and accounting.

Top technology applications include the following:



Notable increases since 2025 include marketing and promotions (+10 points), managing payroll (+9 points), managing customer relationships (+6 points), and accounting (+6 points).

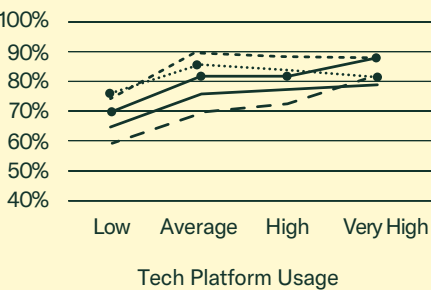
Part 2: Impact of Technology on Business Performance

Technology Adoption Drives Growth

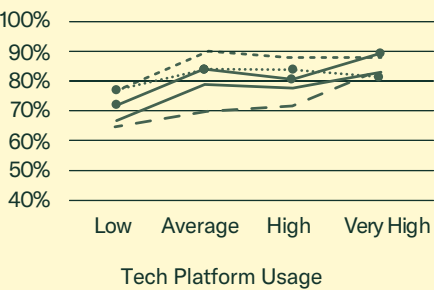
Small businesses that use more technology are more likely to report growth. The data consistently demonstrates that businesses using 2 or more technology platforms are roughly 10 points more likely than low-tech users to report growth in sales, profits, and employment, with the largest gains occurring as businesses move beyond minimal technology use. The growth advantage for tech-enabled small businesses has persisted over time. In each of the past 5 years, businesses using more technology platforms have generally been more likely to report growth in sales, profits, and employment than low-tech businesses, reinforcing the sustained link between technology adoption and business performance.

% Share of Small Businesses That Grew Since 2020

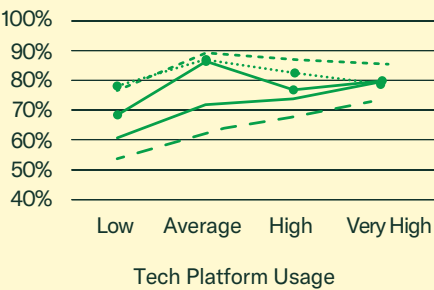
Sales Growth



Profit Growth



Employment Growth



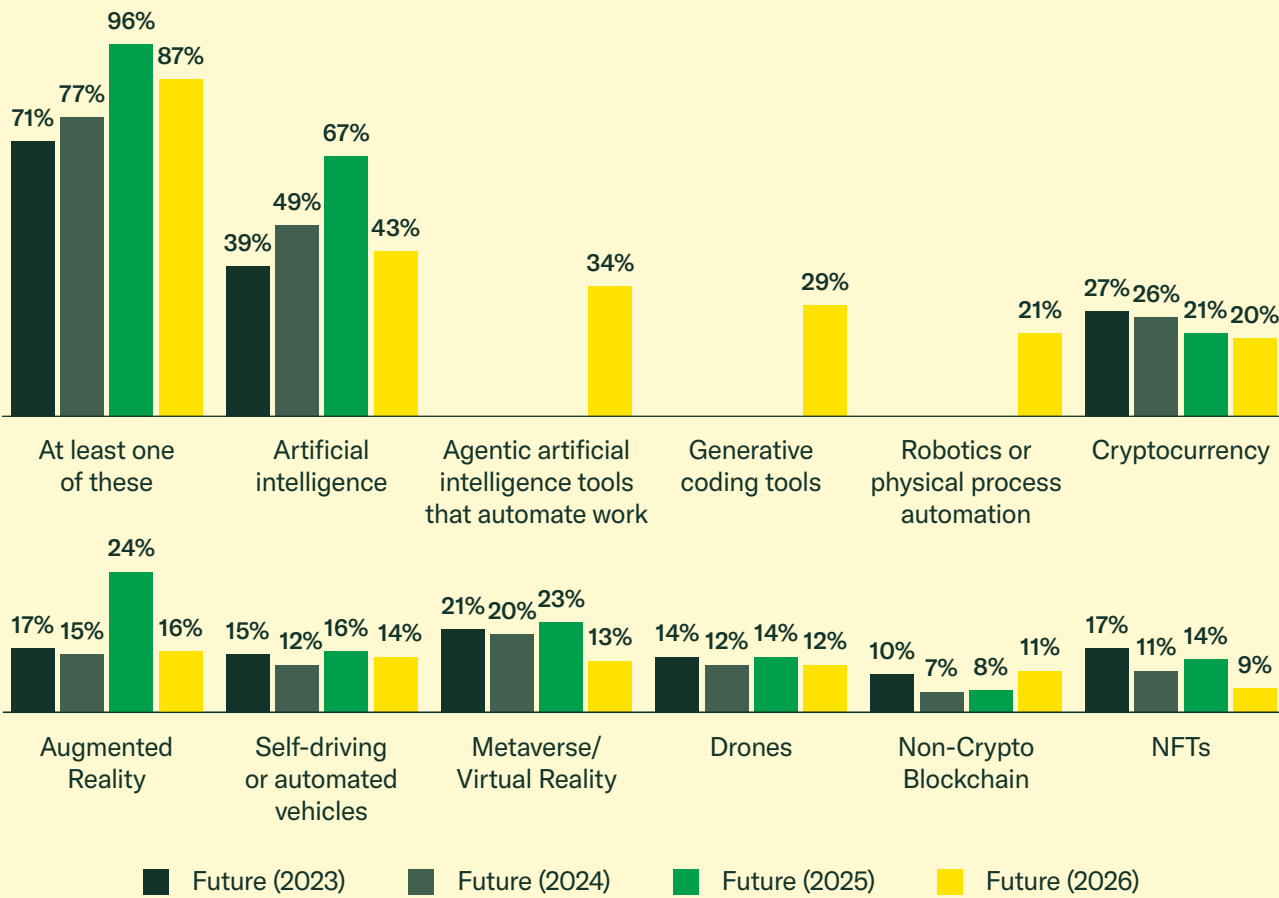
— 2020 to 2021 — 2021 to 2022 —●— 2022 to 2023 ...●... 2023 to 2024 - - - 2024 to 2025

Continued Plans for Technology Expansion

Small businesses continue to expect technology use to grow. Nearly 9 in 10 small businesses (87%) plan to adopt newer technologies in the future, with AI leading the way. Interest is broadening to newer applications, including the following:

- AI (primary focus)
- Agentic AI (34%)
- Generative coding tools (29%)
- Robotics or physical process automation (21%)

Will your business use any of the following newer technologies in the future?



Doing More With a Small Team

janegee has been creating clean beauty and wellness products since 2007 in Portsmouth, New Hampshire. Jane Gee founded the women-owned company during a major life transition, drawing on more than 45 years of experience in skincare. She started by creating natural skincare products in her kitchen and offering treatments from her home. Her daughter, Sophie Gee, joined the business full time after college, and together they've grown janegee from a small local business into a brand with its own flagship retail

store, skincare and wellness services, e-commerce business, production facility, and a wholesale presence in nearly 100 stores nationwide.

At the heart of the company is still the philosophy Jane started with: creating truly 100% natural products, educating people about their skin, and never compromising standards as the business grows.

As a growing small business, janegee faces the challenge of doing more with a small team. The company manages manufacturing, inventory, retail, e-commerce, wholesale, marketing, customer service, and a team of employees, all while navigating rising costs and an increasingly competitive marketplace. Growth exposes inefficiencies quickly, making strong systems around bookkeeping, HR, inventory, and operations essential. Yet the Gees remain committed to ensuring that efficiency doesn't come at the expense of what makes janegee special: product quality,



personal customer relationships, and thoughtful business practices.

Technology has already allowed the small company to operate on a much larger scale. Google Workspace helps the team collaborate across the retail store, production facility, warehouse, and remote work locations, while Google Ads and Analytics help them reach and better understand customers across the country.

Sophie sees AI as the next evolution of that capability. The company is beginning to explore where AI can take repetitive or time-consuming work off the team's plates, help organize and access information more efficiently, analyze data, and support marketing and content creation.

One area that particularly excites the janegee team is preserving and making better use of Jane's decades of knowledge. She has developed a unique philosophy around nutritional skincare through more than 45 years of hands-on

experience. AI gives the company an opportunity to organize that knowledge and make it more accessible to the team, whether that's helping answer customer questions, training employees, or developing educational content.

For janegee, AI isn't about replacing people. It's about giving a small team access to tools that historically might only have been available to much larger companies and freeing people to spend more time on the work where the human element really matters.

"For a small business, I think the biggest thing lawmakers can provide is clarity," Sophie says.

"We want to embrace AI responsibly, but small businesses don't have legal, technology, and compliance departments dedicated to figuring out every new regulation. Clear and practical standards around things like customer privacy, data ownership, intellectual property, and responsible AI use would give businesses like ours more confidence to adopt these tools."

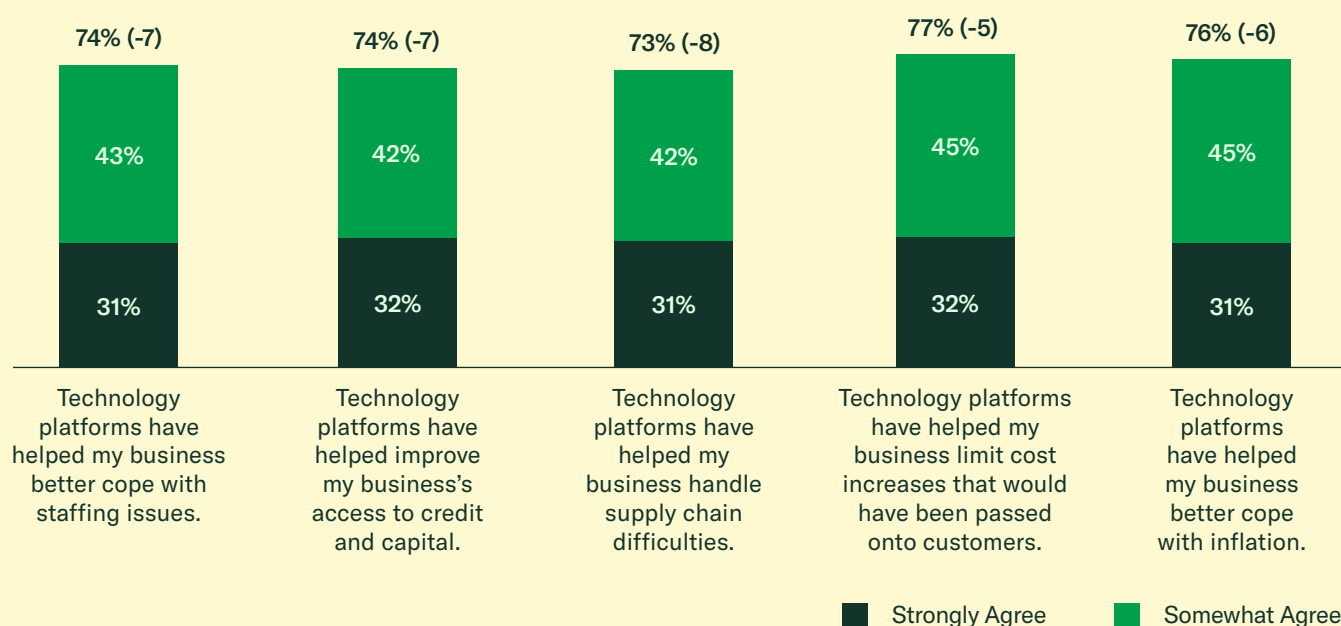
Technology Helps Businesses Operate Effectively

Technology's role in helping small businesses operate effectively remains broadly recognized. Key benefits reported by small businesses include the following: 84% agree that technology platforms have helped their businesses operate more efficiently.

Overcoming Operational and Economic Challenges

Technology is helping small businesses overcome a wide range of operational and economic challenges, though perceived benefits have softened since last year. Small businesses report that technology helps them cope with inflation (76%), handle staffing issues (74%), limit cost increases to customers (77%), manage supply chain challenges (73%) and improve access to capital (74%).

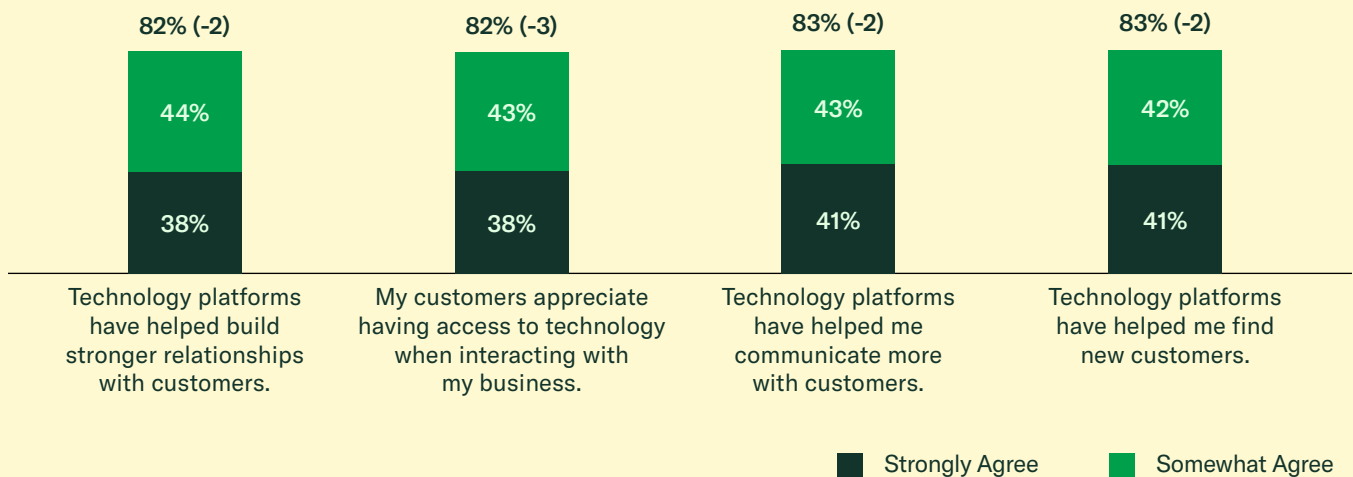
Please indicate whether you agree or disagree with each of the following statements about how the use of technology has affected your business.



Reaching and Engaging Customers

Technology plays a broad role in helping small businesses reach, communicate with, and strengthen relationships with customers.

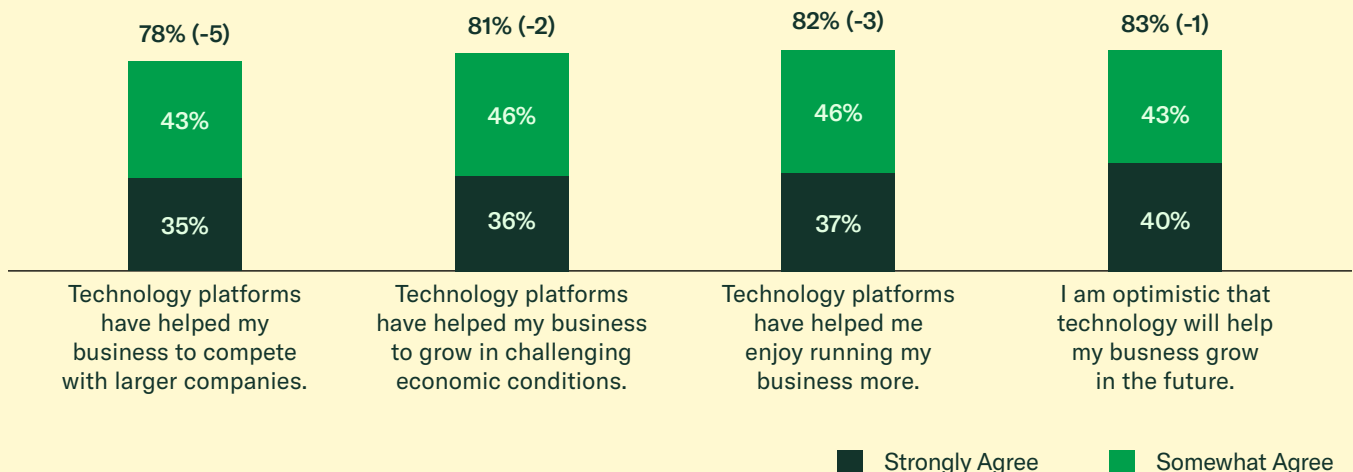
Please indicate whether you agree or disagree with each of the following statements about how the use of technology has affected your business.



Enabling Business Growth

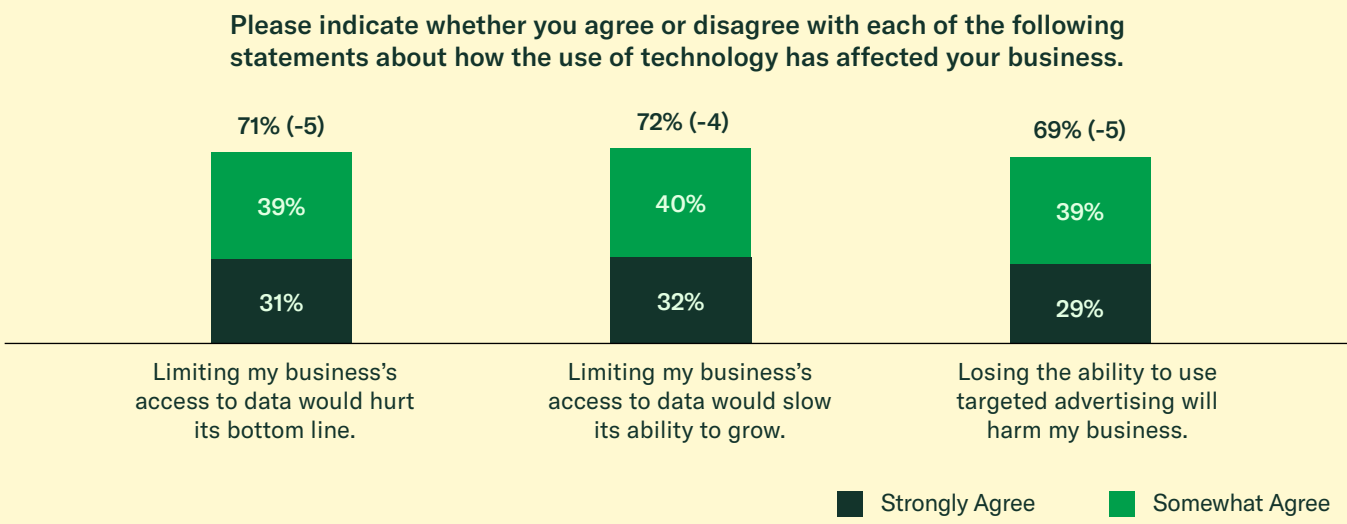
Technology is enabling small business growth, with optimism strongest around future growth and resilience in challenging conditions. Technology platforms continue to help business owners compete with larger firms, grow in challenging economic times, and enjoy running their business. Owners continue to feel optimistic that technology will help their businesses grow in the future.

Please indicate whether you agree or disagree with each of the following statements about how the use of technology has affected your business.

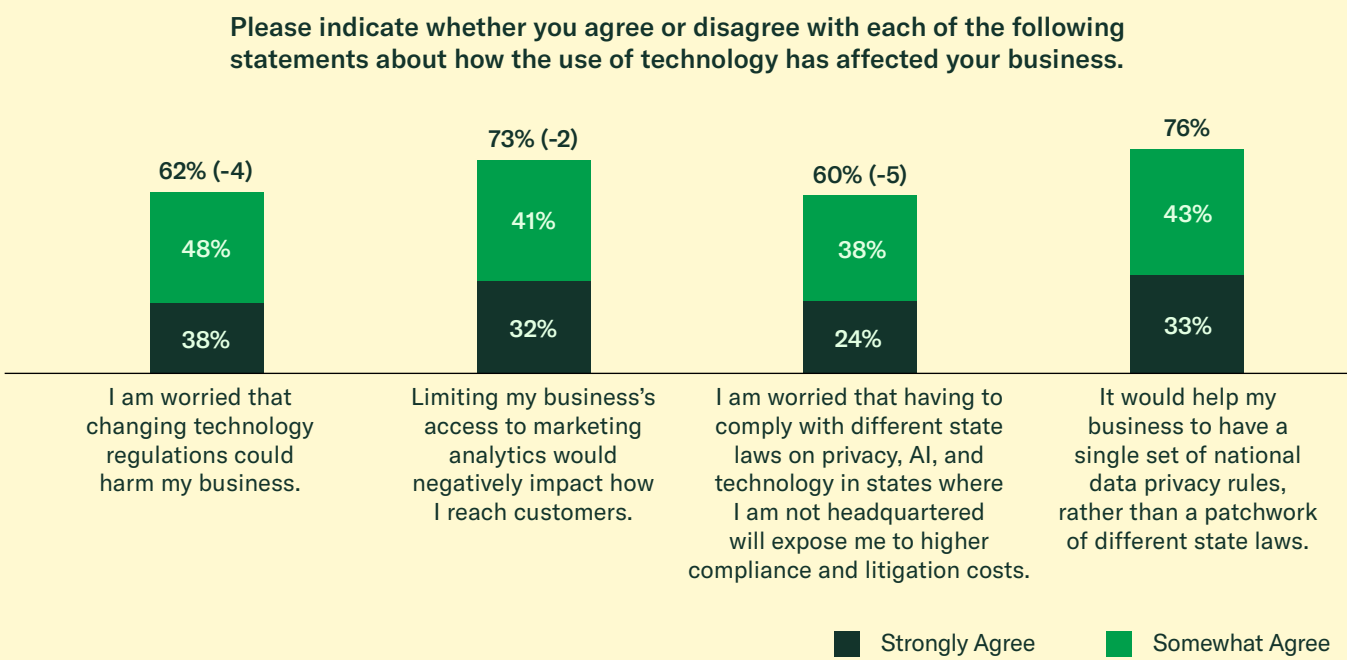


Data Access as a Growth Driver

Access to data remains an important driver of small business growth and financial performance, despite softening concerns about potential restrictions.



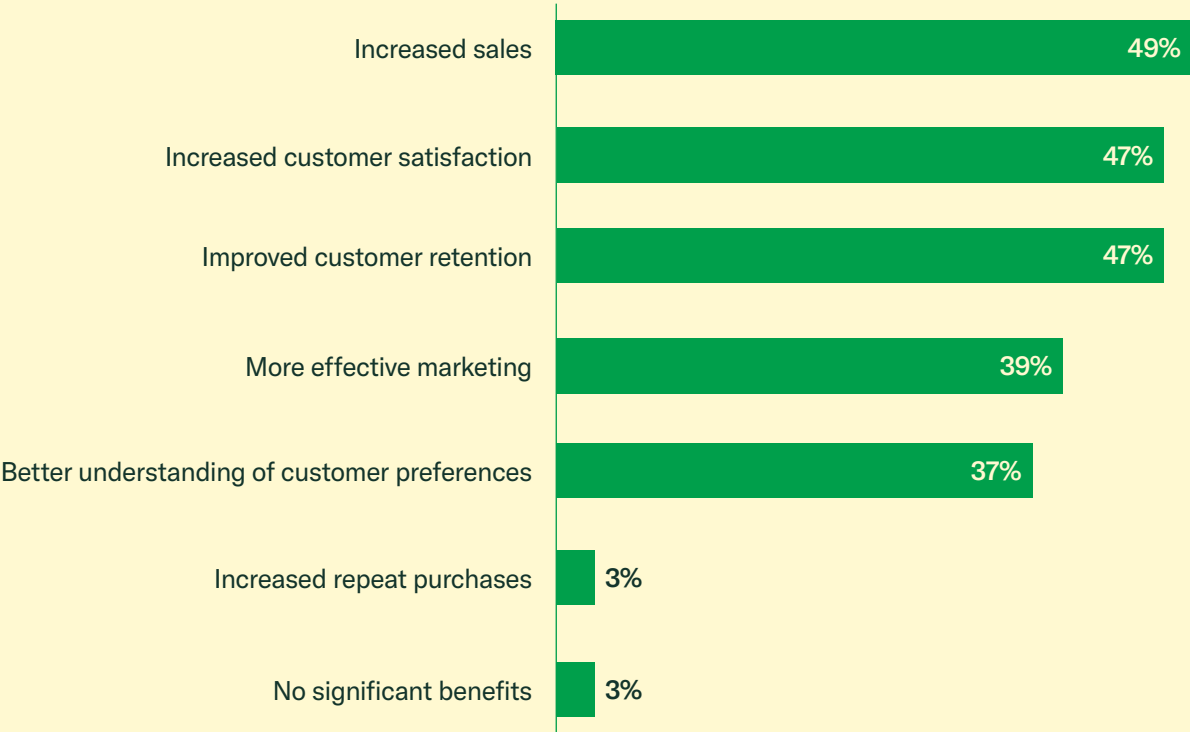
Small businesses see a uniform national approach to tech regulation as preferable to a patchwork of state laws. **6 in 10** small businesses are worried about having to comply with out-of-state laws on privacy and AI, and **3/4** believe that a single national privacy law would help create certainty.



Loyalty Programs Deliver Results

Loyalty programs deliver broad benefits for small businesses, led by stronger sales, satisfaction, and retention. More than half (53%) of small businesses offer a loyalty, rewards, membership, or points-based program for customers.

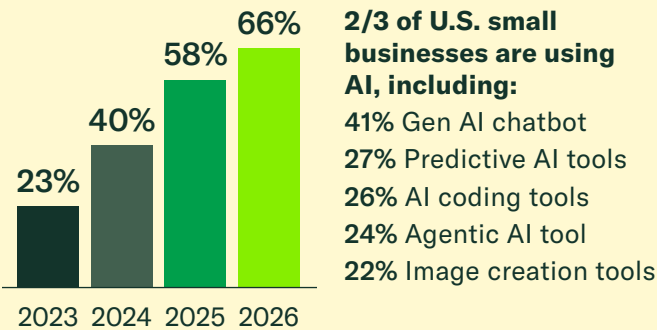
What benefits has your loyalty program provided to your business?



Part 3: AI Use Among U.S. Small Businesses

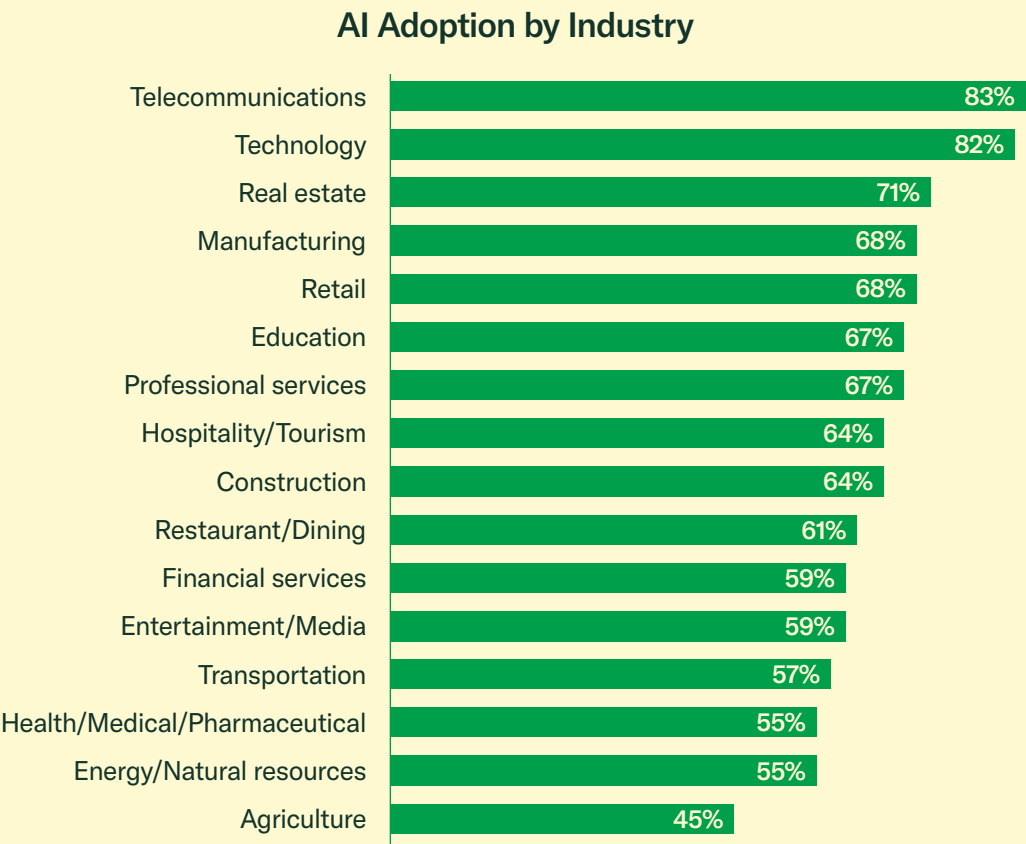
Rapid AI Adoption Continues

AI use among small businesses continues to rise dramatically. 2/3 of U.S. small businesses (66%) now use AI, up 8 points from 2025 (58%) and nearly 3 times the share using it in 2023 (23%). This represents one of the fastest technology adoption curves in recent small business history.



How AI Adoption Breaks Down by Industry

For nearly every industry sector polled, a majority of small business owners are adopting AI with telecommunications, technology, real estate, manufacturing, and retail firms leading.



How Small Businesses Use AI

Primary uses for AI center on understanding and engaging with customers. One in four small businesses are now writing their own code using AI, demonstrating the technology's versatility and accessibility.

**Thinking just about AI (artificial intelligence), how does your business use AI today?
(asked among those using AI)**



AI Secures Small Business Impact

Alliance Training and Testing has been certifying security professionals since 2012 in Tennessee. Angel Rodriguez, a 58-year-old Gulf War U.S. Army Bronze Star veteran, owns the premier security guard training academy that certifies thousands of security professionals annually through a statewide online virtual platform.

As a solopreneur running a statewide academy, Rodriguez's biggest operational challenge is balancing massive scale with absolute statutory precision. When certifying thousands of guards who protect public spaces, there is 0 margin for error in training or compliance. Having watched tech evolve from massive desktop mainframes to laptops, smartphones, and now AI, the challenge isn't just wearing every

hat—it's keeping pace with rapid regulatory shifts and technological speed without ever sacrificing educational quality or legal accuracy.

Rodriguez has embraced AI tools to directly solve his solopreneur productivity hurdles, buying back time and clearing operational obstacles quickly. Tennessee's security industry has changed significantly since recent tragedies prompted new state legislation. Alliance Training and Testing uses Google Vids and custom AI workflows to produce educational videos so that students receive the best, most accurate, up-to-date information available. To eliminate inaccuracies in online guard courses, Rodriguez ingests legal code directly into Google's NotebookLM, coupled with strict guardrails and prompting, ensuring verbatim statutory accuracy.

The company also leverages AI for marketing, such as The Daily Drone—a video series of 15- to 20-second clips providing simple, fast safety reminders for security personnel.

Without a day of coding experience, Rodriguez became an “expert prompter” himself and created VaporAudit (vaporaudit.us)—an 8-patent cyber-physical architecture to stave off cyberattacks. By using AI to sharpen his technical concepts, his original physics drawings saved him 60% on patent filings.

“I want to sound a call to arms,” Rodriguez says. “A real, honest bipartisan effort of patriots needs to seriously review the cybersecurity landscape and promote a unified, concerted effort to secure our national infrastructure from the new capabilities bad actors now possess through AI.”



External Versus In-House AI Development

Most small businesses primarily use AI tools built by other companies for their business. Fewer than 1 in 10 (8%) small businesses are taking a home-grown approach to developing their own AI. Instead, nearly 2/3 (64%) either mostly or entirely rely on externally developed AI tools, while 3 in 10 (28%) report taking a balanced approach to using both external tools and relying on in-house development.

AI Costs Remain Accessible

Small businesses are embracing AI without breaking the bank. Around 2 in 5 (41%) are using free AI tools. Of those paying for AI, around half utilize enterprise tools with a flat fee structure. The median monthly AI spend for businesses paying for AI is \$250, making the technology accessible to businesses of all sizes.

Competitive Pressure Drives AI Adoption

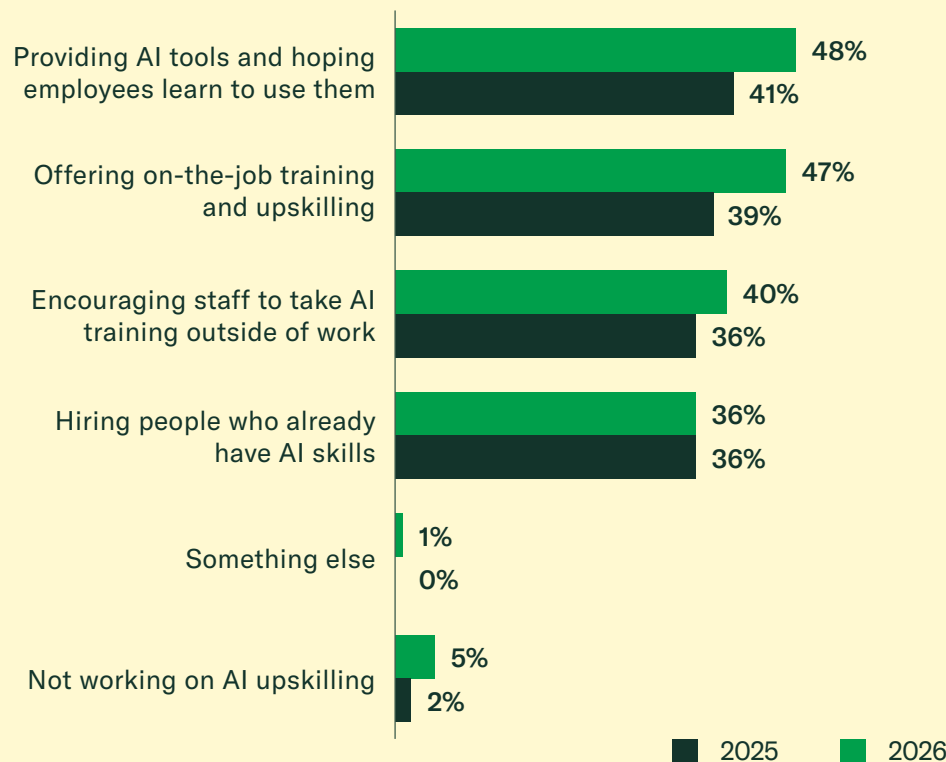
Competitor use of AI influences small business tech strategy. Most small business owners (51%) believe that their competitors are already using AI or plan to do so within the year. This knowledge prompted 73% of small businesses to speed up implementation plans for using AI in their own business.



Workforce Upskilling for AI

Around half of small businesses are actively working to upskill their employees regarding AI. This represents a significant commitment to workforce development and demonstrates that AI adoption is being paired with human capital investment.

**What—if anything—are you doing to ensure your workers are AI-ready.
(asked among those using AI)**

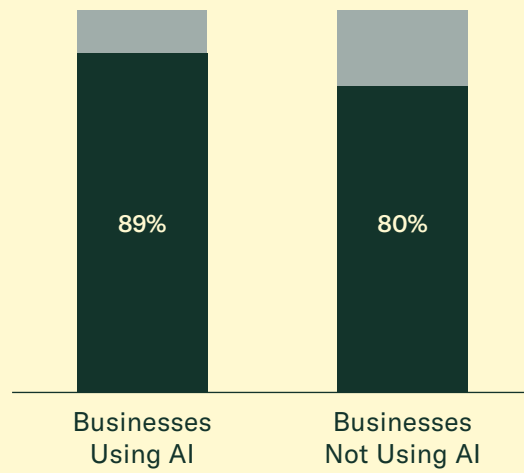


The share of employers providing AI tools or active training/upskilling has increased year-over-year, indicating growing recognition of the importance of AI literacy in the workforce.

AI as a Job Creator, Not an Eliminator

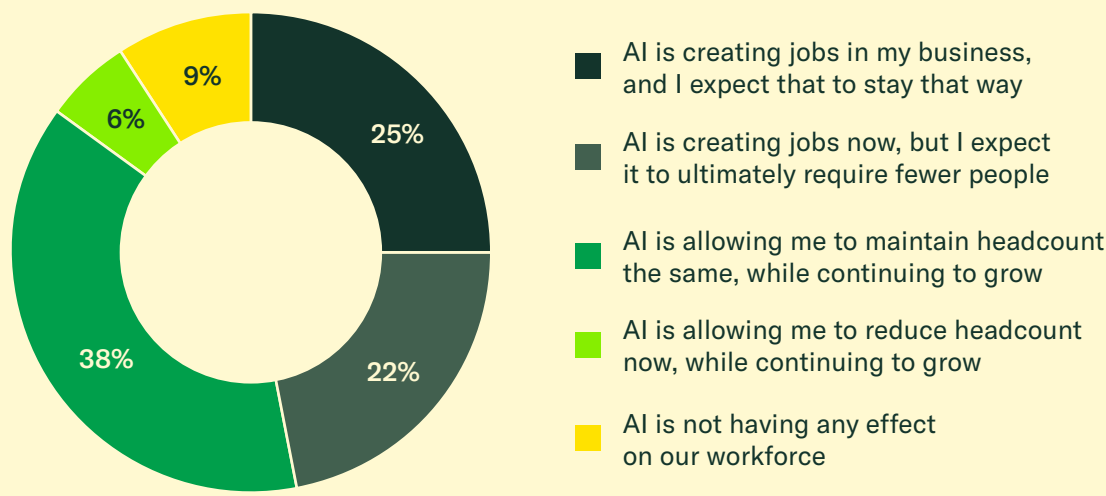
For small businesses, AI is expanding capacity far more than it is reducing jobs. Small businesses using AI are largely pairing adoption with workforce investment. **Nearly 9 in 10 small businesses** leveraging AI grew their workforce, nine percentage points higher in rate than their competitors who are not using the technology.

% of Small Businesses That Increased Workforce Year-Over-Year



For nearly every 8 small business owners who directly attribute staffing growth to AI, the data reveals that one owner blames AI for decreasing headcount. This suggests the near-term impact is more about increasing productivity and capacity than replacing workers, contradicting common fears about AI-driven job losses.

How is your company’s use of AI affecting your company’s workforce?



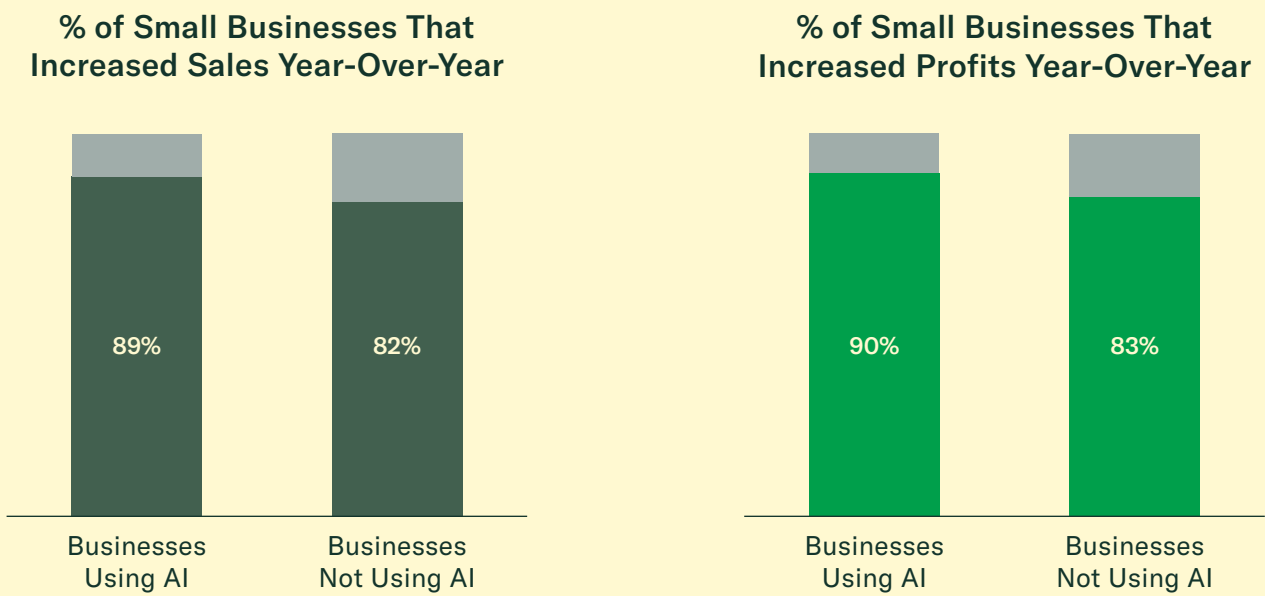
AI Knowledge and Optimism

Small business optimism about AI remains high, even as confidence in AI knowledge levels off. Nearly 3/4 of small business owners (71%) expect AI to help their business in the future.

At the same time, those describing themselves as knowledgeable about AI declined modestly from 74% in 2025 to 68% in 2026, suggesting enthusiasm for AI continues to outpace deep familiarity. This knowledge gap represents both a challenge and an opportunity for education and training initiatives.

AI Users Report Superior Growth

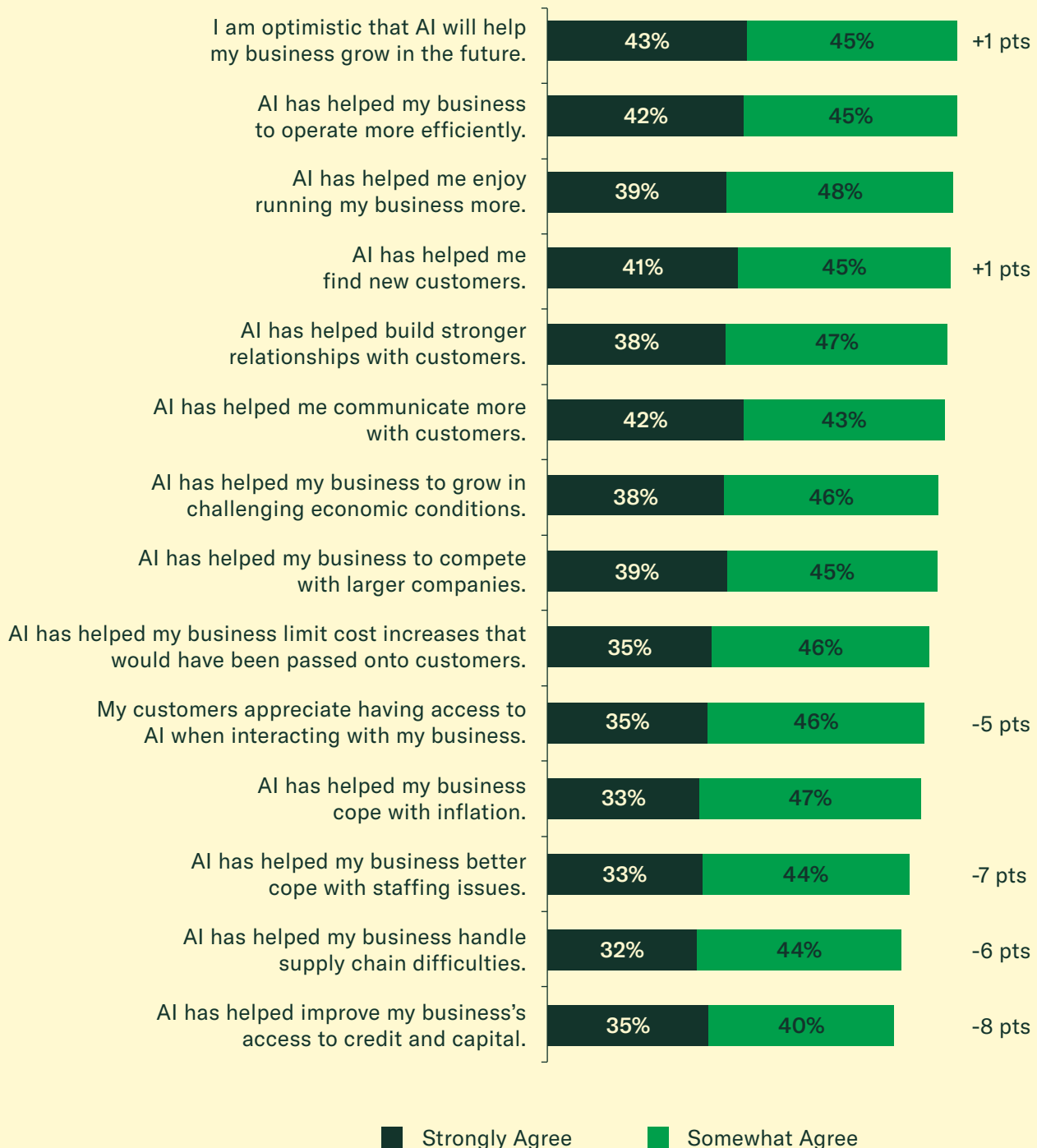
Small business owners using AI report more significant growth over the past year compared to non-AI enabled businesses. Nearly 9 in 10 small businesses using AI grew their sales and profits over the last year while adding jobs.



This consistent advantage across sales, profits, and employment demonstrates that AI adoption is not just about efficiency—it’s about driving tangible business growth and expansion.

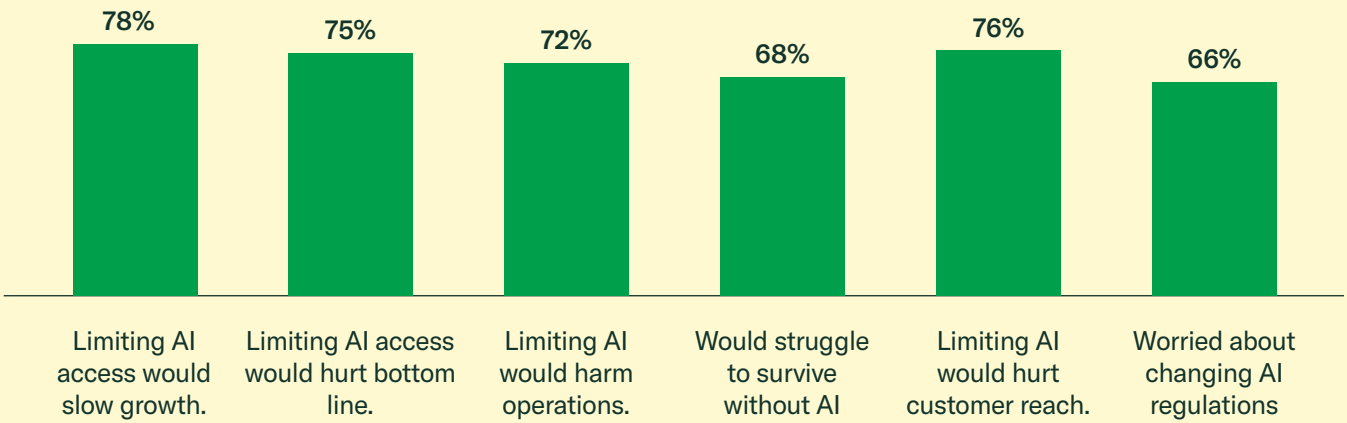
Benefits of AI Adoption

AI is delivering broad benefits for small businesses, with the strongest impact on efficiency, growth, and owner experience.



AI Has Become Mission Critical

AI has become critical to small business growth, with 3/4 of users saying restricted access would hurt performance. While reliance on AI remains high, concerns about restricted access have eased since 2025:

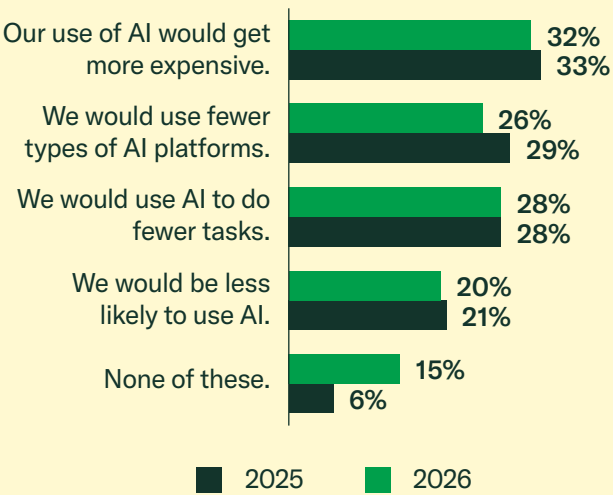


AI Regulation and Compliance Challenges

Small businesses anticipate significant compliance challenges from proposed AI regulations despite growing preparedness. While preparedness is increasing, fewer than 2 in 5 small businesses (38%) are very well prepared to handle pending AI regulations.

If the government enacted these regulations on AI—such as disclosure of AI use, impact assessments, explanations of customer interactions, and requirements of human oversight over consequential decisions—small businesses have expressed concerns that AI might get too expensive to use or they might forgo the technology altogether.

If government enacted these regulations on AI use, how would it impact your use of AI? (please select all that apply)

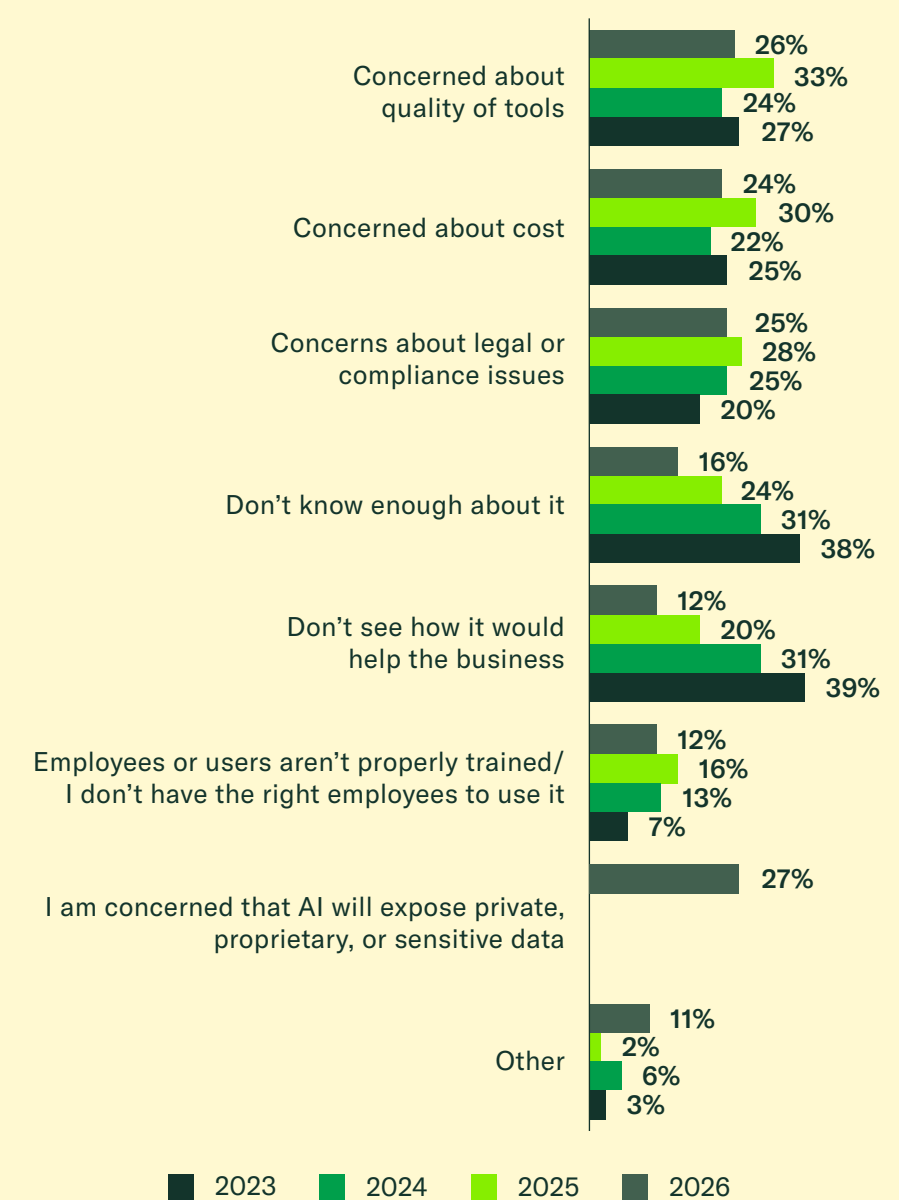


Barriers to AI Adoption

As AI awareness grows, small businesses’ barriers are shifting toward quality, cost, and risk. Knowledge and perceived relevance are becoming less significant obstacles to AI adoption. The share of non-users who say they don’t know enough about AI or don’t see how it would help their business has fallen sharply since 2023.

At the same time, concerns about tool quality, cost, and legal or compliance issues remain prominent, while data privacy has emerged as a notable new concern in 2026.

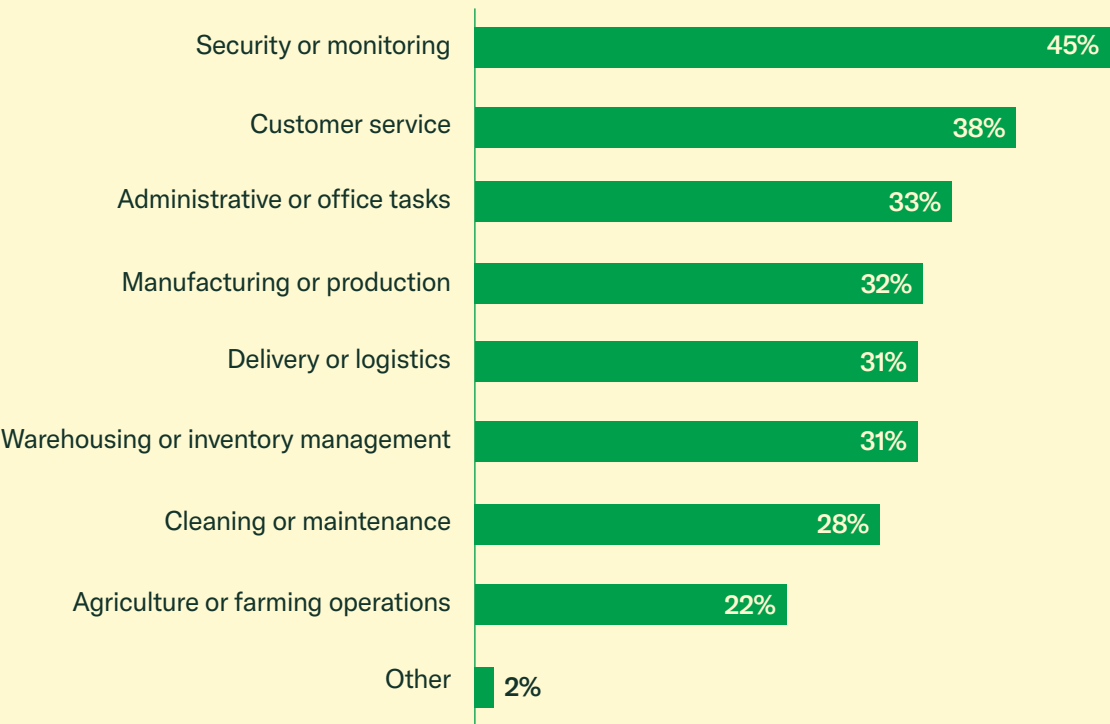
What are the reasons why your business is not yet using AI.
(asked among non-AI users)



Robotics and Automation Adoption

Robotics and automation are poised for broader adoption, with 71% of current non-users expecting to increase their use over the next 5 years. Among businesses already using robotics or automation, applications span a wide range of functions, led by security and monitoring (45%) and customer service (38%). Adoption could broaden significantly: 71% of businesses not currently using robotics or automation say they are likely to increase their use over the next 5 years.

Among those that use robotics/automation, for which of the following purposes, does your business use, test, or plan to use robotics or automated machines?



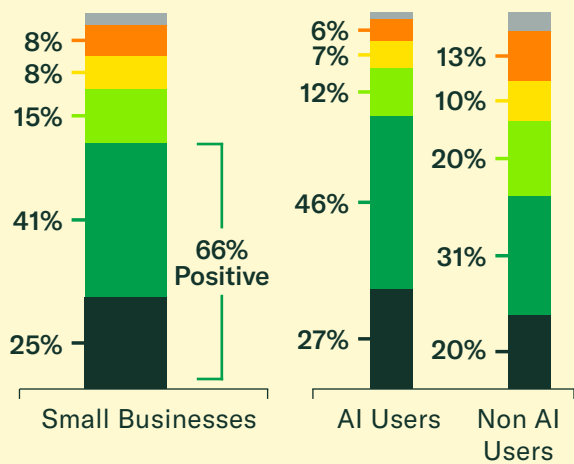
Part 4: Perception of Data Centers and AI Infrastructure

Positive Views of Data Centers

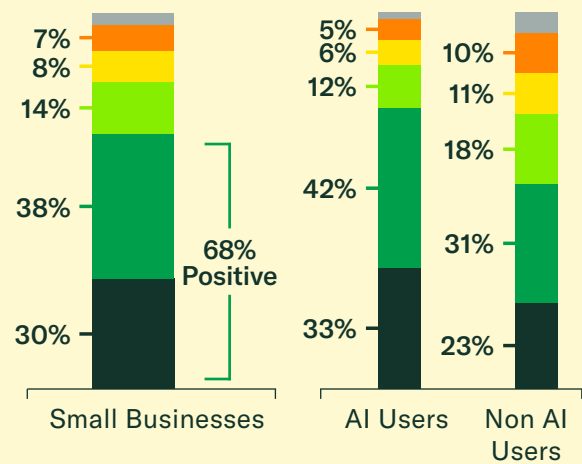
Small businesses see data centers as a positive force for both local communities and the U.S. economy. Overall, 66% believe data centers have a positive impact on local economies, while 68% believe they have a positive impact on the U.S. economy.

Positive perceptions are strongest among AI users, while non-AI users are notably more skeptical of data centers’ economic impact. Overall, small businesses view data centers’ impact on the national and local economies similarly, with slightly greater optimism about their impact on the U.S. economy.

Overall, do you believe data centers have a positive or negative impact on local economies?



Overall, do you believe data centers have a positive or negative impact on the U.S. economy?



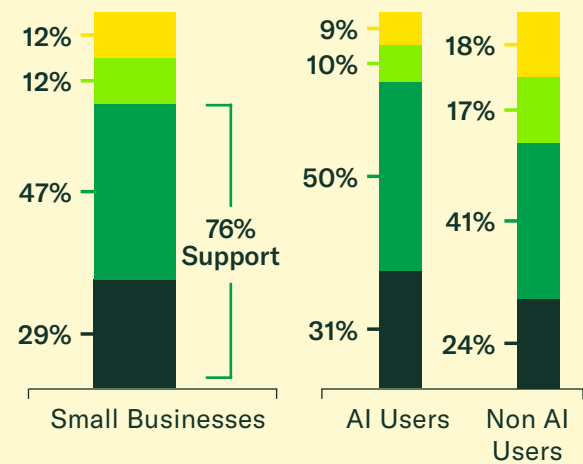
Unsure Very negative Somewhat negative Neither positive nor negative Somewhat positive Very positive

Support for New Data Centers

Small businesses broadly support new data centers in their communities, particularly those already using AI. 3 in 4 (76%) would support a new data center in their community.

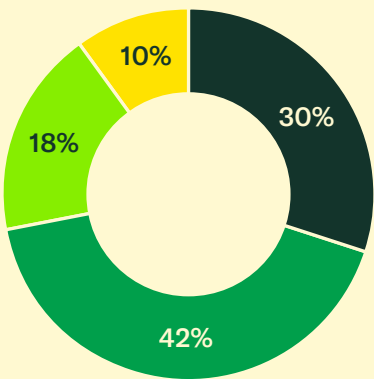
Support is strongest among AI users, highlighting a link between AI adoption and enthusiasm for the infrastructure that enables it. Among AI users, 72% say that barriers to new data center construction would hurt their ability to use AI.

Would you support or oppose a new data center in your community?



- Strongly oppose
- Somewhat oppose
- Somewhat support
- Strongly support

[Among AI Users] Creating barriers to new data center construction would hurt my company's ability to use AI.

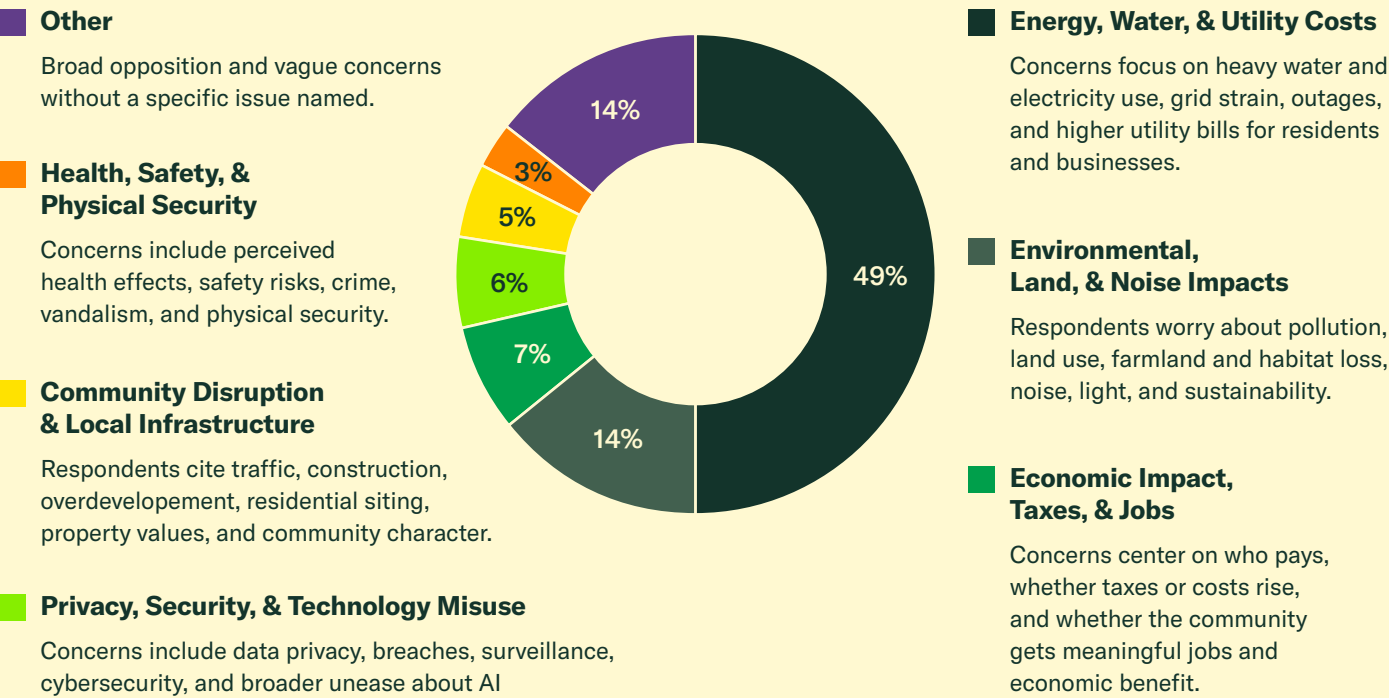


- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree

Data Center Concerns

Data center concerns center overwhelmingly on whether communities have enough water, power, and infrastructure to absorb them. At the same time, nearly a quarter of small business owners say that commitments from data center projects concerning water and energy costs, protecting natural resources, and providing community benefits would help alleviate be their concerns.

Data center concerns center overwhelmingly on whether communities have enough water, power, and infrastructure to absorb them.





How Gordon Is Growing Through Design, Technology, and Responsible Development

For Gordon, a professional design and civil engineering firm based in Chantilly, Virginia, growth has always depended on adaptability. Led by President Bill Junda, who joined the company as a staff engineer after graduating from Virginia Tech in 2000 and later helped complete an internal ownership transition, Gordon has built its business by serving both public- and private-sector clients across a diverse mix of markets. That range of work is central to the company's strength. Gordon's team provides civil engineering, planning, and landscape architecture services that help projects move from concept to completion. Its landscaping and site design work play an especially important role in helping developments fit into the communities around them—creating buffers, improving visual appeal, shaping



public-facing spaces, and supporting smarter, more responsible land use. Data centers are currently Gordon's largest market sector and have helped drive the company's growth. Located near Ashburn, Virginia, where much of the industry first took off, Gordon has expanded alongside clients working across the country. Today, the company has 110 employees and has worked in 30 states for both private- and public-sector clients.

At the same time, Gordon recognizes that data centers are not right for every site. The best projects require careful planning, clear communication, thoughtful landscaping and setbacks, and a commitment to being a good neighbor. Gordon has advised clients to consider different uses for parcels when a site was not compatible, reflecting the company's belief that being pro-growth does not mean being indiscriminate. Technology is also shaping Gordon's

future. The company uses AI for practical tasks like research, data collection, organization, meeting notes, analysis, and presentation support. In creative disciplines like landscape architecture, AI can help teams brainstorm concepts and develop visuals more quickly. But Gordon views AI as a tool, not a substitute for professional judgment—another example of how the company pairs innovation with experience to support clients and strengthen communities.



Part 5: Creating the Right Environment for Small Business Tech Adoption

Technology, in part, has helped small businesses stay competitive and thrive despite inflationary, workforce, and supply chain challenges. Without the right policies to encourage a virtuous cycle of technology development and adoption, small businesses could lose their ability to adapt, confront,

and compete with larger competitors as they face new challenges in the 21st century economy.

The following policies could ensure that America's small businesses realize their potential through AI and other digital tools and platforms:

- **Enacting Smart National Data Privacy Legislation**

Nearly 2/3 of small businesses are concerned about increased litigation and compliance costs from dealing with multiple out-of-state privacy laws. Additionally, **7 in 10** are worried that bans on targeted advertising will harm their business. Most believe that limiting business access to data will harm their ability to grow and compete.

For this reason, comprehensive privacy legislation that protects all Americans equally could benefit small businesses. A national privacy law must provide strong preemption of state privacy laws to provide a clear set of rules of the road for businesses to follow.

Many states like Virginia, Texas, and Kentucky have adopted the Consensus Privacy Approach which limit reasonable data use while allowing consumers—not the government—to choose whether to delete data or opt out of targeted advertising.

Data protection laws can grant consumers robust rights. However, restrictions or bans on the use of broad categories of data, as well as allowing abusive class-action lawsuits against tech companies and end users, could deprive small businesses of the benefits of digital tools like advertising.

- **Getting AI Regulations Right**

With 66% of small businesses already using generative AI and as the economy experiences increasing adoption from small businesses that indicate further value from these key investments, the U.S. must remain the leading edge of technological development. This would provide a competitive advantage for small businesses. Policies must promote innovation while mitigating risk.

In March 2023, the U.S. Chamber of Commerce's Commission on AI Competitiveness, Inclusion, and Innovation released a report highlighting the need for a risk-based approach to AI regulation and not 1-size-fits-all

bans, pauses, or rules¹. Not all AI is the same. Different applications may require different regulatory frameworks and not a one-size-fits-all approach.

Small businesses indicated they are using tools developed by 3rd parties; therefore, there is a need for regulations to be thoughtfully crafted across the AI value chain as overregulation can degrade the benefits of these tools. At the same time, laws should provide adequate direct protections for small businesses.

It would be beneficial to inventory of federal laws that can already address concerns with AI such as the Civil Rights Act, the Federal Trade Commission Act, and federal privacy laws that could address potential AI harms. Such an approach could prevent passing new conflicting laws and create legal certainty for small businesses.

- **Eliminating a State AI Patchwork**

Small business owners have said that complying with proposed new state AI regulations would present significant challenges. A national AI framework could preempt comprehensive state AI laws, while preserving the ability of state attorneys general to enforce technology-neutral laws that address specific harms like consumer protection, privacy, and discrimination laws where appropriate.

- **Upskilling the Digital Workforce and Education**

Government can promote a 21st century workforce that includes small business owners and invests in science, technology, engineering, and mathematics (STEM) and computer science education to prepare the next generation of digital tool developers.

- **Closing the Tech Literacy Gap for Small Businesses**

Policymakers, community colleges, and business associations can provide resources such as small business-specific training. These groups should also work to make small businesses aware of the benefits of considering emerging technologies like AI and cryptocurrencies.

- In addition to digital literacy education, policymakers can provide regular support to small businesses and their employees about the resources that are available to them in order to adopt AI tools into their businesses, update small business resource programs to ensure that small businesses can use the funds to adopt AI-powered technologies, and ensure that small businesses have a seat at the table with any type of AI regulation. The Small Business Administration could be empowered to provide further training and educational resources.

¹ https://www.uschamber.com/assets/documents/CTEC_AICommission2023_ExecutiveSummary_v4.pdf

- **Preventing Overexposure to Liability**

In 1996, Congress enacted Section 230 of the Communications Act, which generally prevents interactive computer services from being liable for the activities of 3rd-party content. Since 1996, the internet and the data-driven economy have thrived. Changes to this approach could potentially degrade tools small businesses used.

- **Deploying Responsible Data Centers**

Over 2/3 of small businesses are concerned that the slowing of data center construction could adversely limit their AI use and the corresponding benefits to their businesses. Policymakers and other stakeholders can work to enhance permitting and other related processes to ensure that increases in electricity demand, due in part to America's data centers to power AI, cryptocurrencies, and e-commerce, can be met with the timely expansion of the power generation and transmission facilities necessary.

The government and the private sector can work together to mitigate any potential friction that arises from the location of new data centers. Policymakers and industry can also collaborate with communities to ensure that their concerns about data centers are addressed.

- **Connecting All Americans**

Broadband access is foundational for small businesses to use most digital tools and connect with consumers across the country. To complement private sector efforts, policymakers can make targeted investments in high-speed broadband in unserved areas and must appropriately address broadband affordability for low-income Americans.

To maximize these investments, policymakers can streamline permitting requirements and avoid costly regulatory mandates such as public utility-style rules for broadband and domestic content requirements.

- **Modernizing and Digitizing the Government**

The government can invest in IT modernization, including AI, to help streamline and improve important small business needs like permitting and professional licensure. By investing in upgraded IT, the government will provide better service to constituents and save money in the long run.

Conclusion

The 5th year of this landmark study demonstrates that technology—and particularly artificial intelligence—has become indispensable to America's small businesses. With 66% of small businesses now using AI, up from just 23% in 2023, we are witnessing one of the fastest technology adoption curves in modern business history.

The data tells a compelling story: Small businesses that embrace technology are more likely to grow their sales, increase their profits, and expand their workforce. They are better equipped to handle inflation, manage supply chains, and compete with larger companies. Far from eliminating jobs, AI is creating them—47% of AI users report that the technology is enabling job creation, while only 6% report headcount reductions.

However, challenges remain. Small businesses face a complex and evolving regulatory landscape, with owners anticipating compliance challenges from

proposed AI regulations. They worry about a patchwork of state-level privacy and AI laws that could increase costs and complexity. And they need support in upskilling their workforce for an AI-enabled future.

Small businesses can benefit from a regulatory environment that promotes innovation while protecting consumers, establishes national standards rather than a state-by-state patchwork, invests in digital infrastructure and workforce development, and ensures that small businesses have access to the tools and training they need to compete in the 21st century economy.

As we look ahead, the message from America's small businesses is unmistakable: Technology is not optional—it's essential. With the right policies and support, small businesses will continue to drive innovation, create jobs, and power America's economic growth for years to come.

About This Report

This report was produced by the U.S. Chamber of Commerce Technology Engagement Center (C_TEC) in partnership with Teneo Research. It represents the 5th year of comprehensive research into how technology is transforming America's small business landscape.

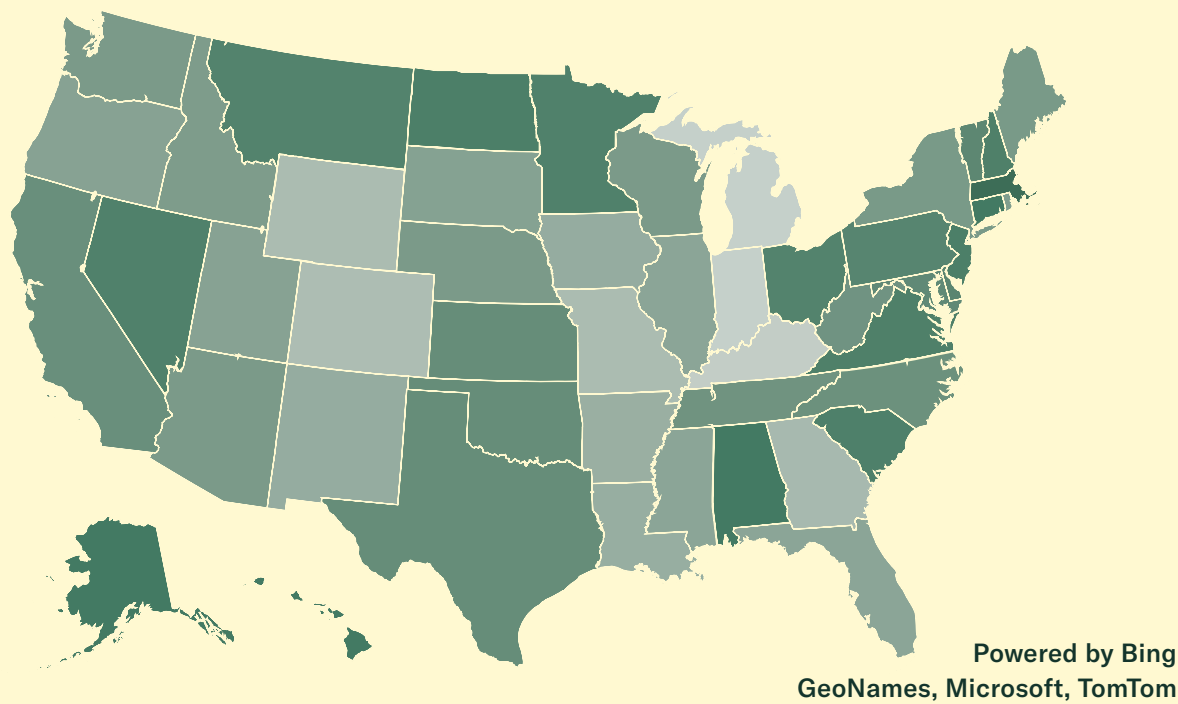
For more information about C_TEC and our work supporting small businesses, visit uschamber.com/ctec.

Appendix One

State Impact Scorecards

Powering Small Business Success
Power Ranking: Generative AI Use by Small Business

Small Business AI Adoption Rate

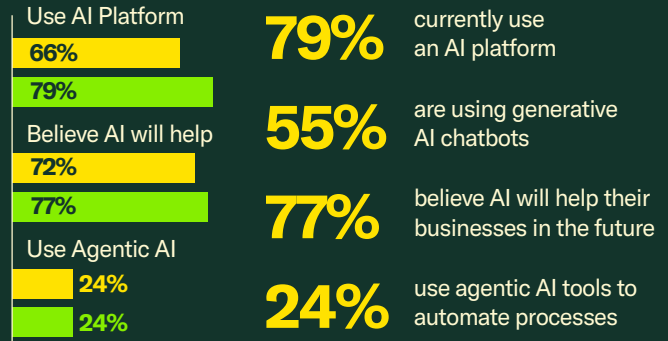
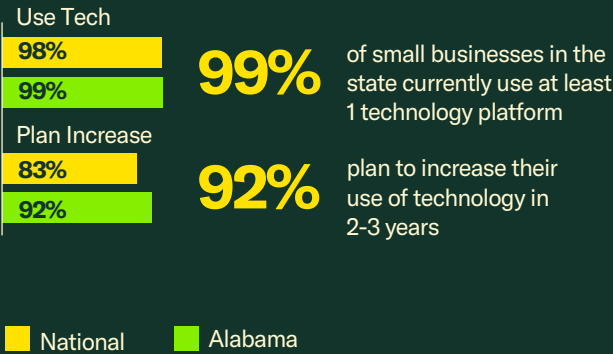


Low rate of AI use  High rate of AI use

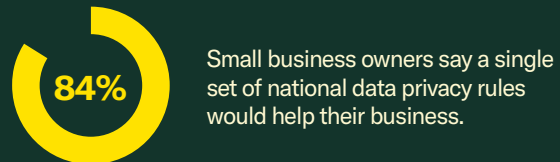
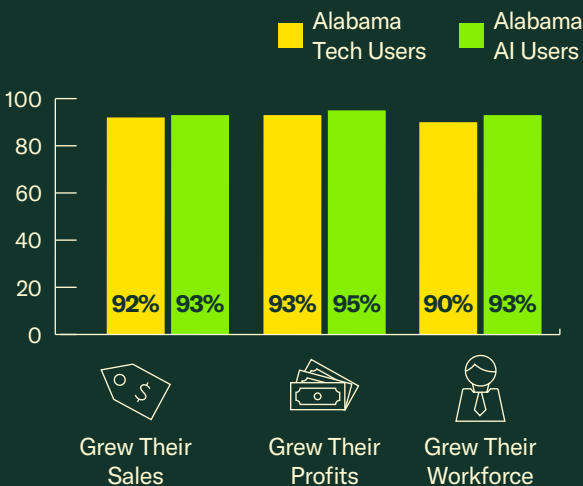
Top AI Adopting States

Rank	State	Average AI Use (% using gen AI)	(2025 rank)
1	MA	88%	(#39, 51%)
2	AK	80%	(#17, 62%)
3	AL	79%	(#32, 57%)
4	CT	78%	(#2, 72%)
5	HI	77%	(#6, 66%)
6	VA	75%	(#36, 54%)
8 (tie)	NH	74%	(#49, 44%)
8 (tie)	ND	74%	(#46, 47%)
9	NJ	73%	(#12, 64%)
10	SC	72%	(#24, 60%)

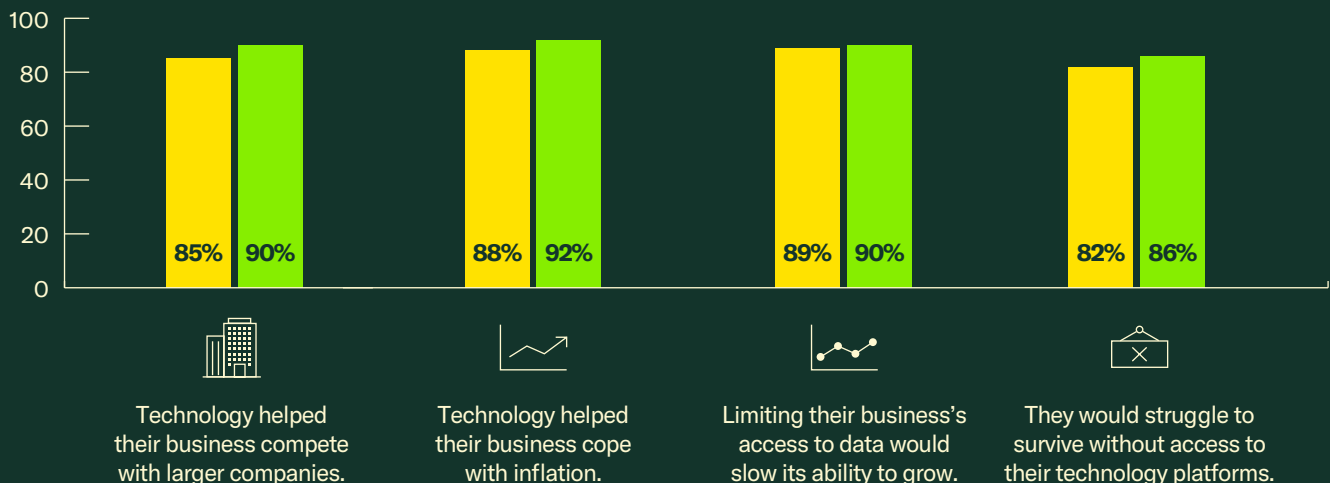
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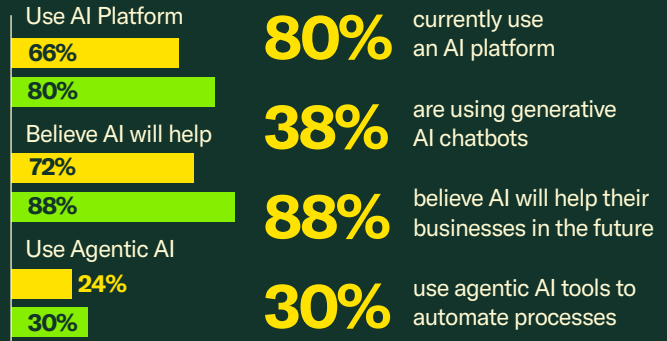
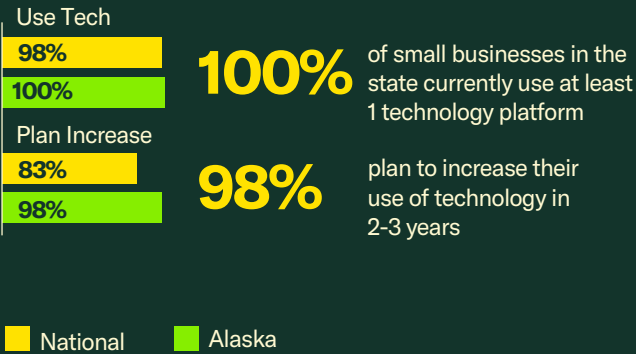
Tech and AI use leads to significant economic growth



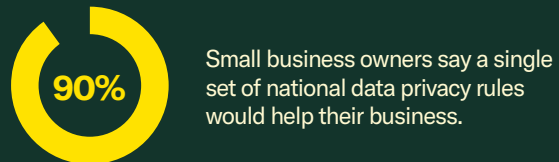
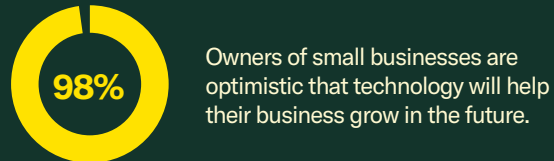
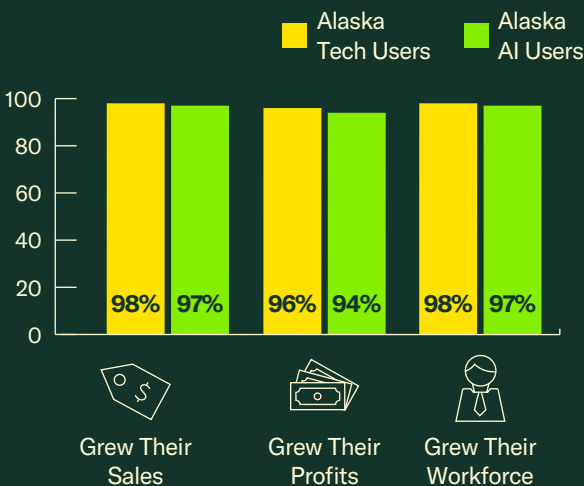
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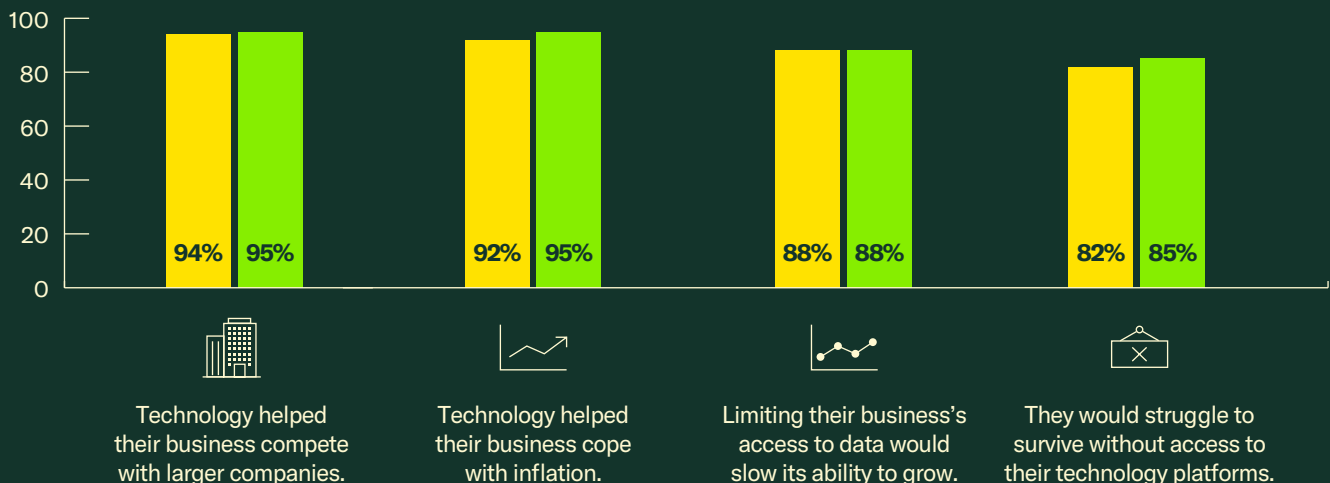
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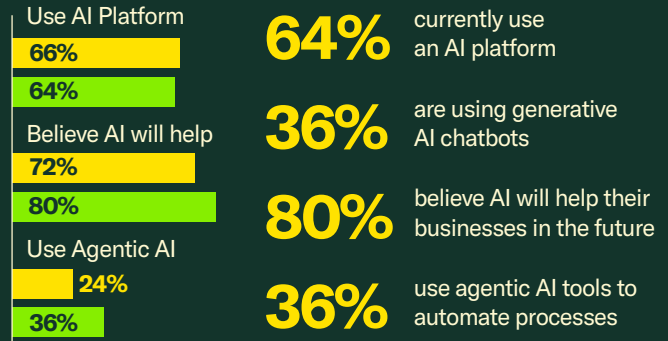
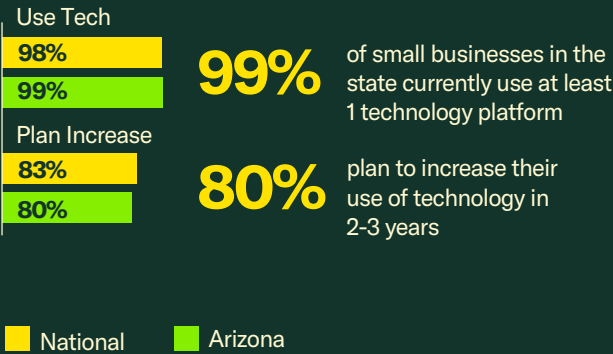
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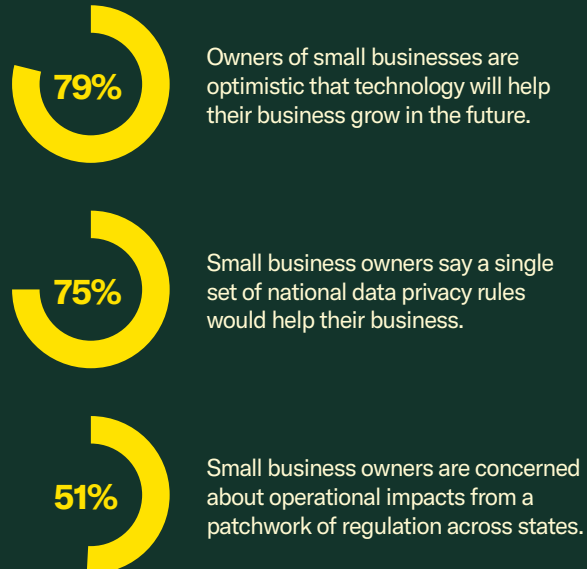
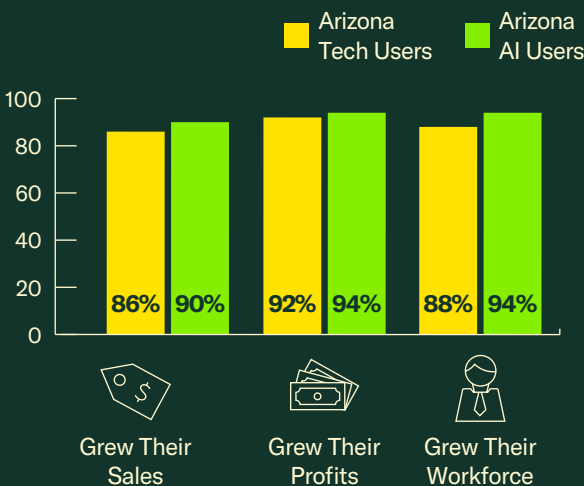
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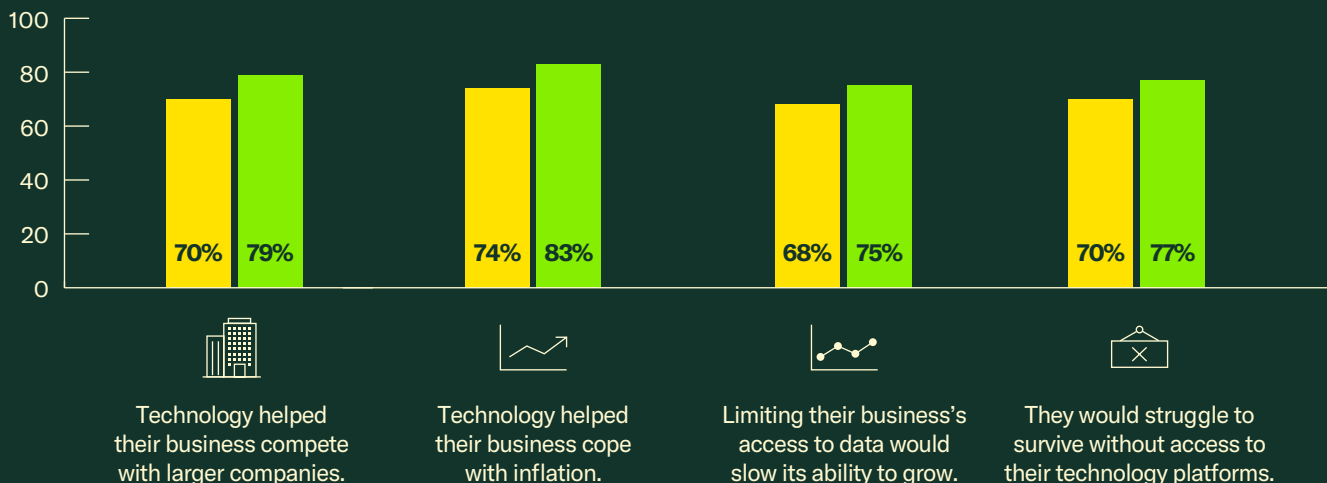
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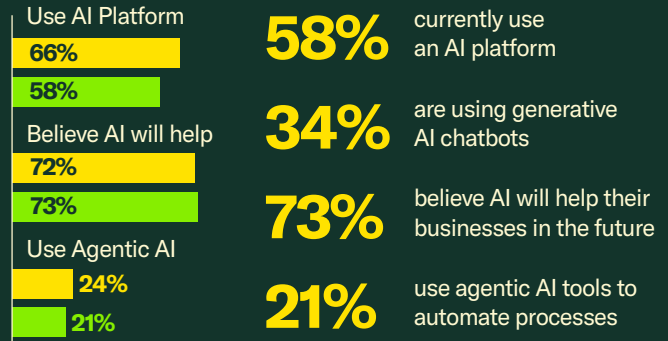
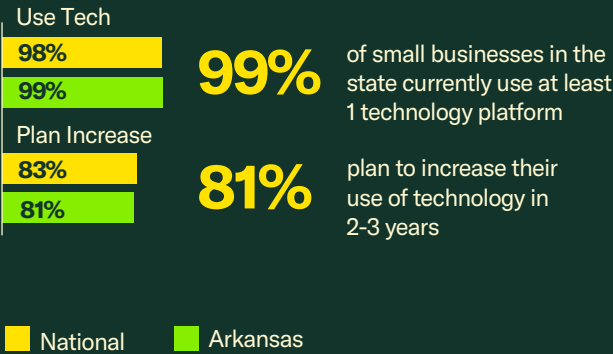
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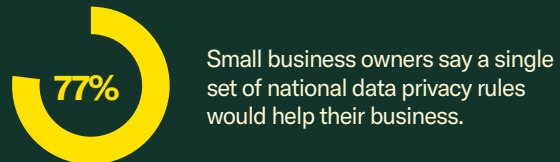
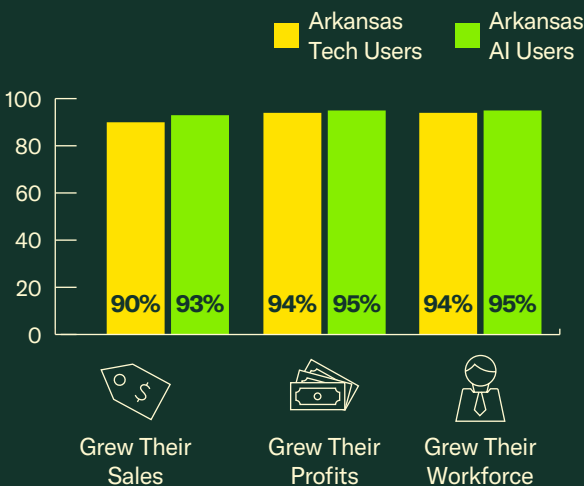
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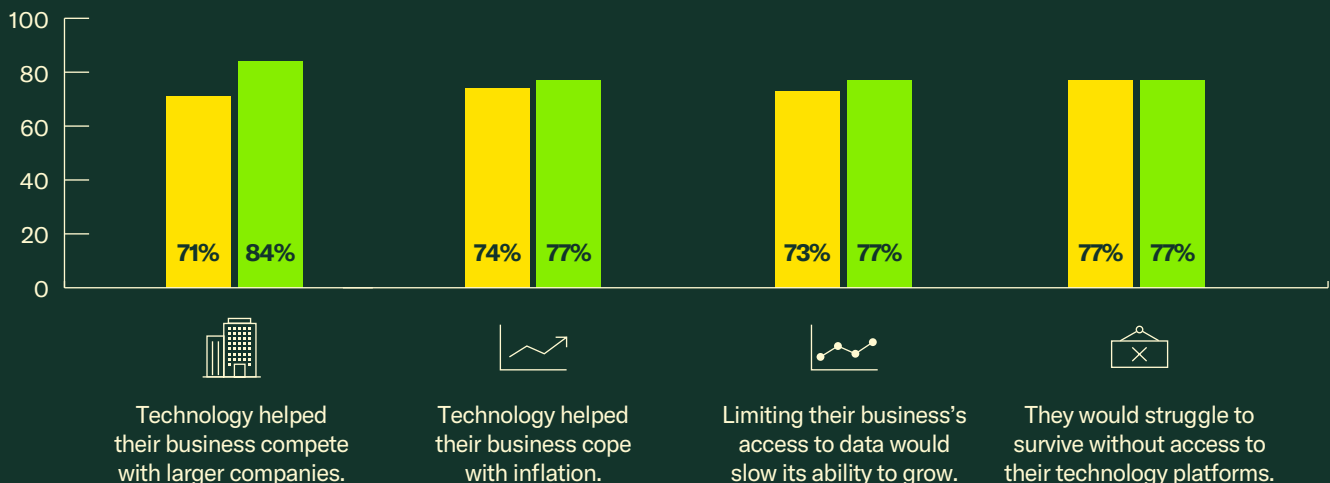
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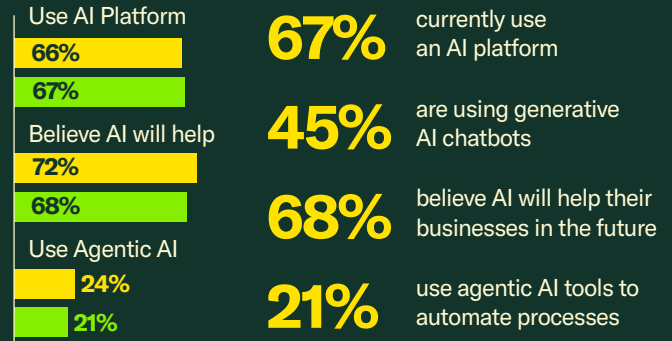
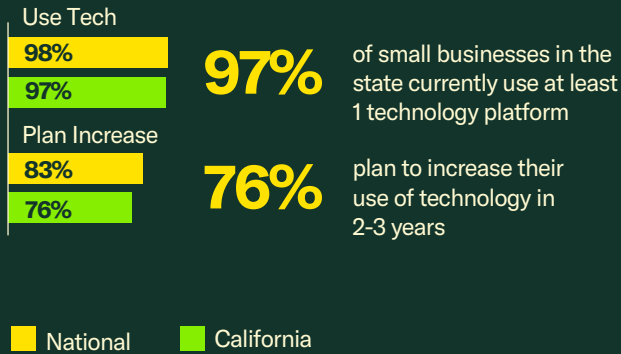
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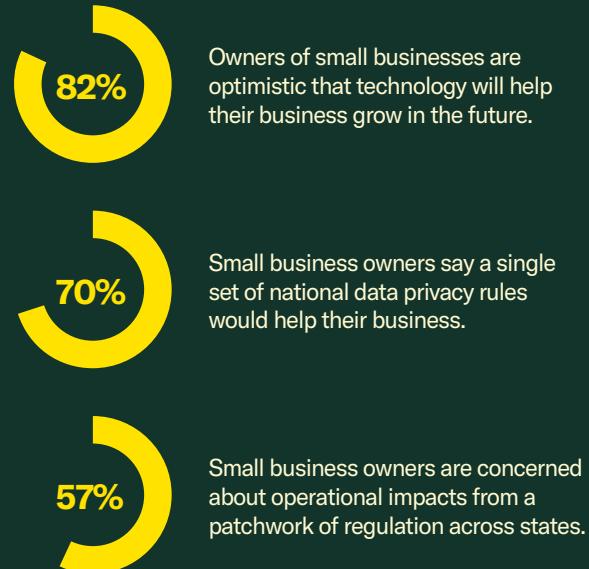
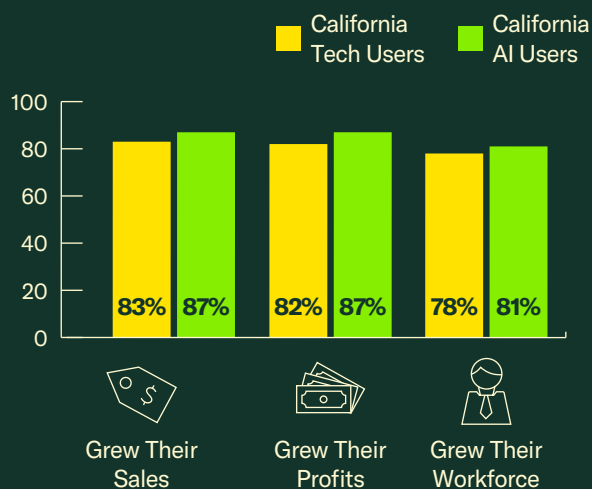
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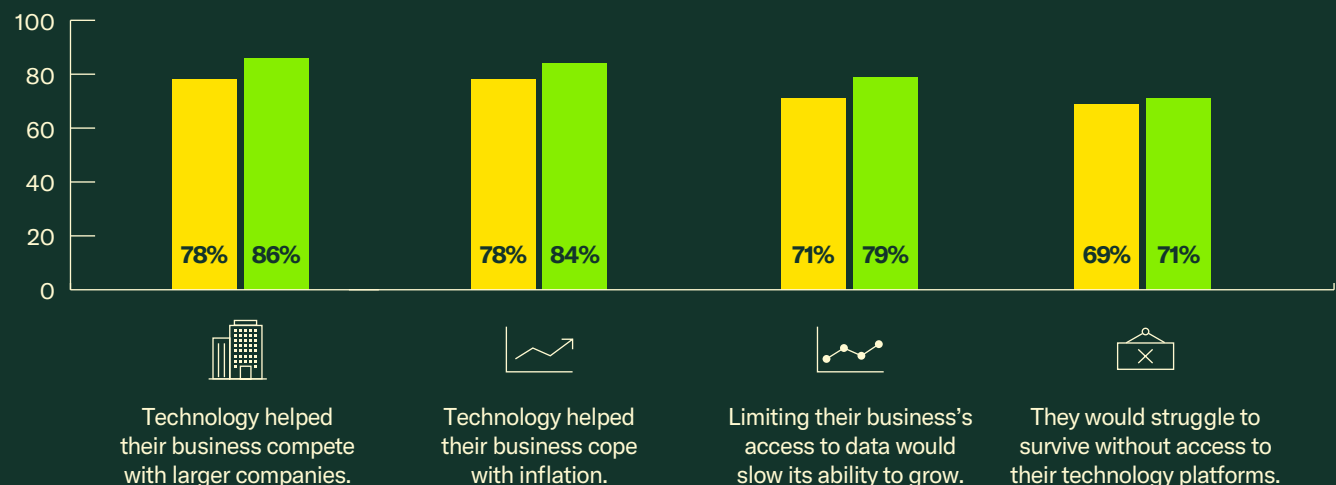
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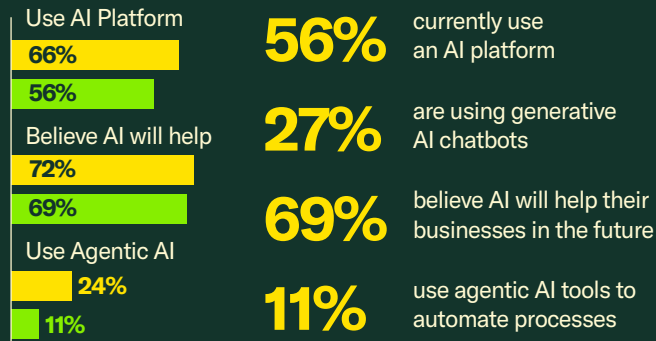
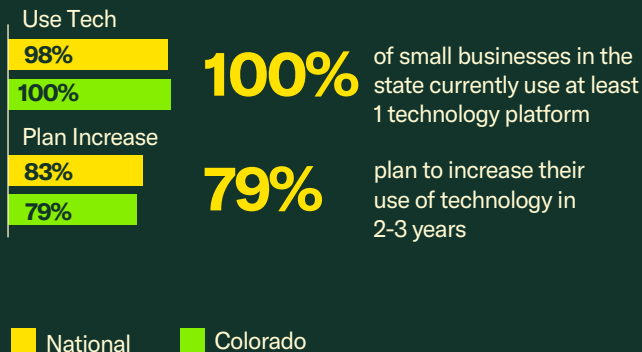
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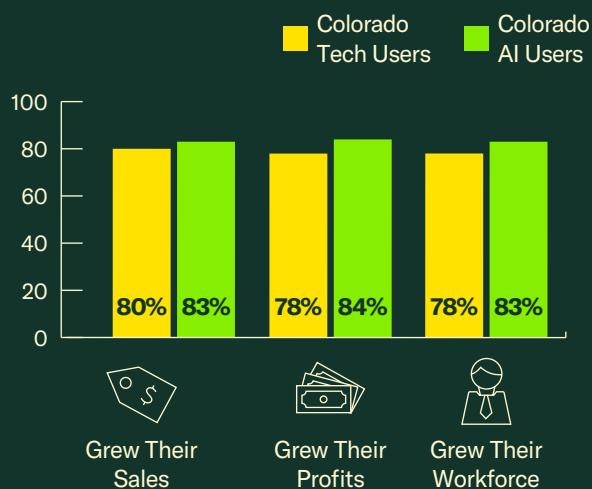
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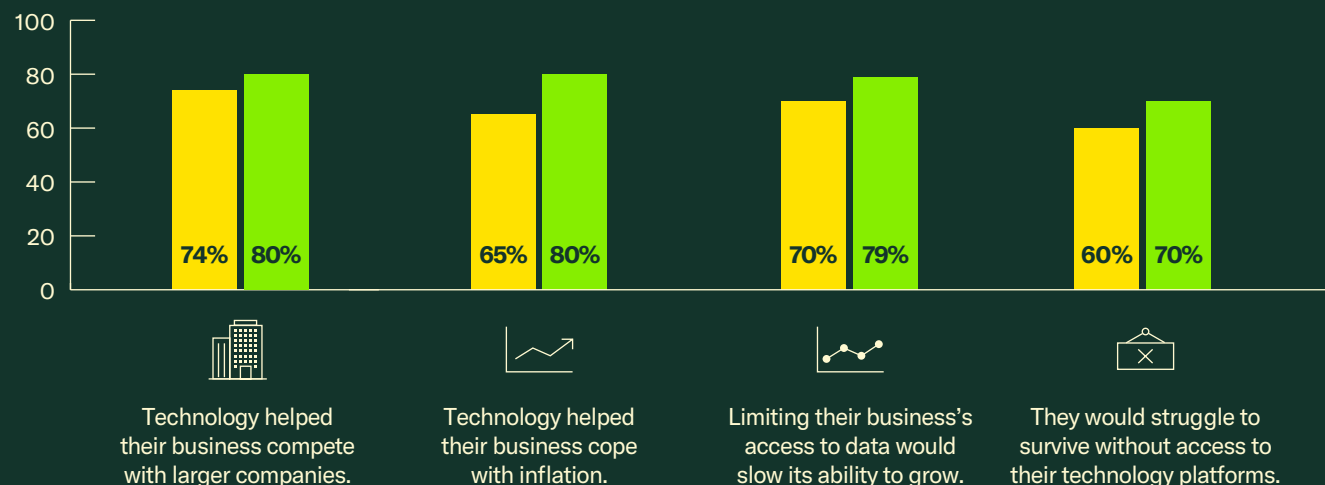
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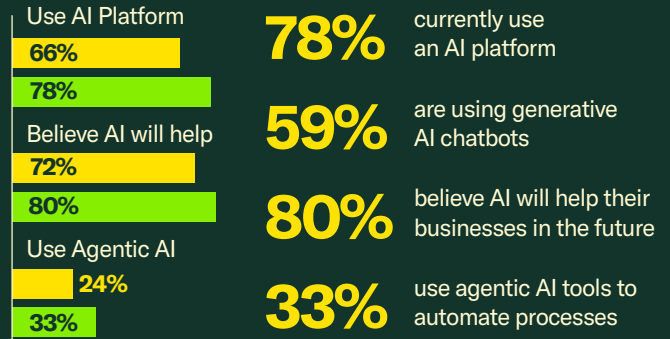
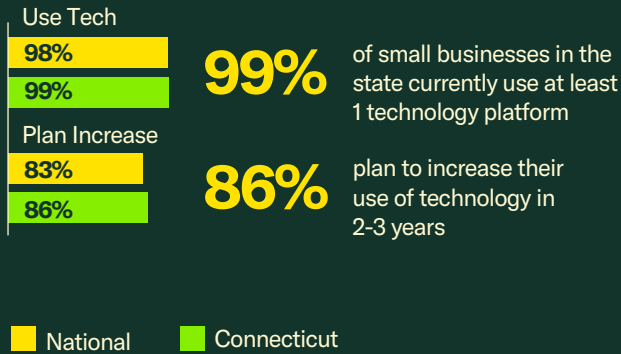
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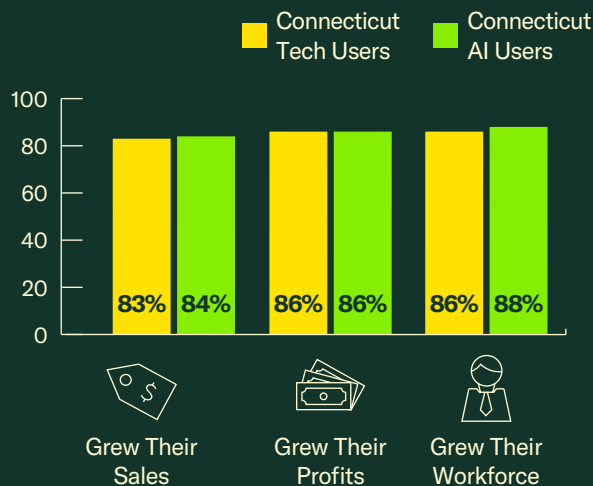
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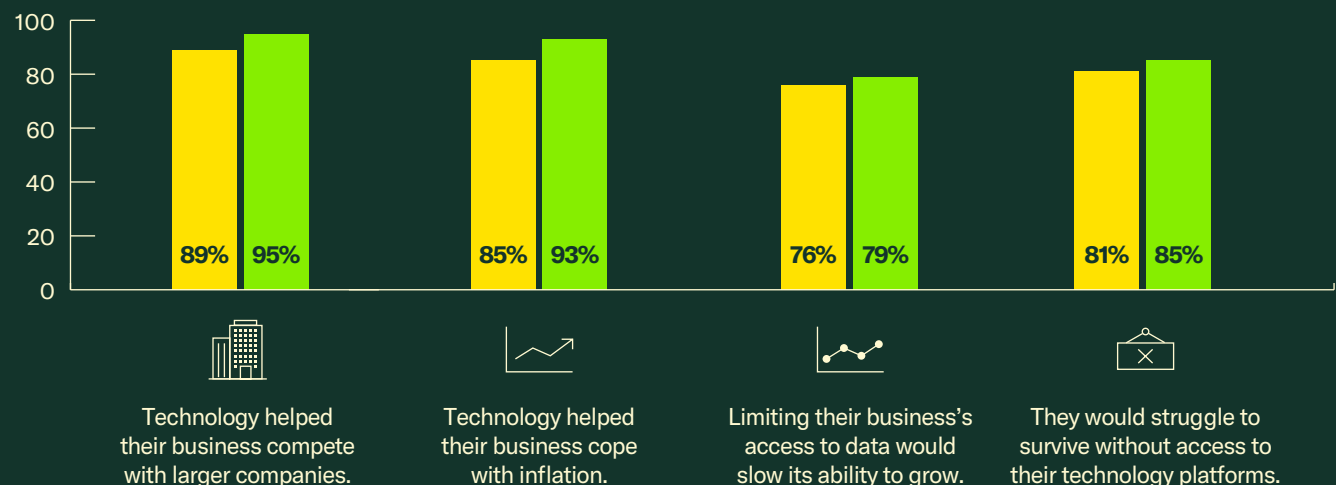
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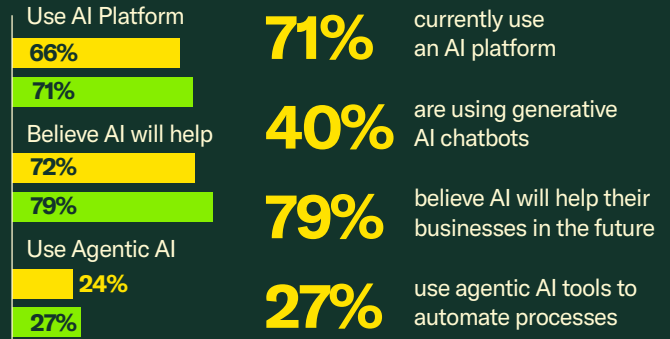
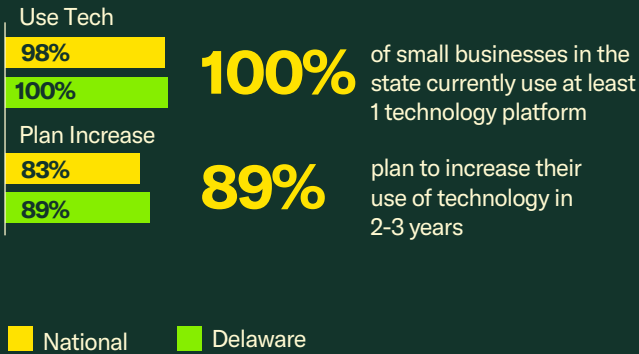
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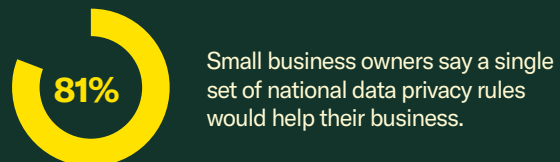
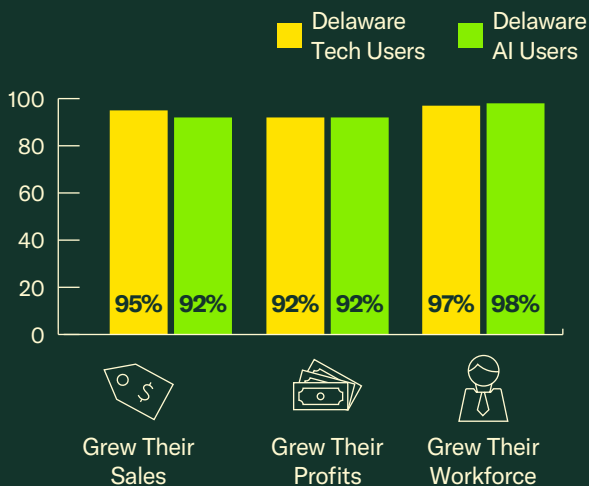
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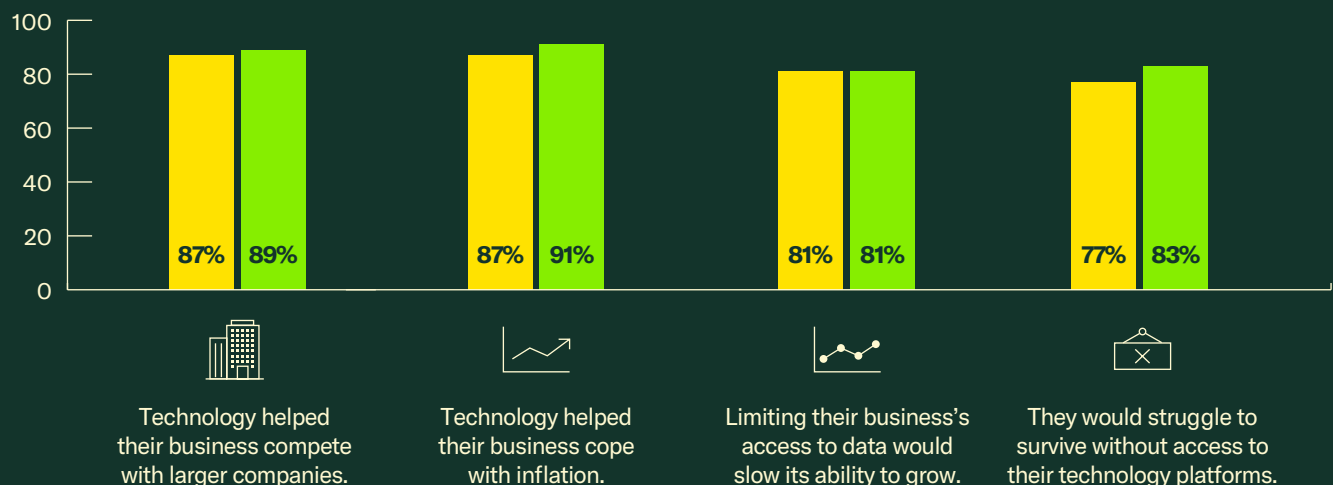
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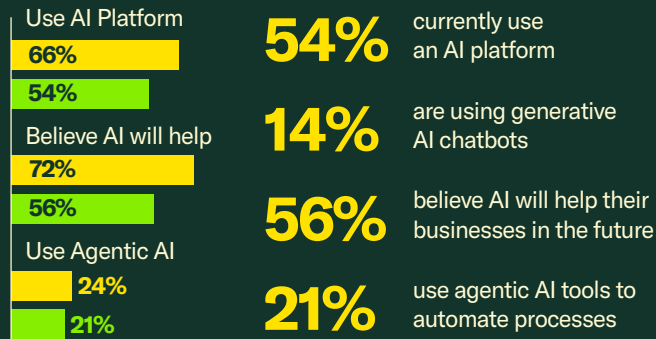
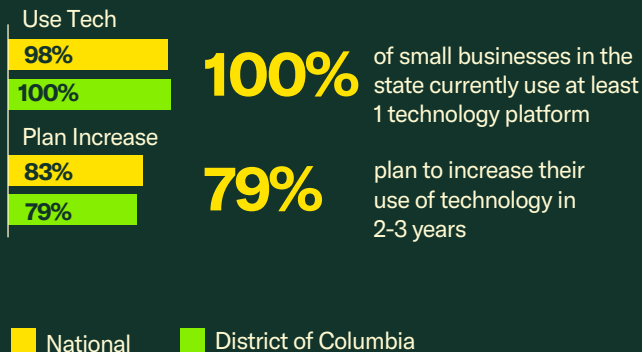
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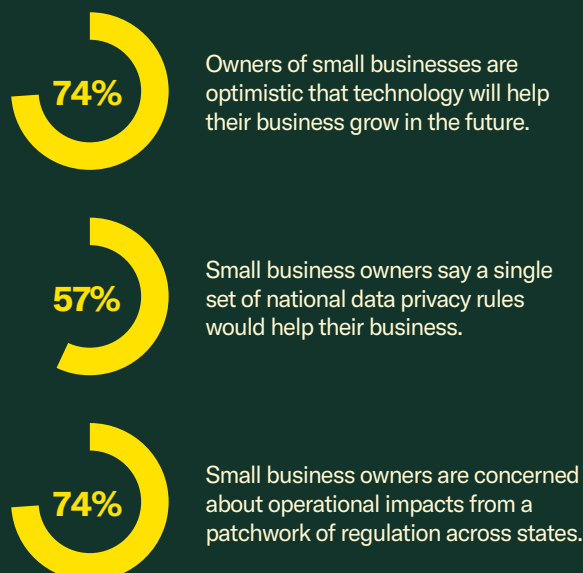
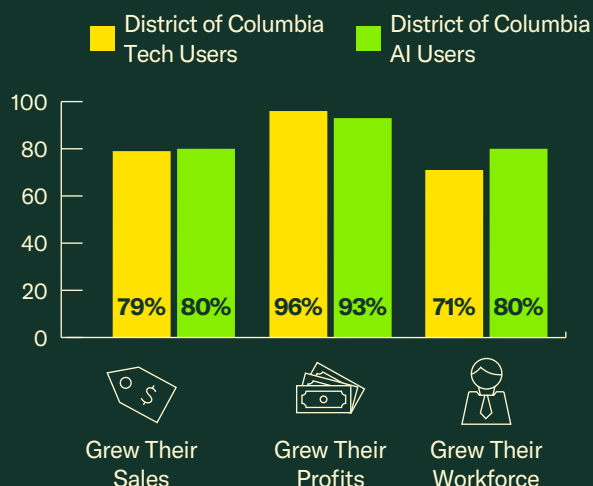
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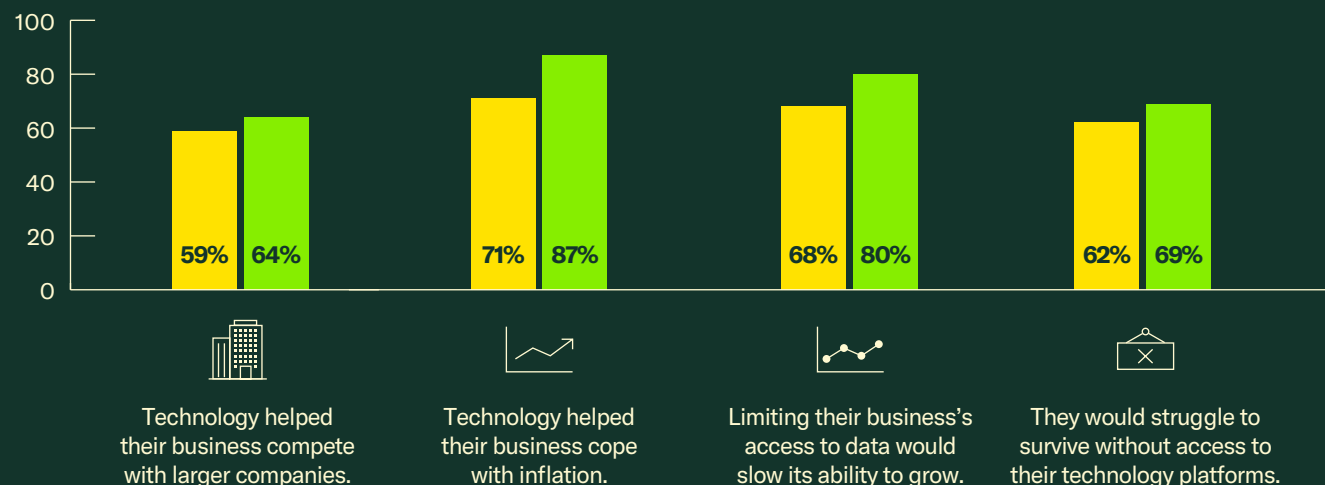
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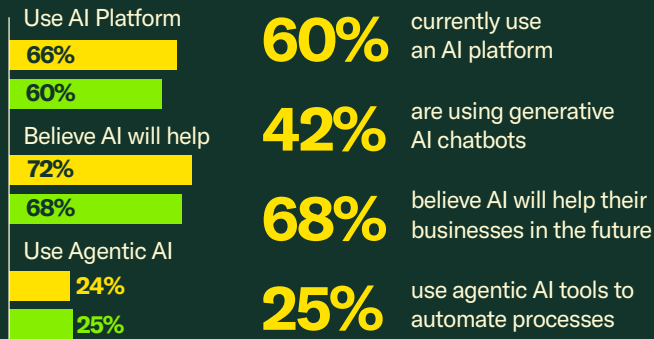
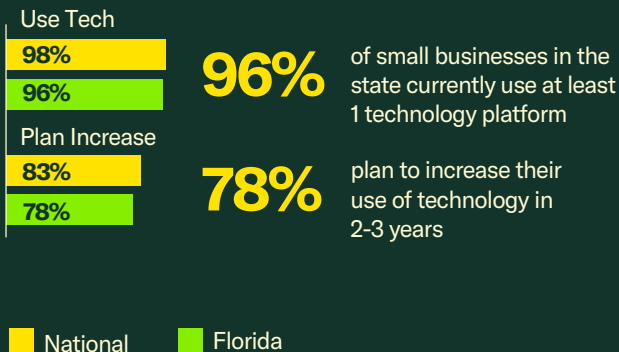
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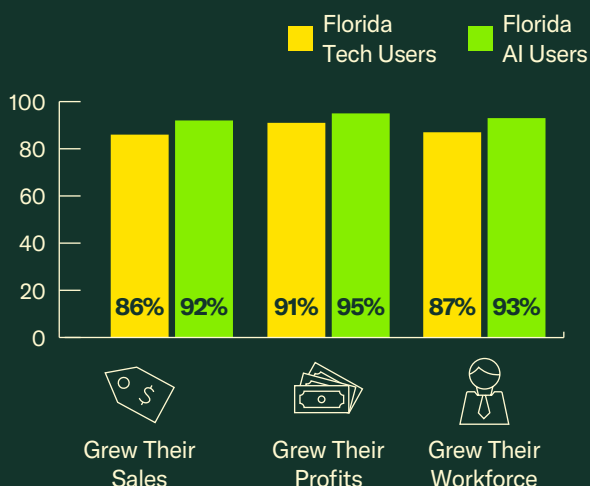
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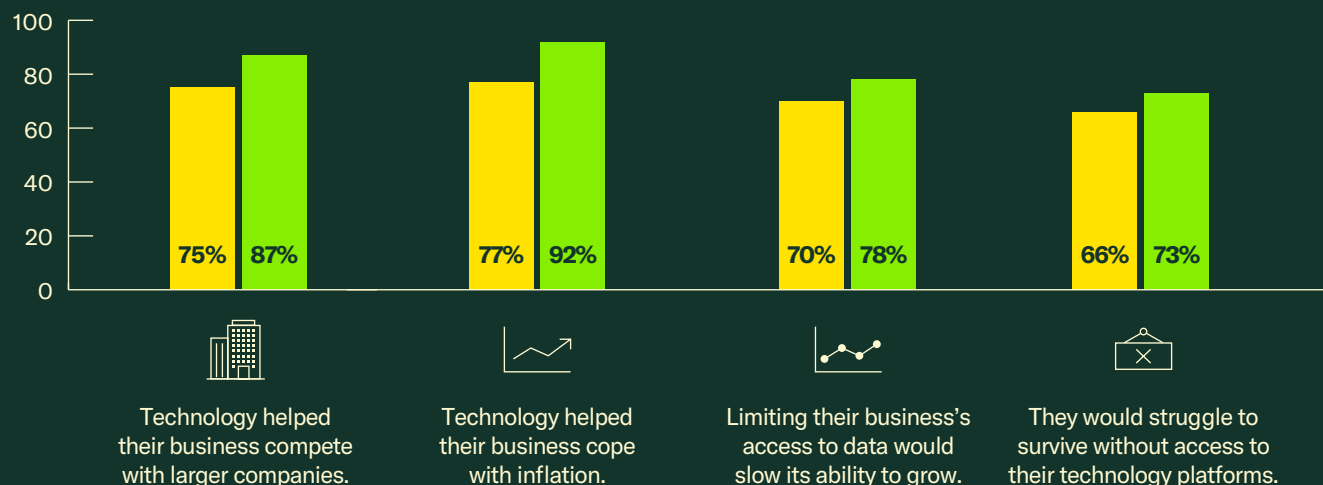
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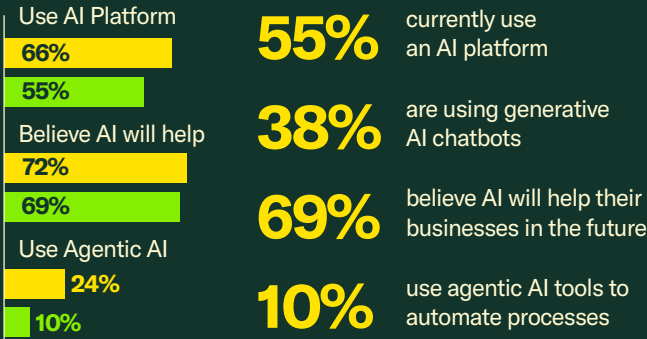
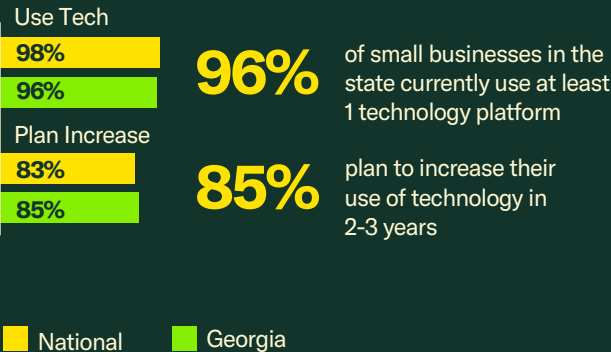
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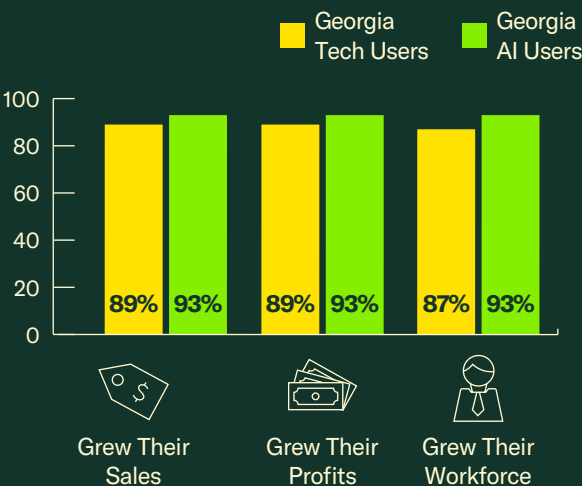
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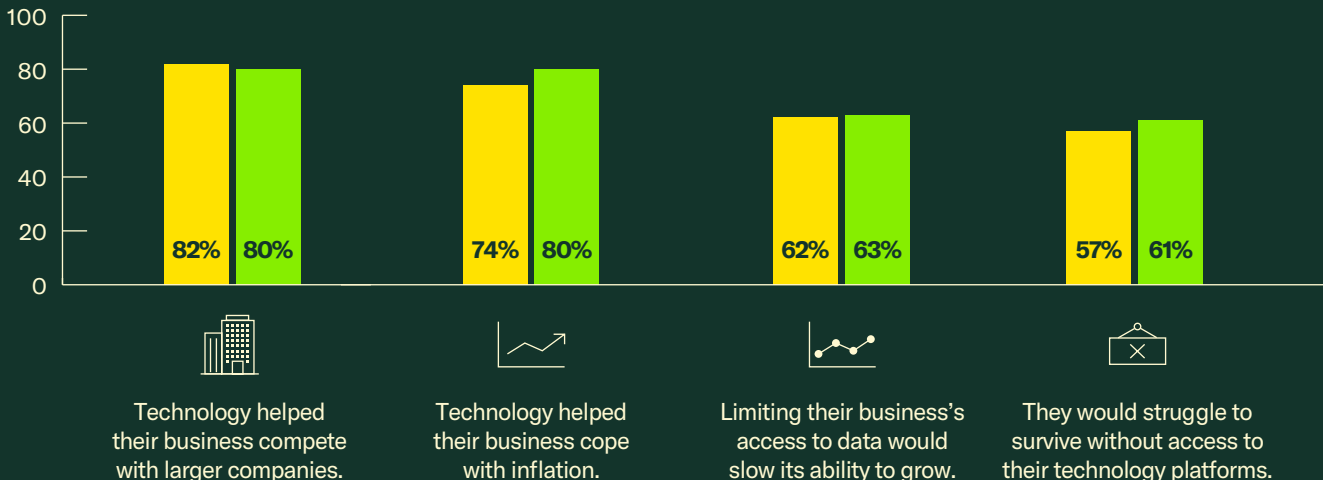
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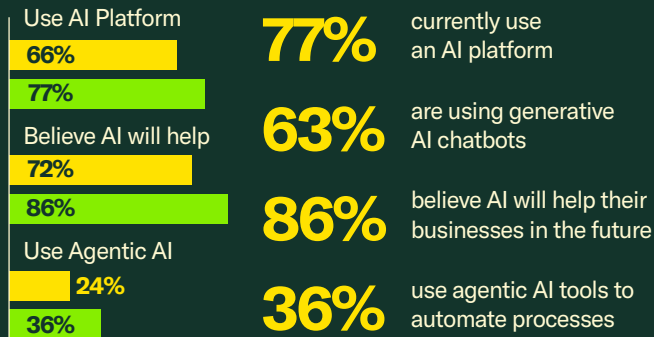
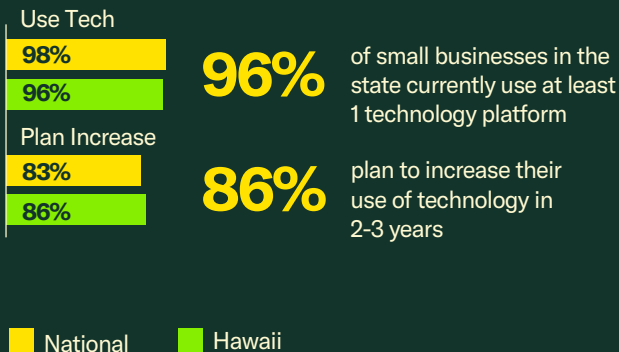
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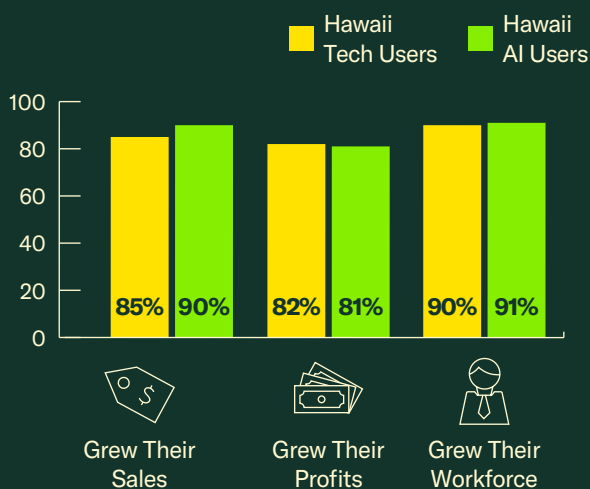
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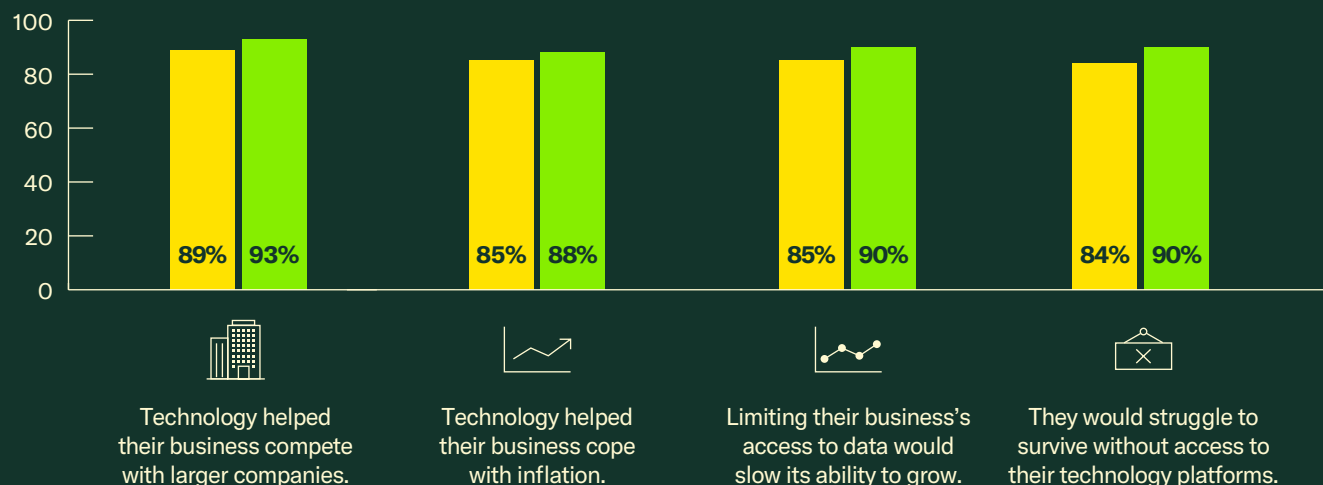
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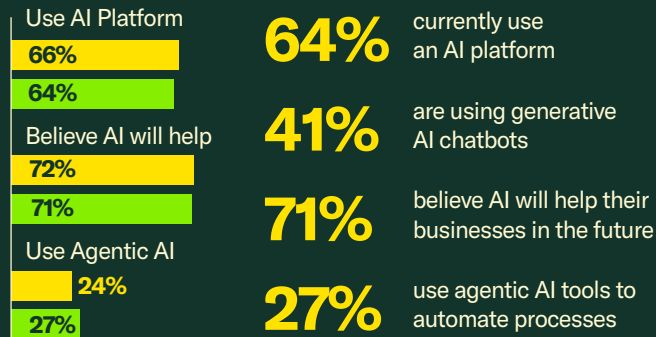
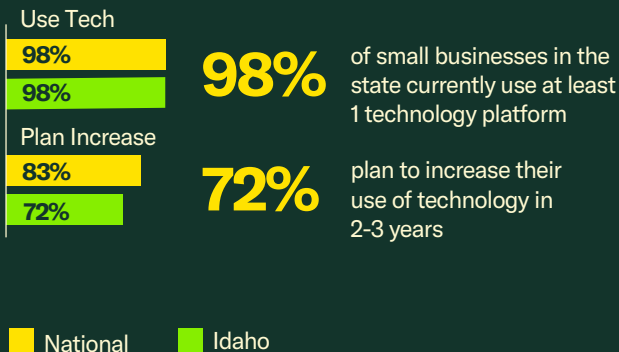
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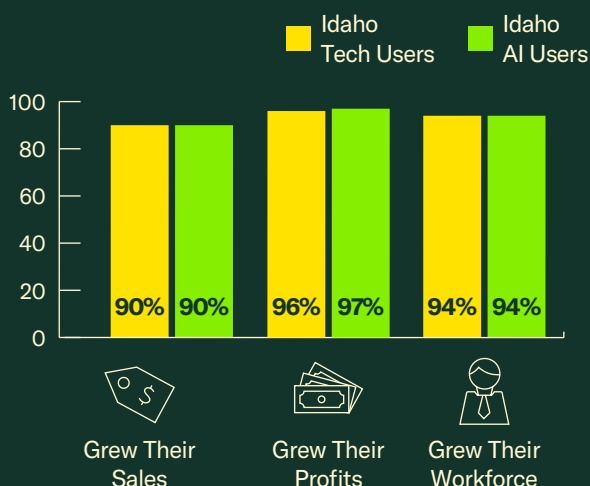
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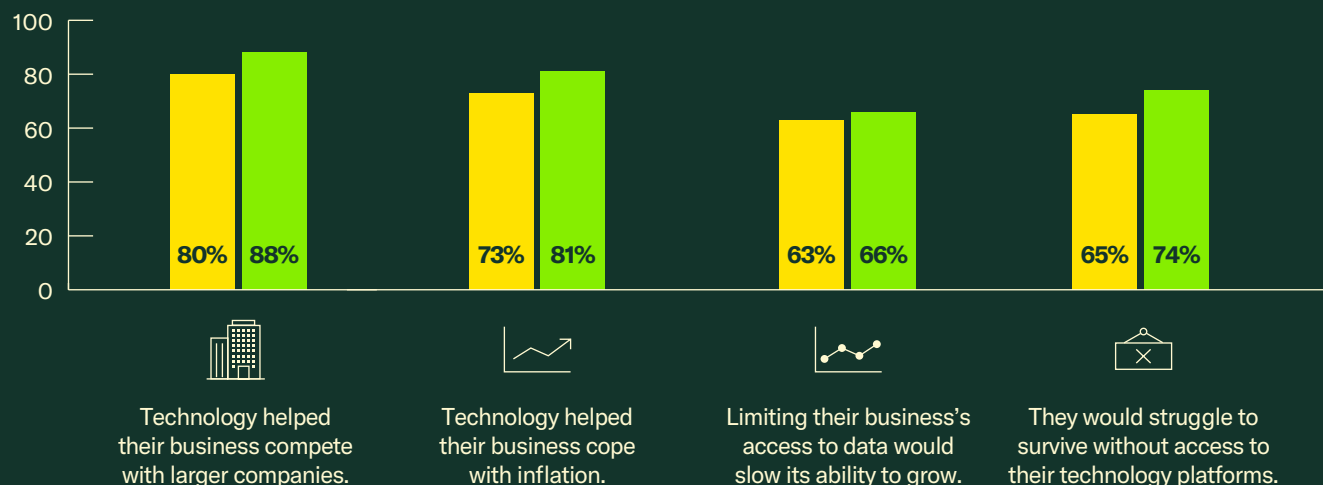
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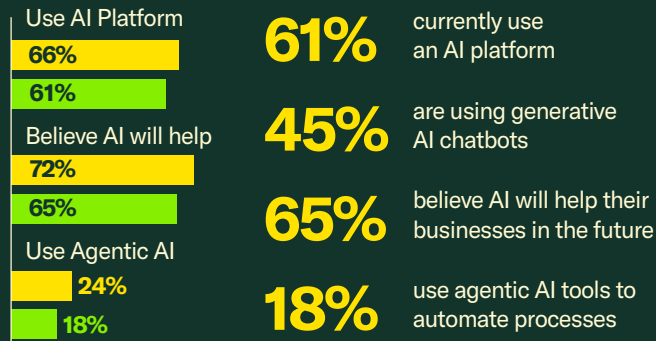
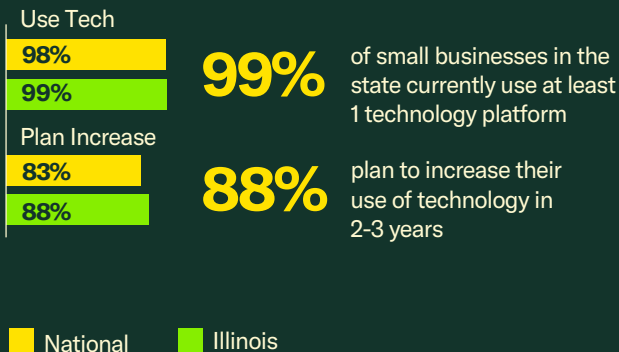
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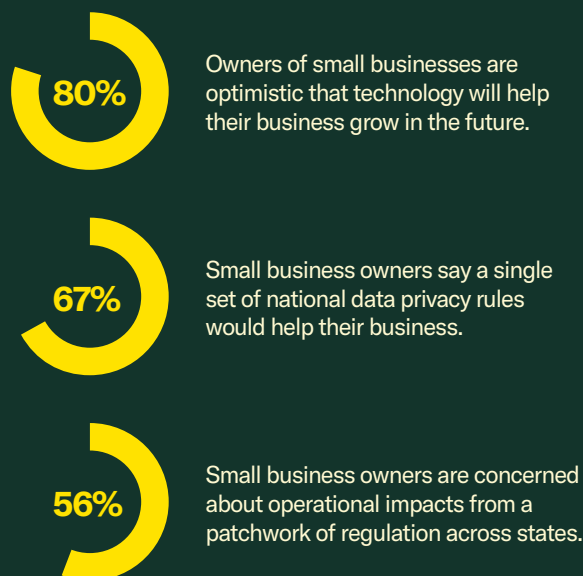
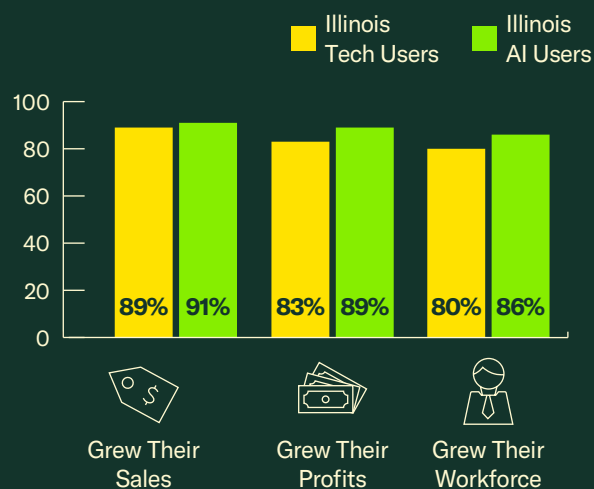
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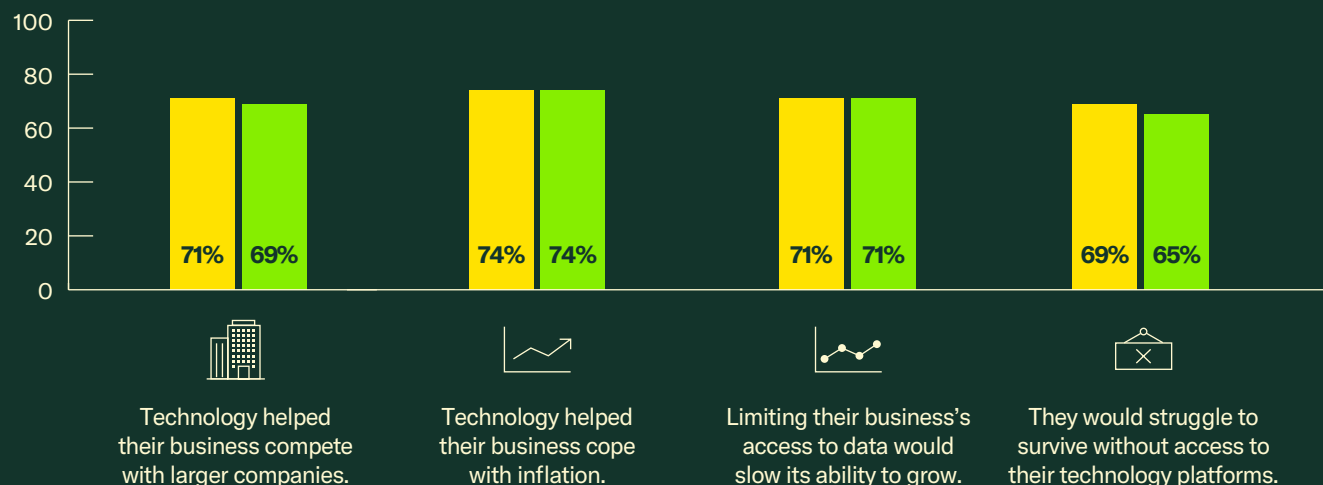
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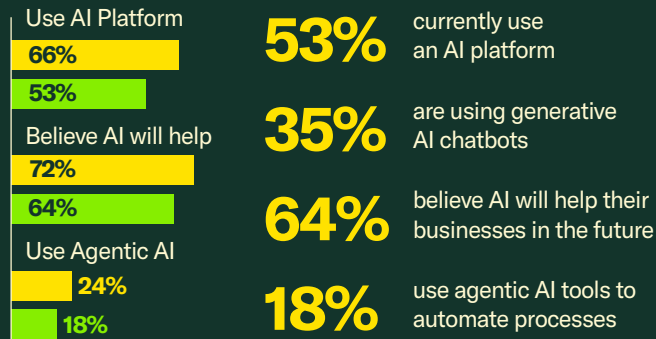
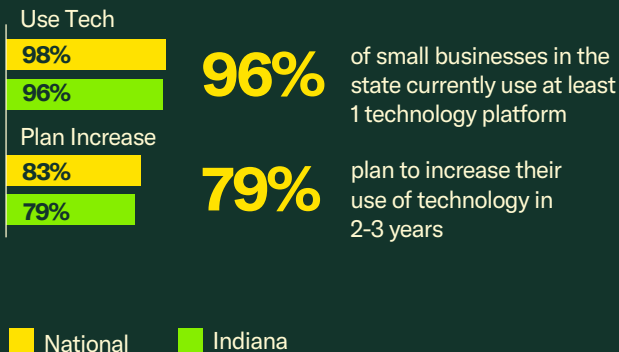
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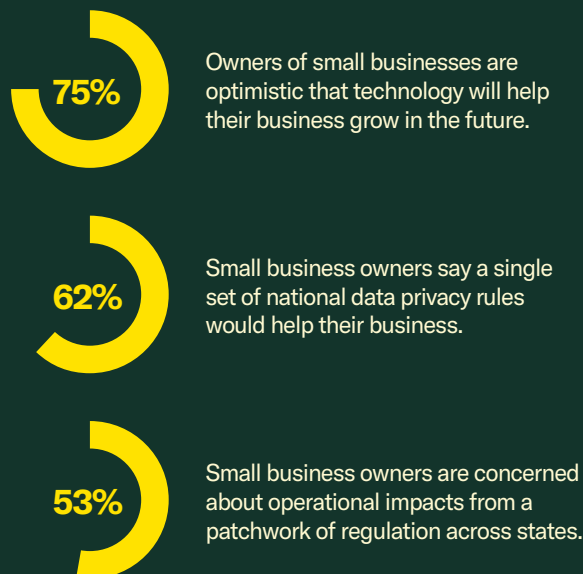
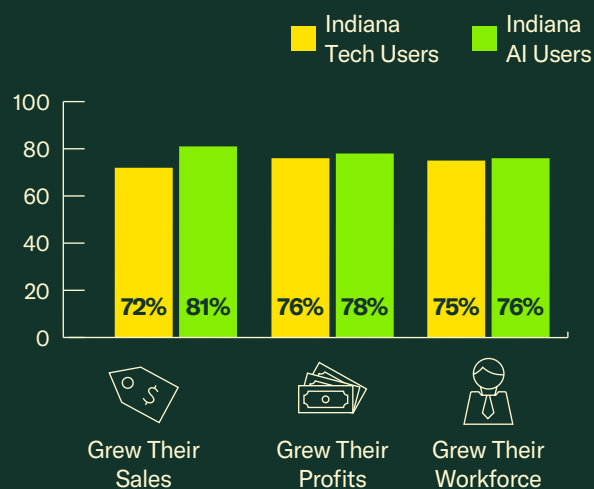
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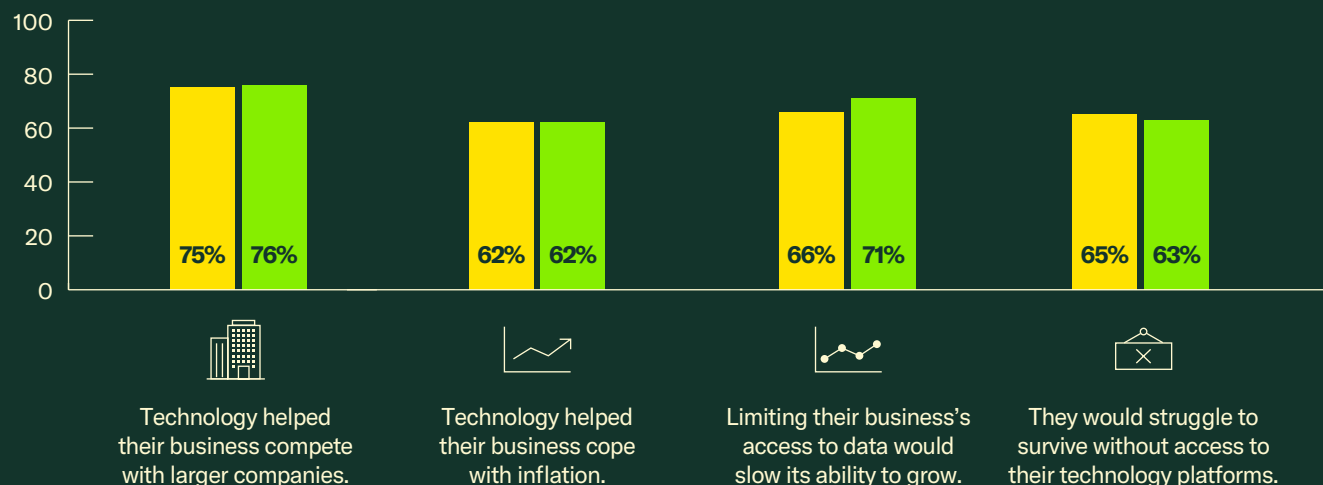
Key Numbers: Indiana Small Businesses



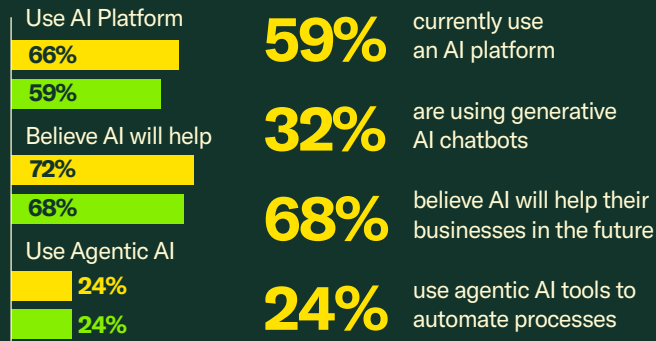
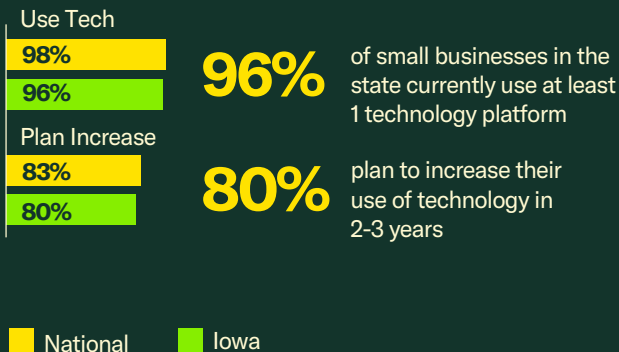
Tech and AI use leads to significant economic growth



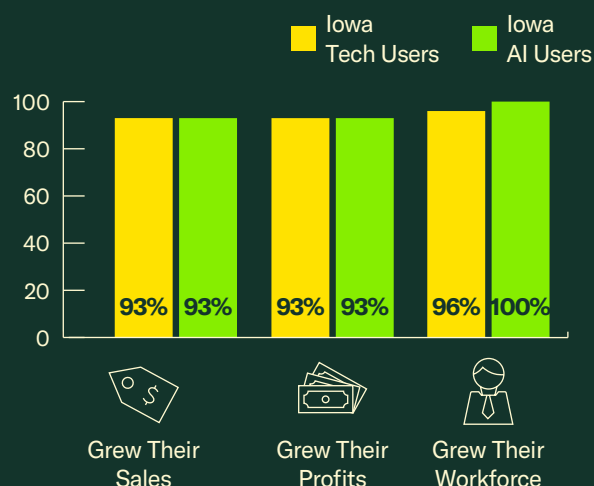
Indiana small businesses that use tech or AI say...



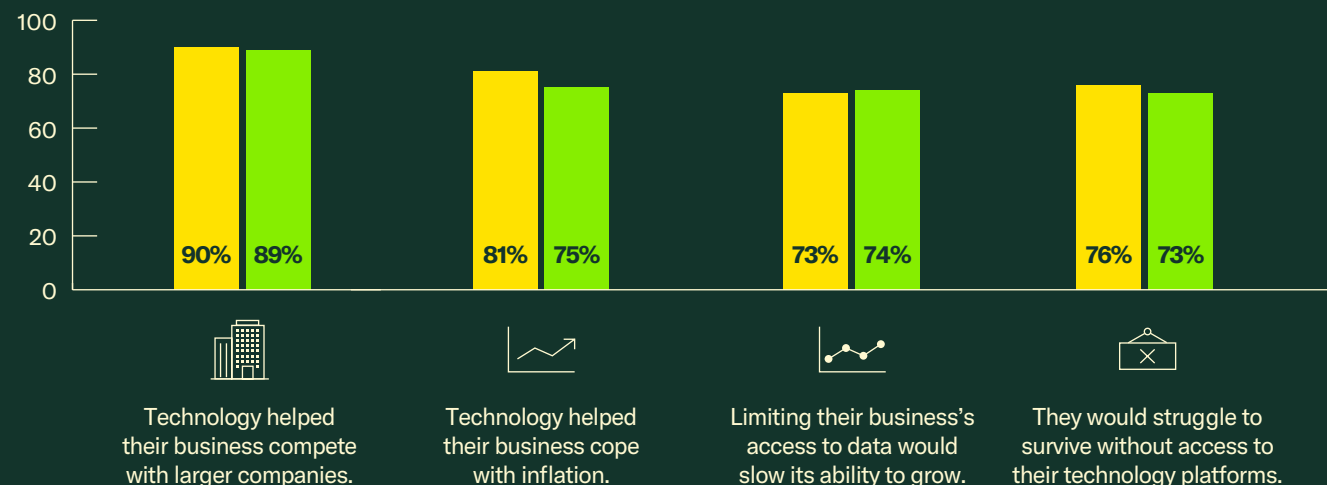
Key Numbers: Iowa Small Businesses



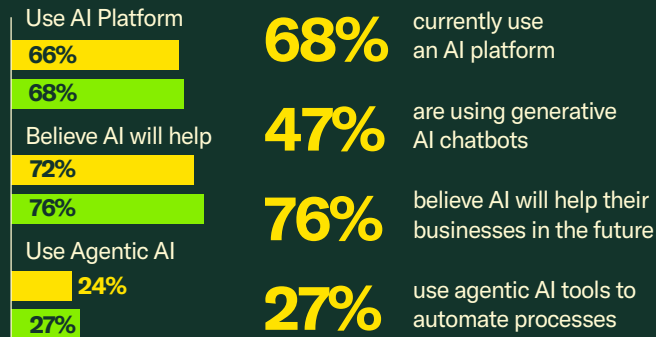
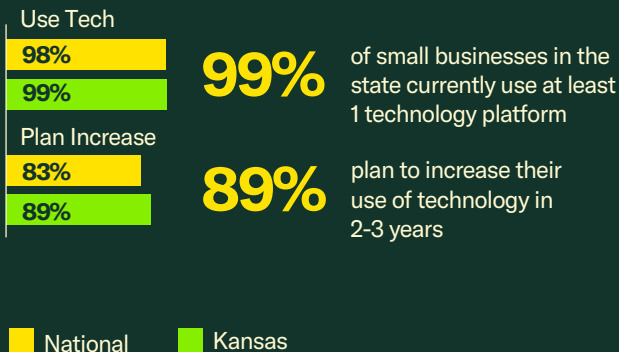
Tech and AI use leads to significant economic growth



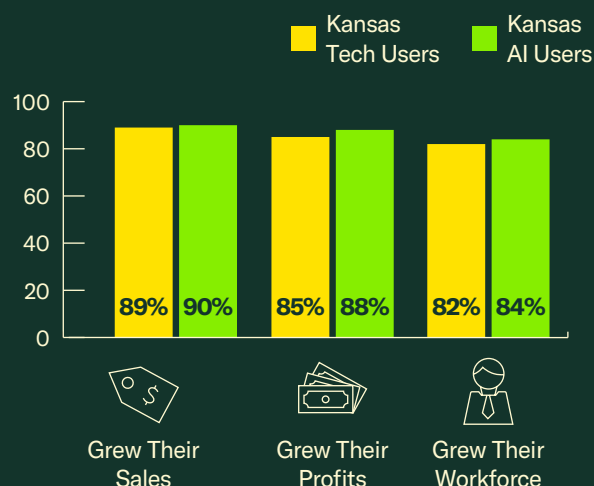
Iowa small businesses that use tech or AI say...



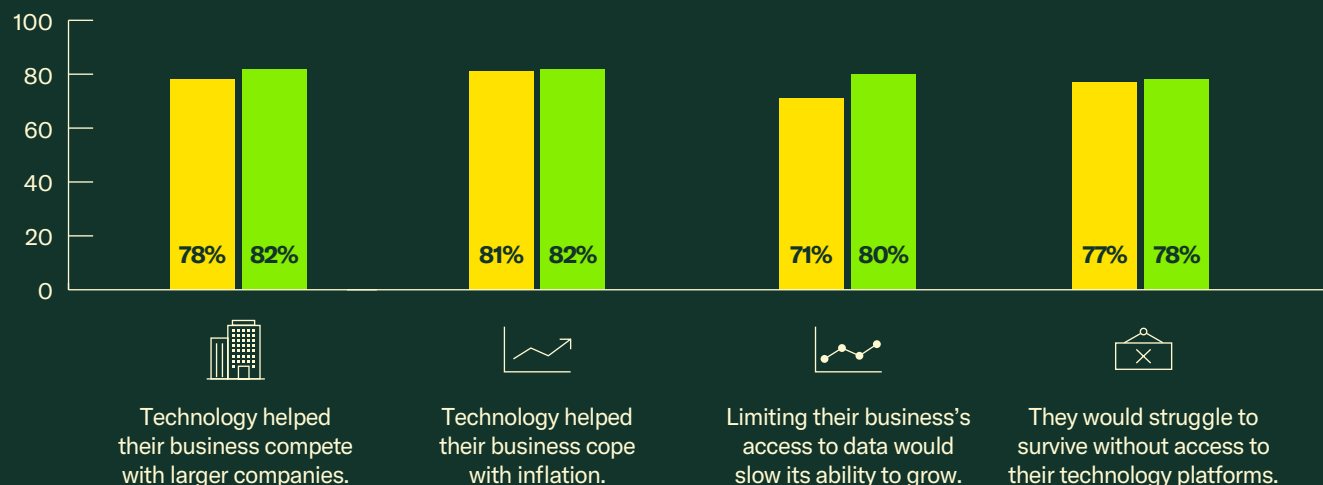
Key Numbers: Kansas Small Businesses



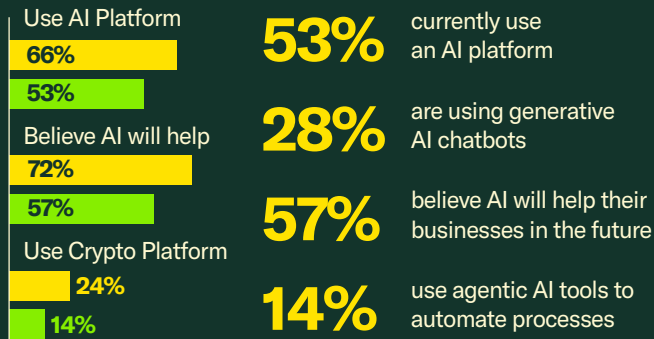
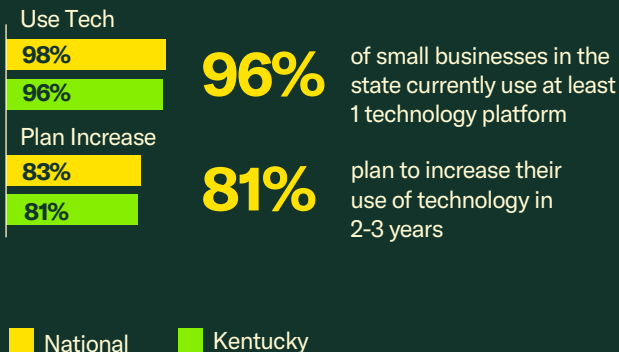
Tech and AI use leads to significant economic growth



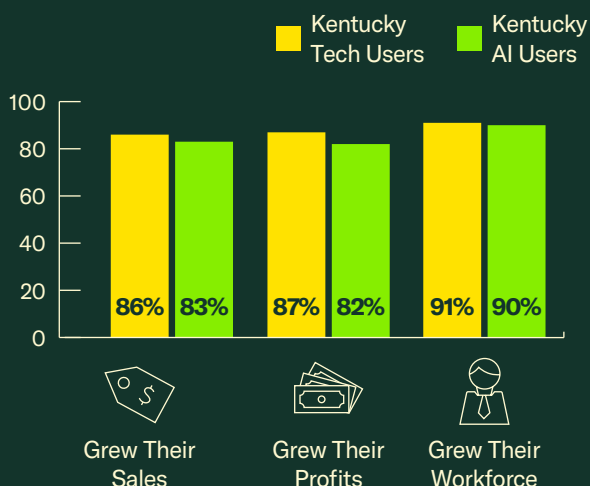
Kansas small businesses that use tech or AI say...



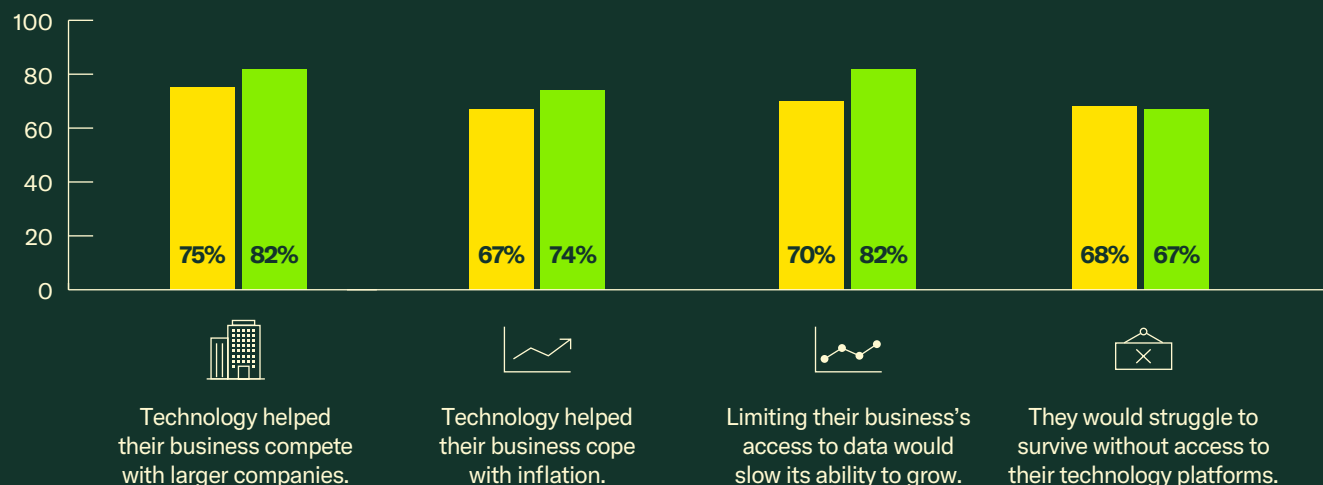
Key Numbers: Kentucky Small Businesses



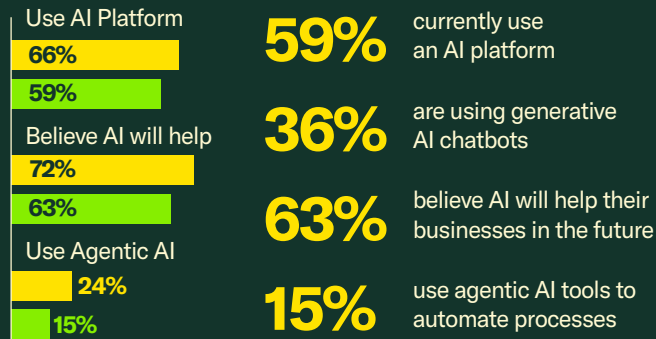
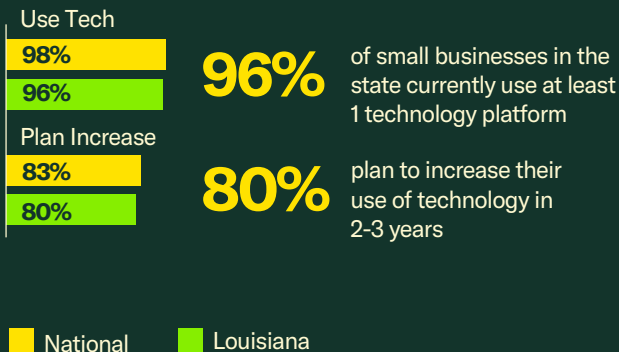
Tech and AI use leads to significant economic growth



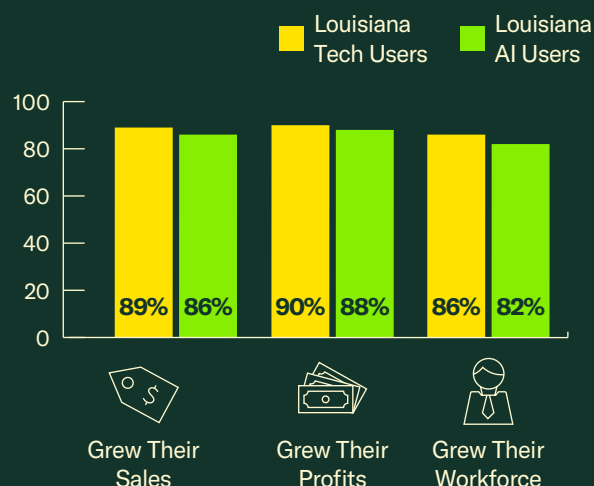
Kentucky small businesses that use tech or AI say...



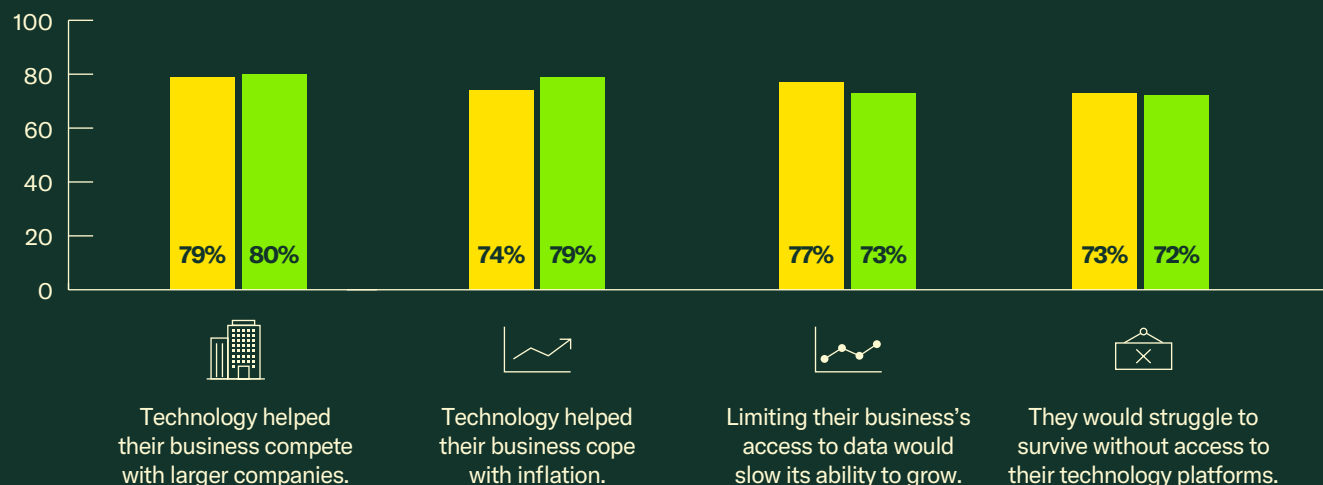
Key Numbers: Louisiana Small Businesses



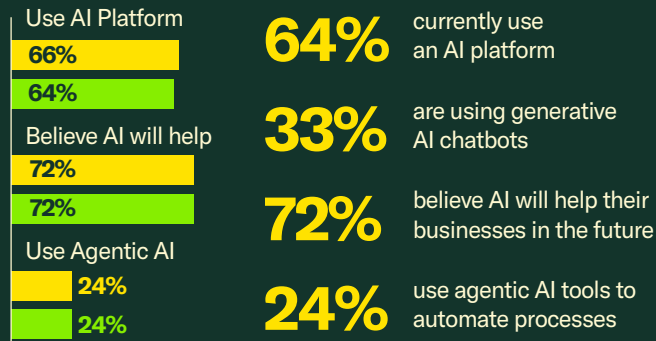
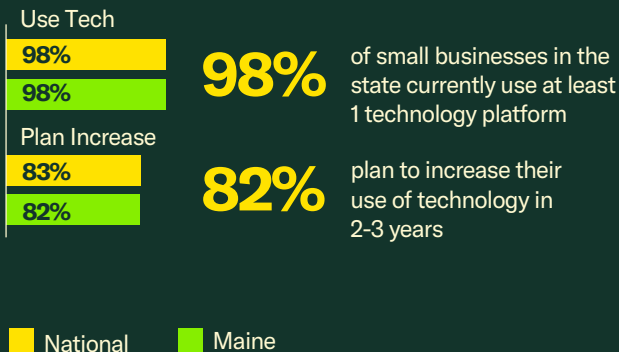
Tech and AI use leads to significant economic growth



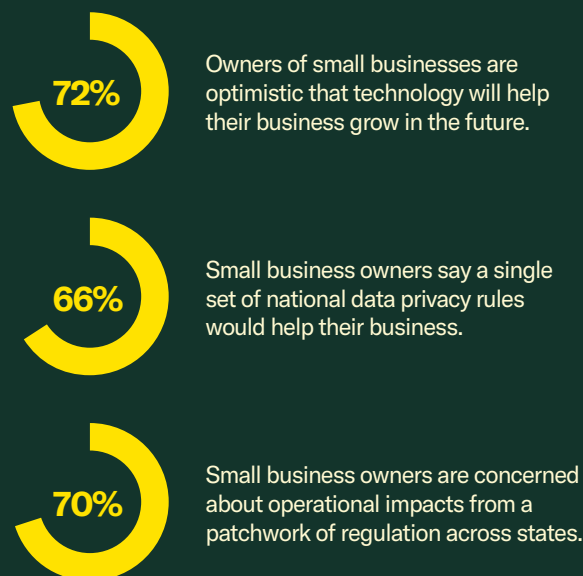
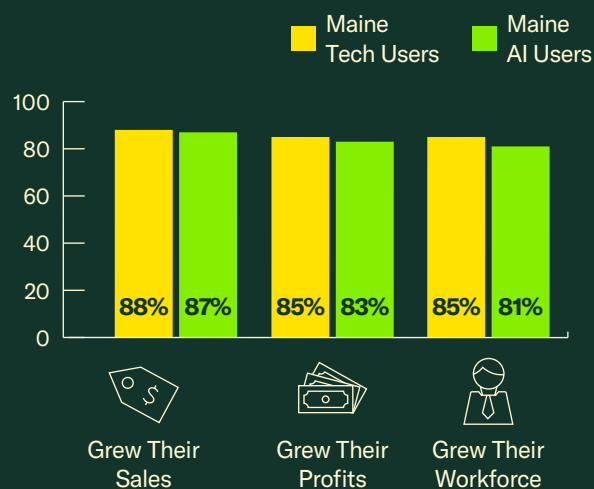
Louisiana small businesses that use tech or AI say...



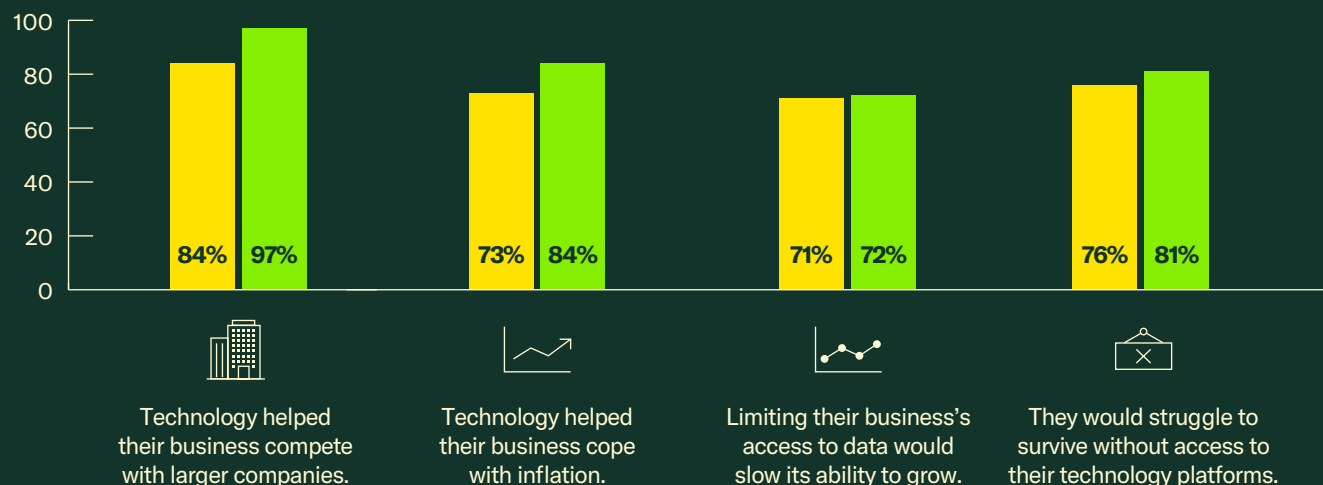
Key Numbers: Maine Small Businesses



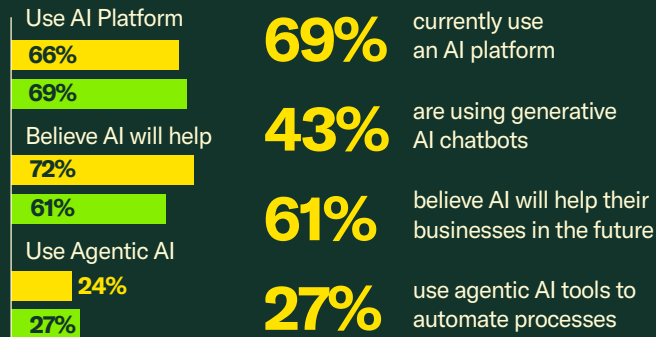
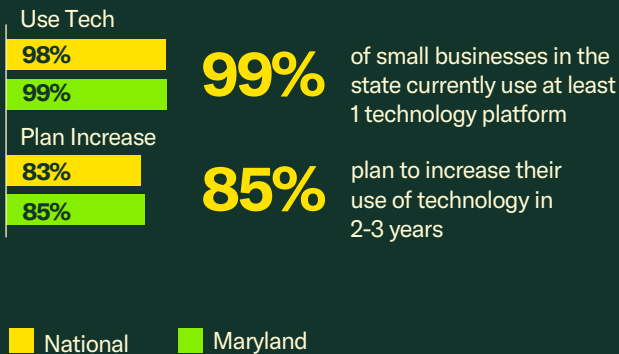
Tech and AI use leads to significant economic growth



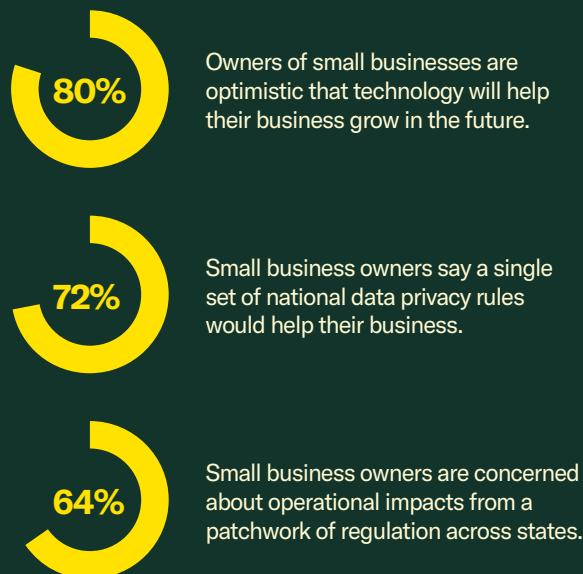
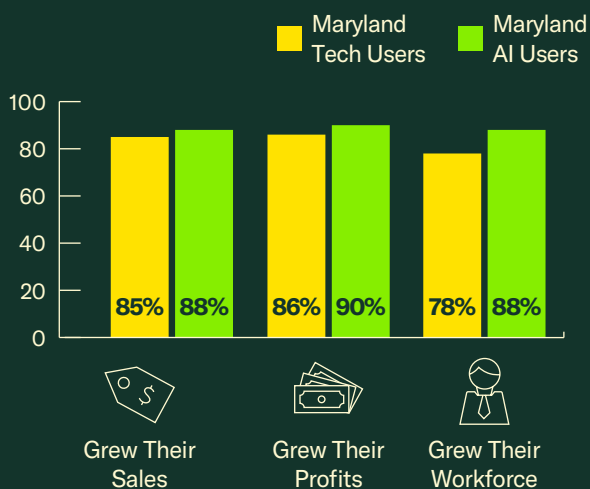
Maine small businesses that use tech or AI say...



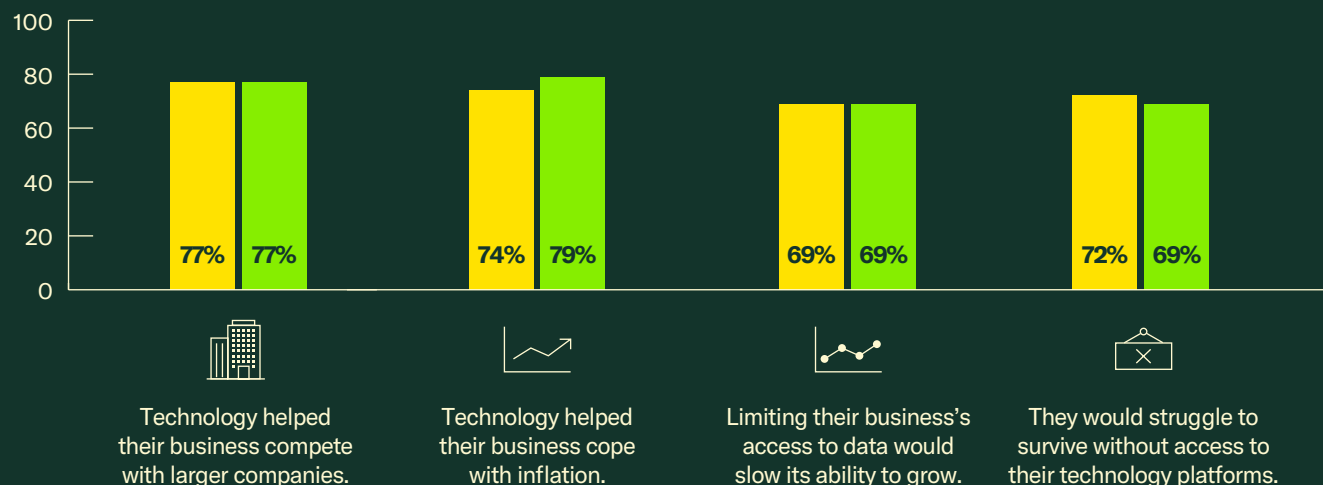
Key Numbers: Maryland Small Businesses



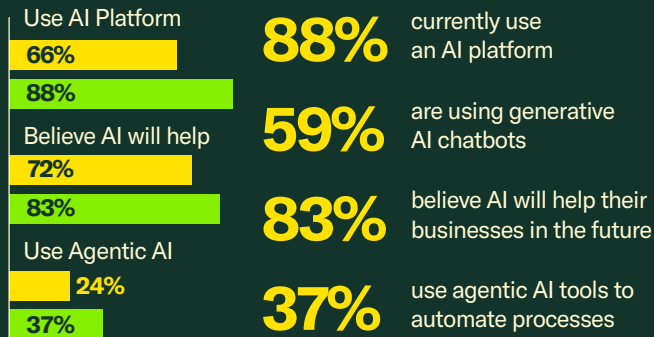
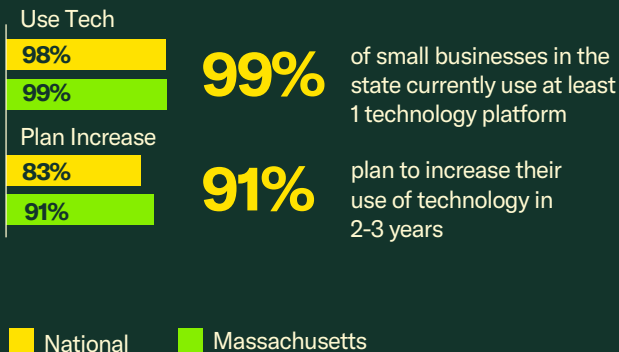
Tech and AI use leads to significant economic growth



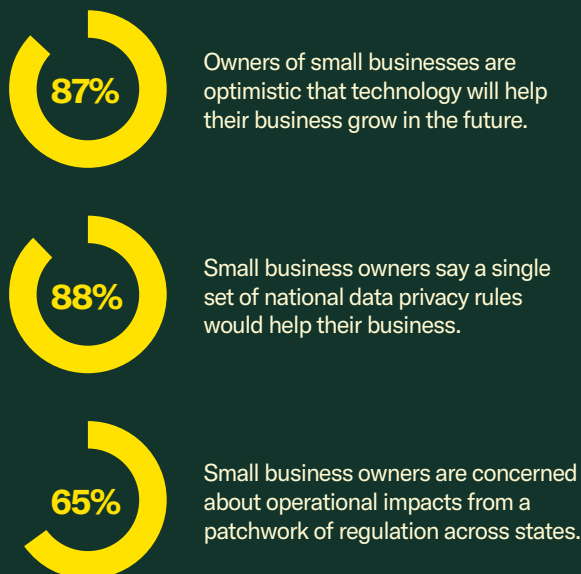
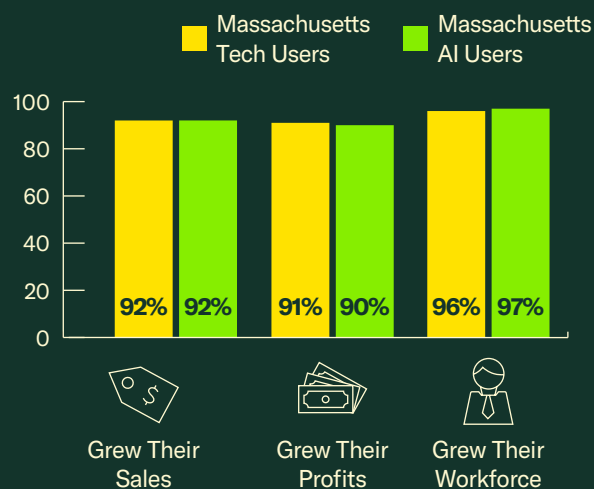
Maryland small businesses that use tech or AI say...



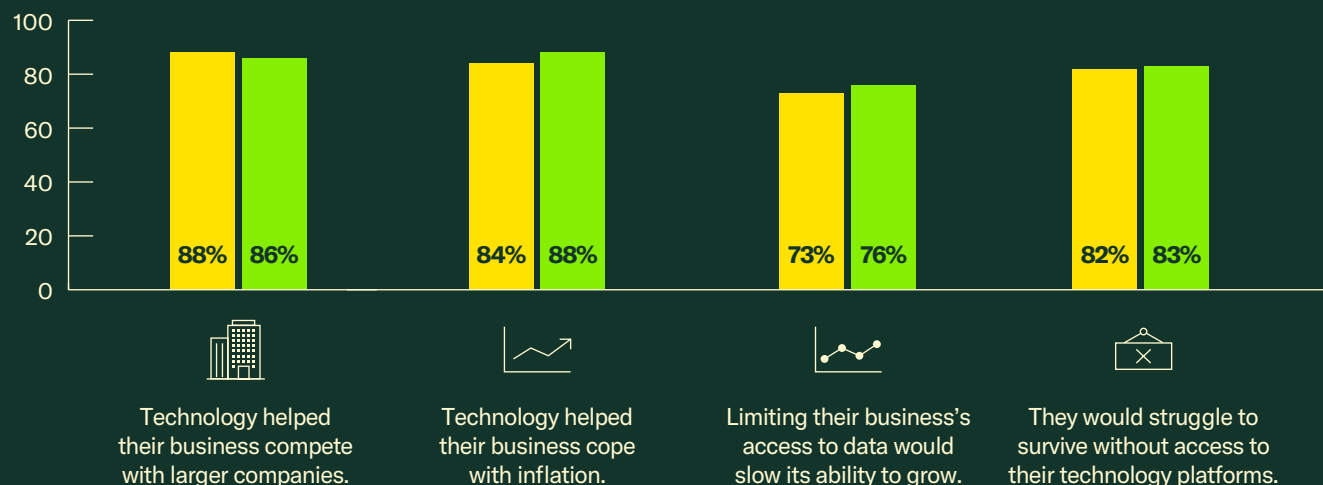
Key Numbers: Massachusetts Small Businesses



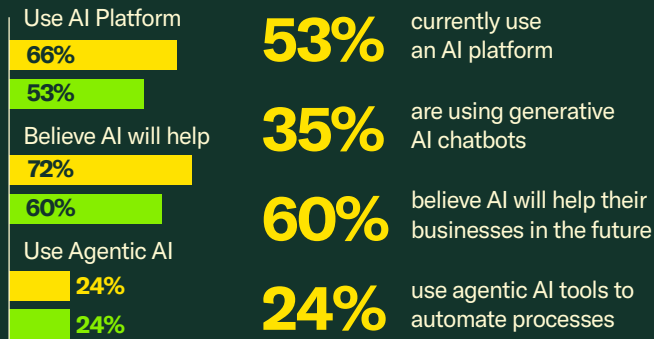
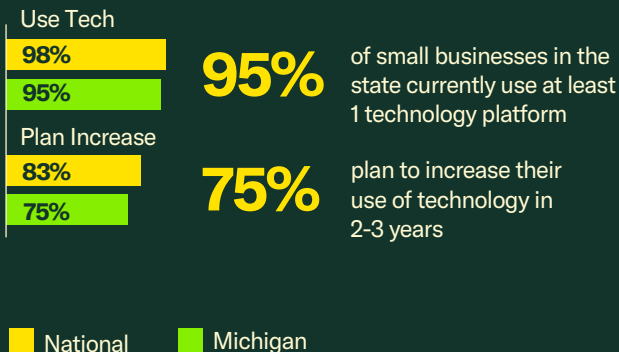
Tech and AI use leads to significant economic growth



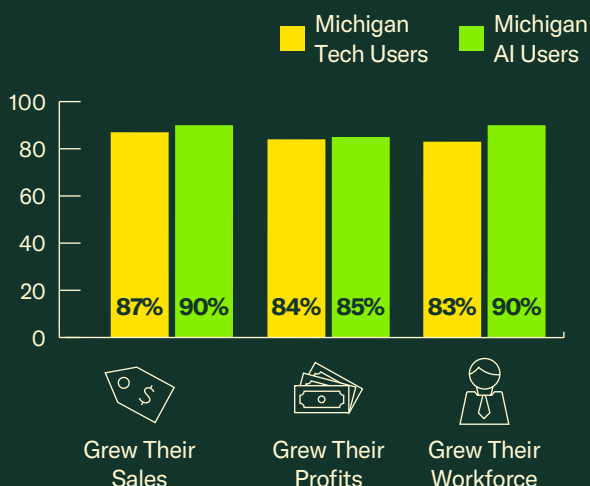
Massachusetts small businesses that use tech or AI say...



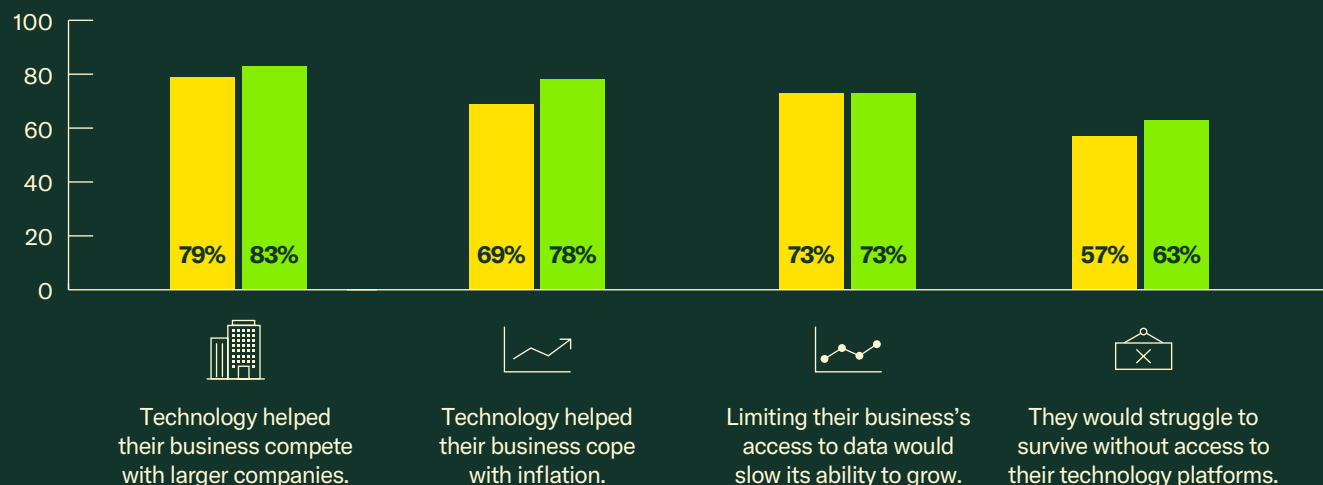
Key Numbers: Michigan Small Businesses



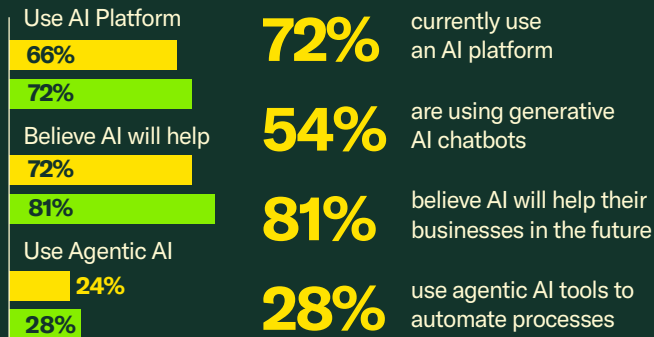
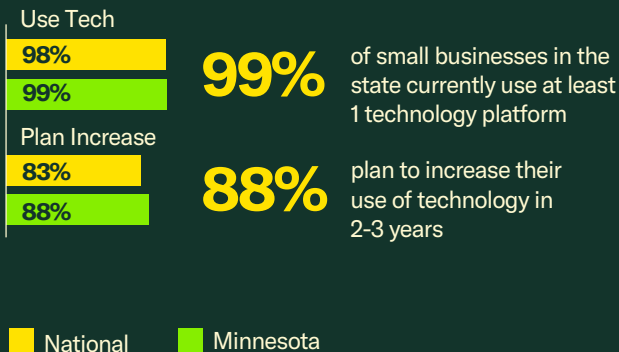
Tech and AI use leads to significant economic growth



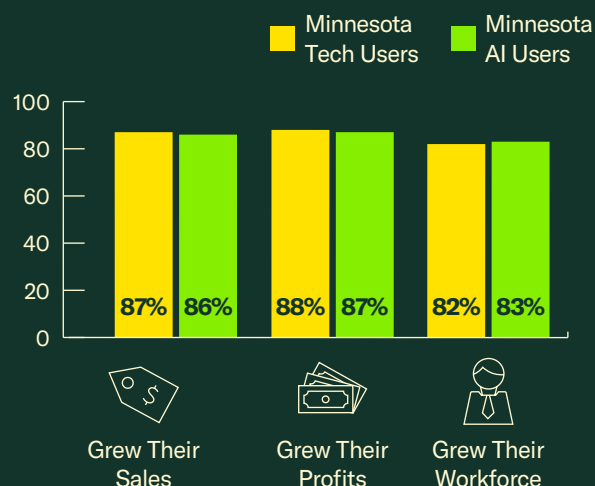
Michigan small businesses that use tech or AI say...



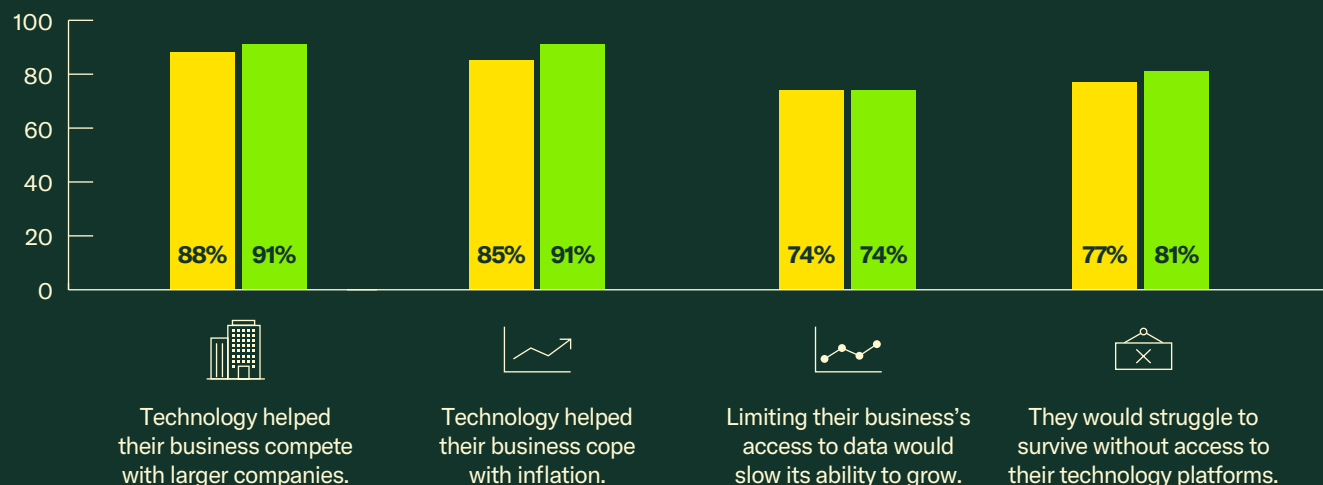
Key Numbers: Minnesota Small Businesses



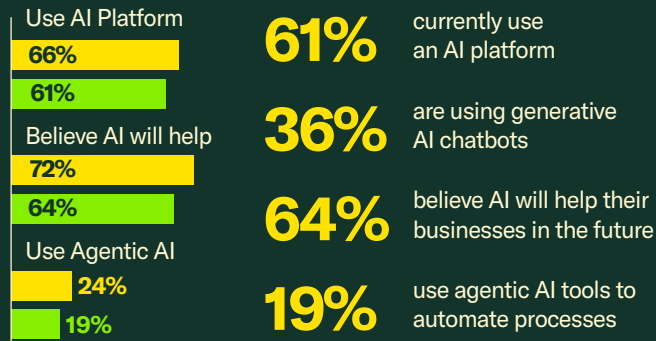
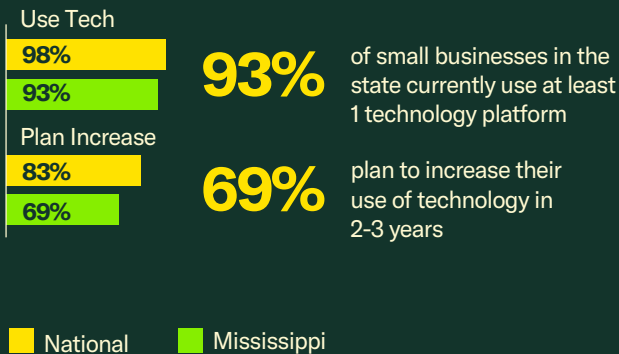
Tech and AI use leads to significant economic growth



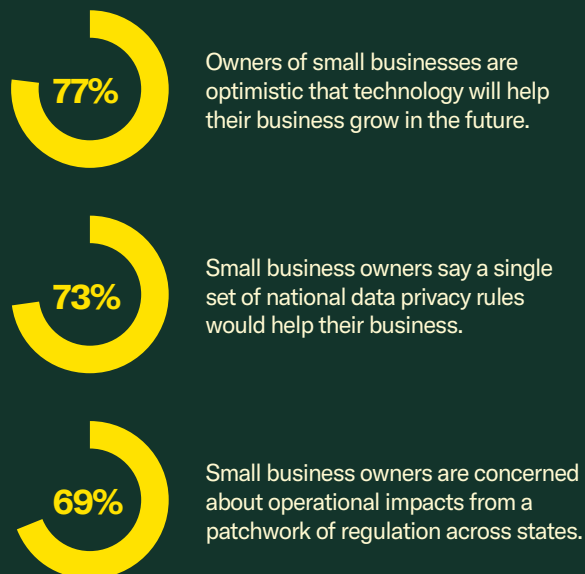
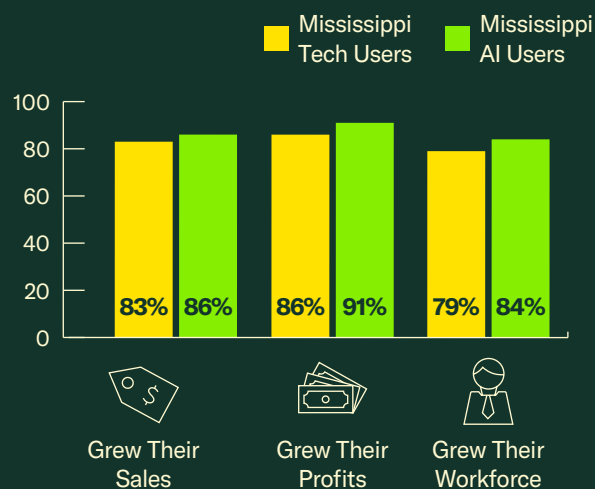
Minnesota small businesses that use tech or AI say...



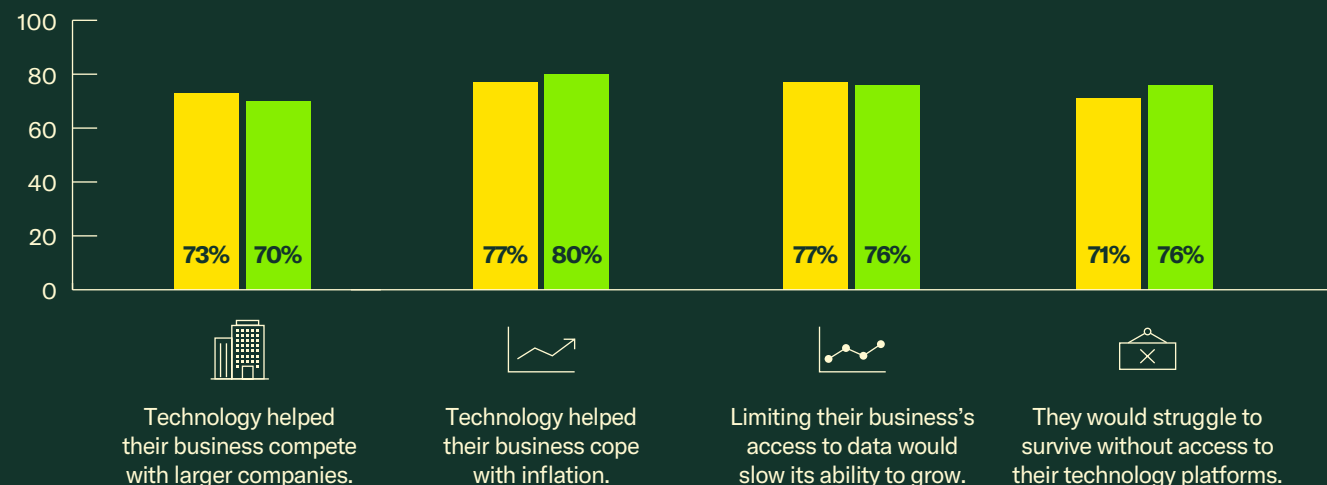
Key Numbers: Mississippi Small Businesses



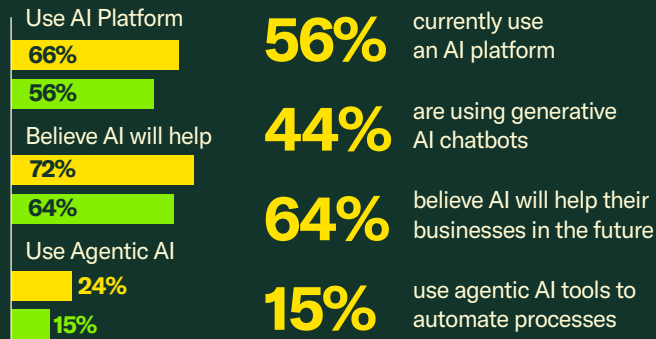
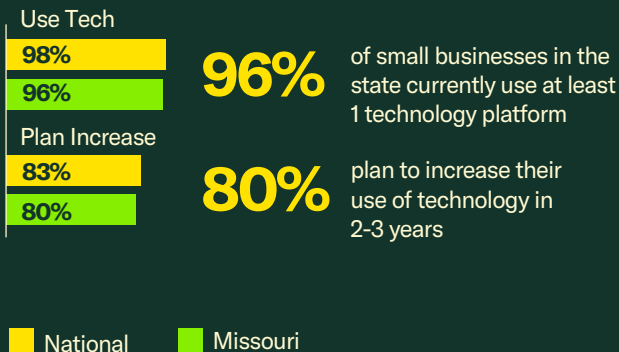
Tech and AI use leads to significant economic growth



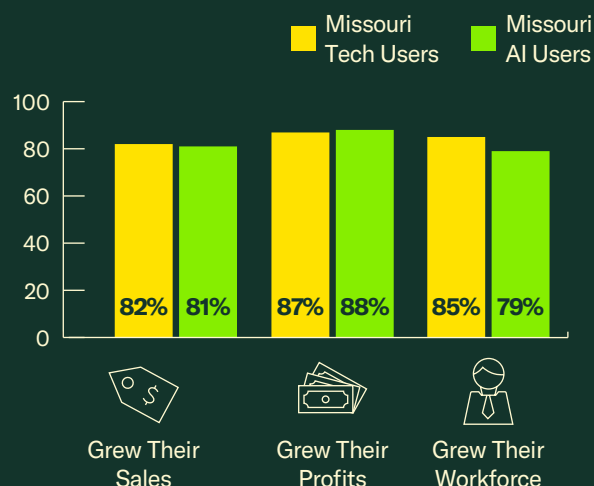
Mississippi small businesses that use tech or AI say...



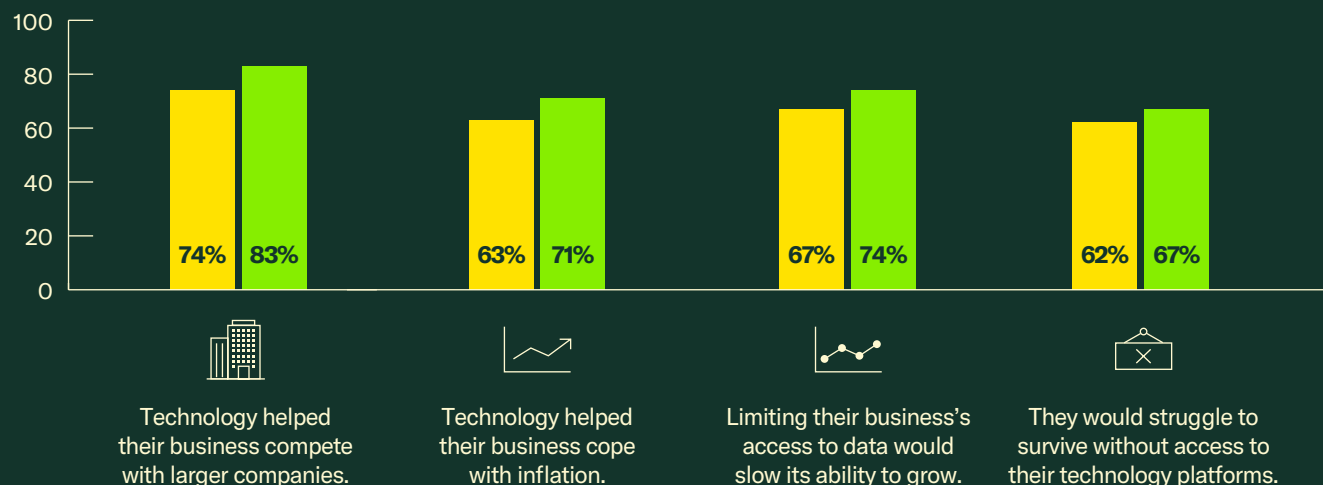
Key Numbers: Missouri Small Businesses



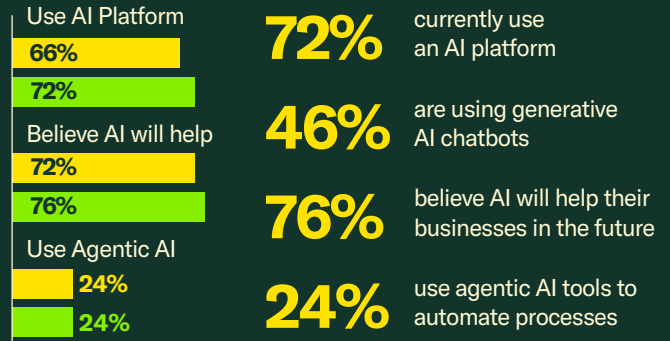
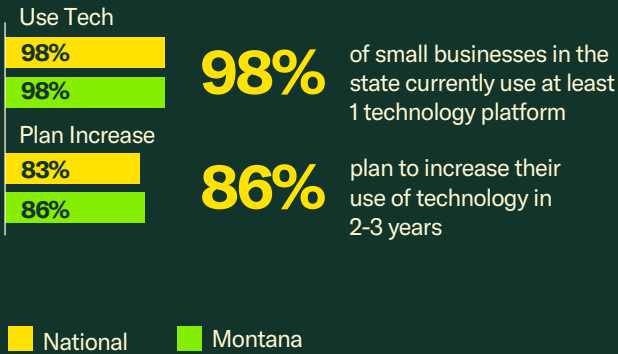
Tech and AI use leads to significant economic growth



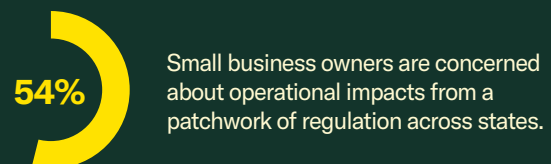
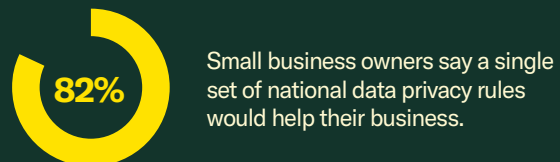
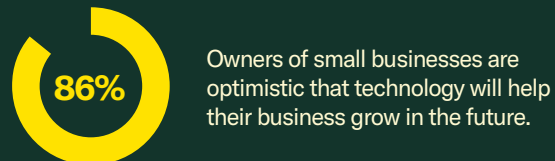
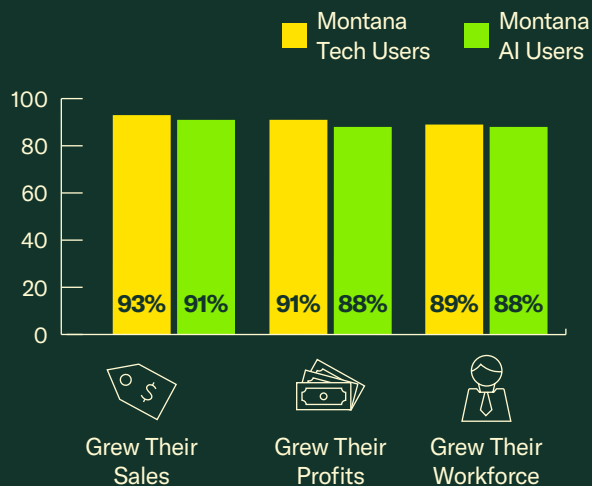
Missouri small businesses that use tech or AI say...



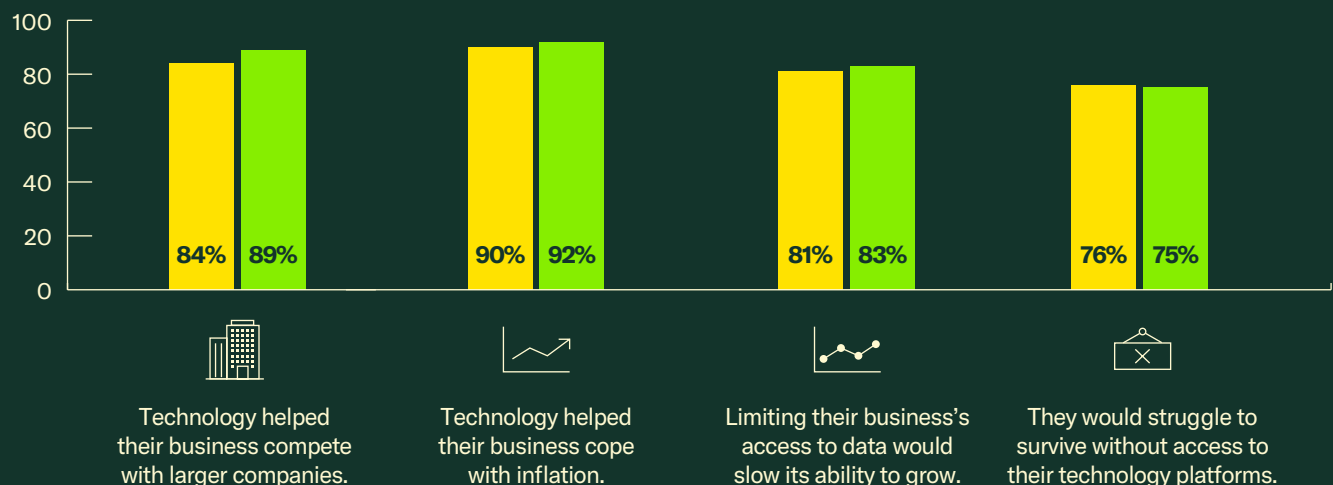
Key Numbers: Montana Small Businesses



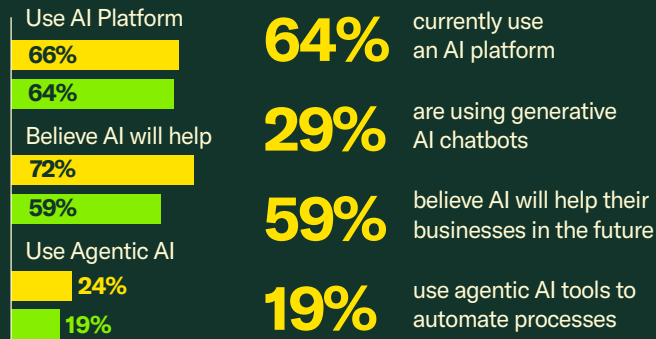
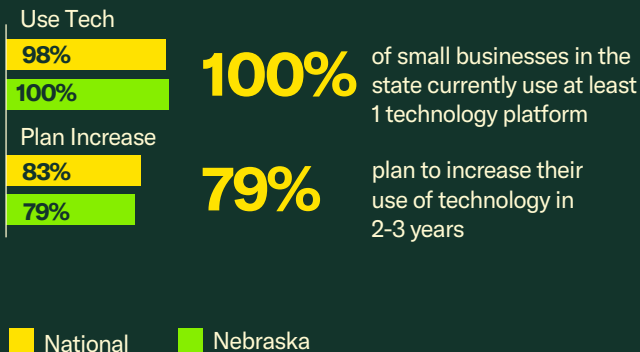
Tech and AI use leads to significant economic growth



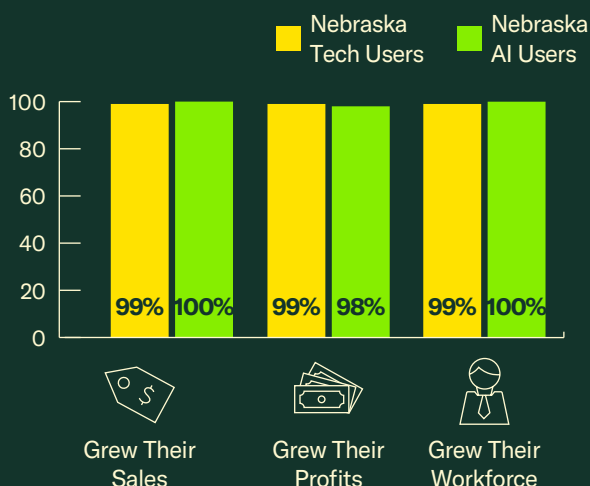
Montana small businesses that use tech or AI say...



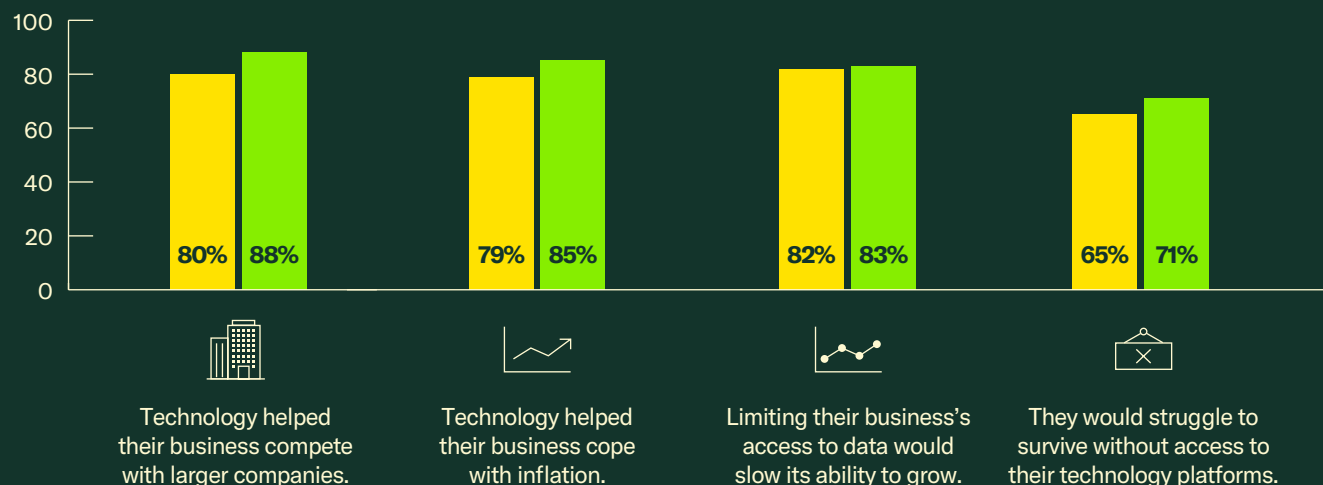
Key Numbers: Nebraska Small Businesses



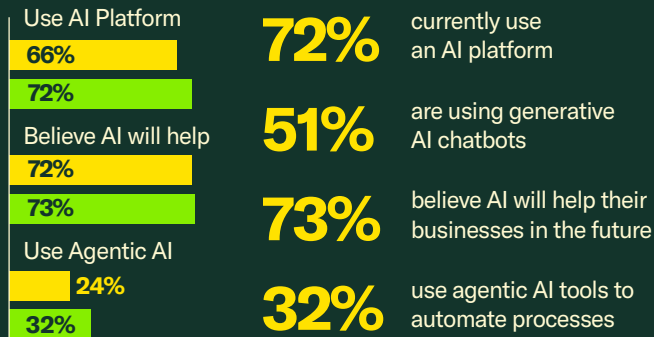
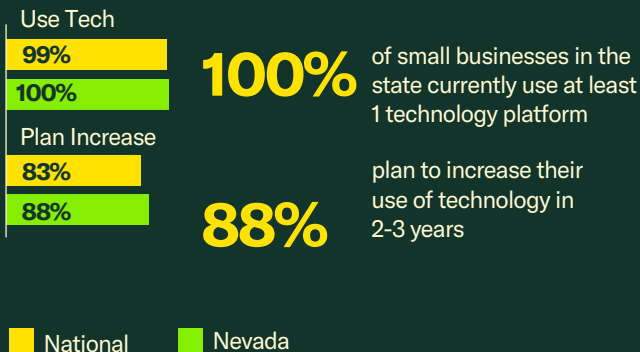
Tech and AI use leads to significant economic growth



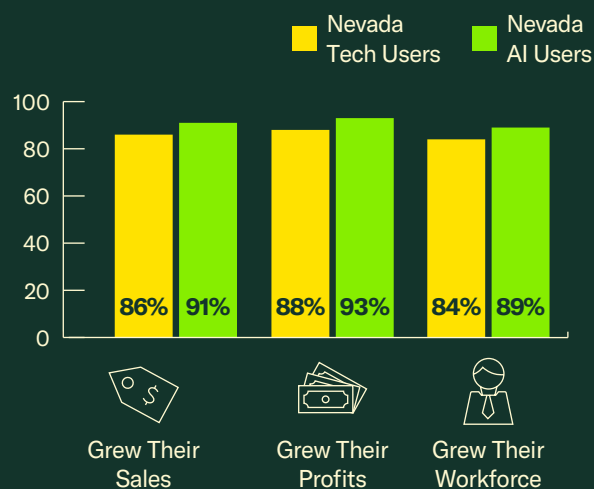
Nebraska small businesses that use tech or AI say...



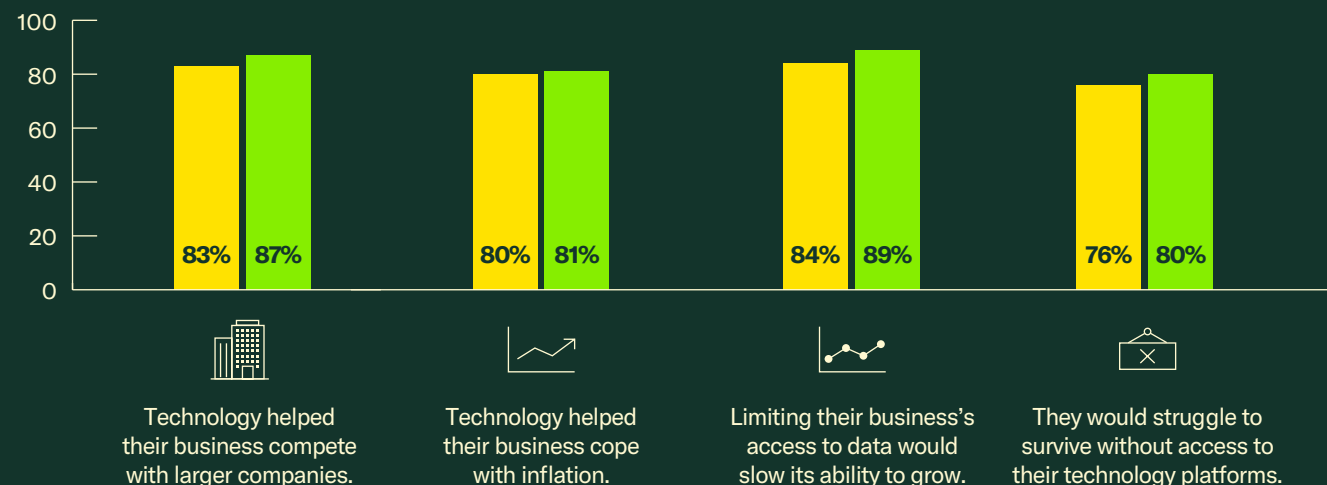
Key Numbers: Nevada Small Businesses



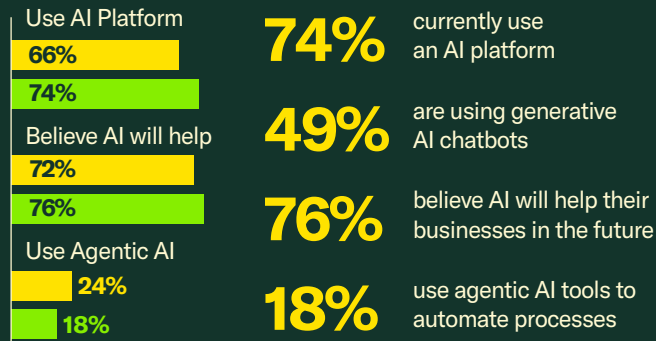
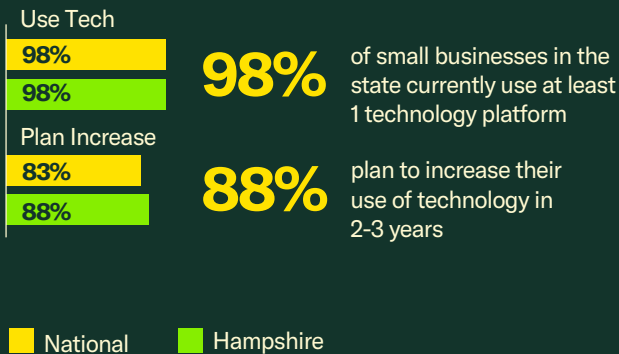
Tech and AI use leads to significant economic growth



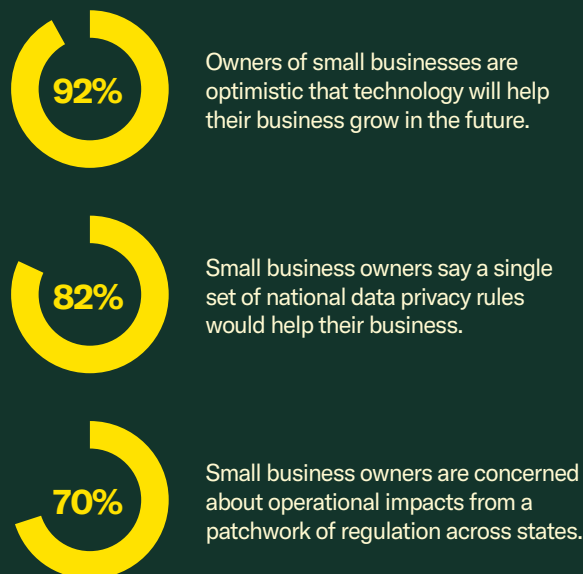
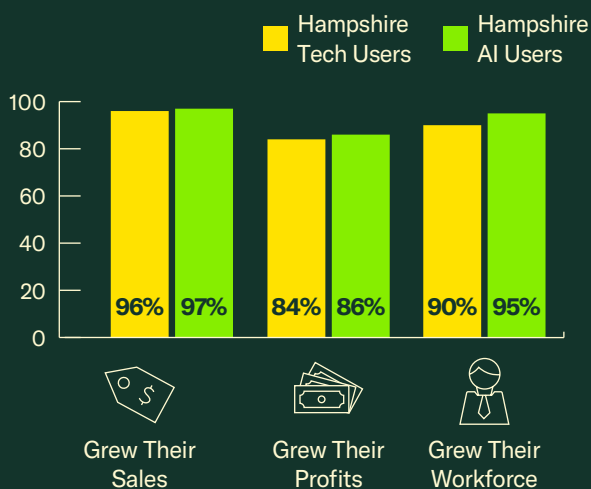
Nevada small businesses that use tech or AI say...



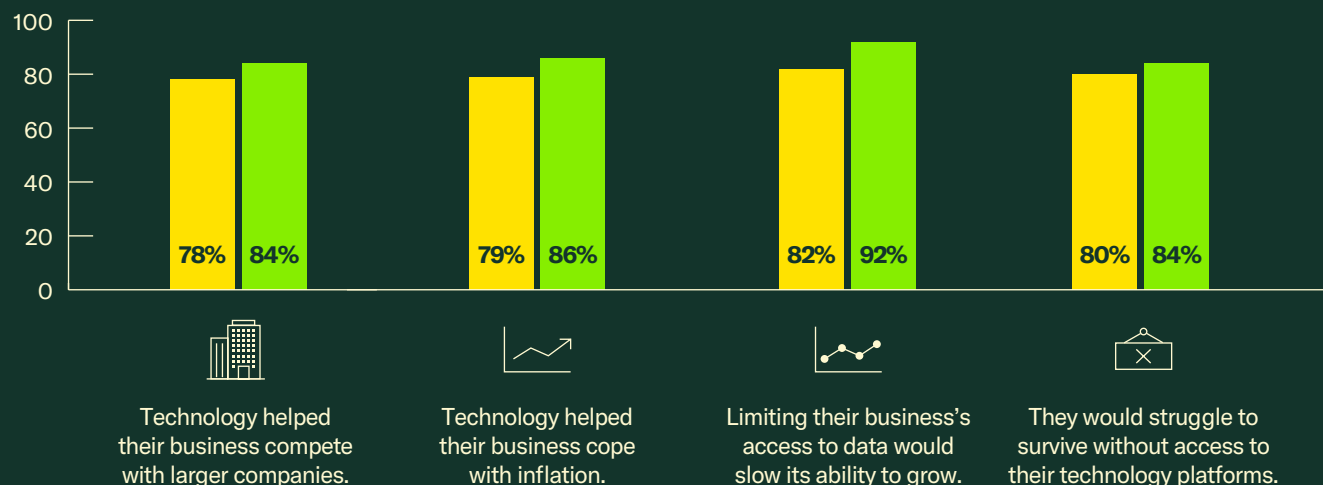
Key Numbers: Hampshire Small Businesses



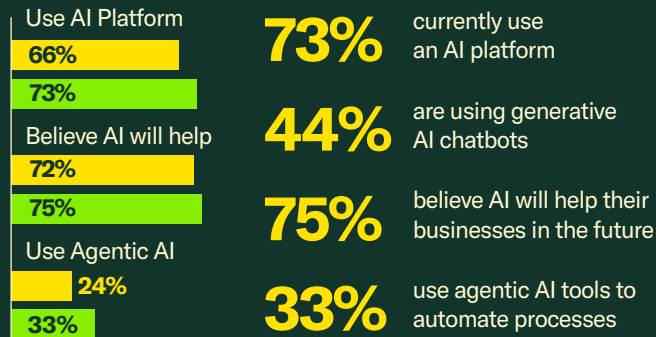
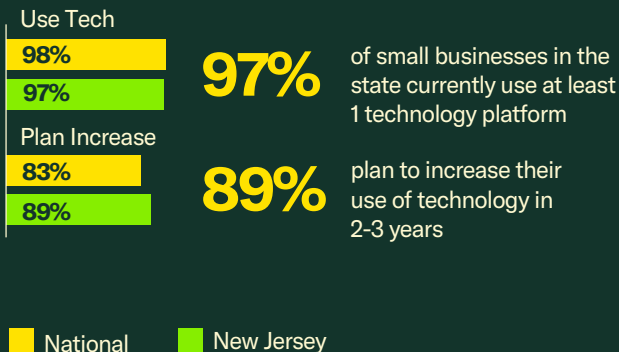
Tech and AI use leads to significant economic growth



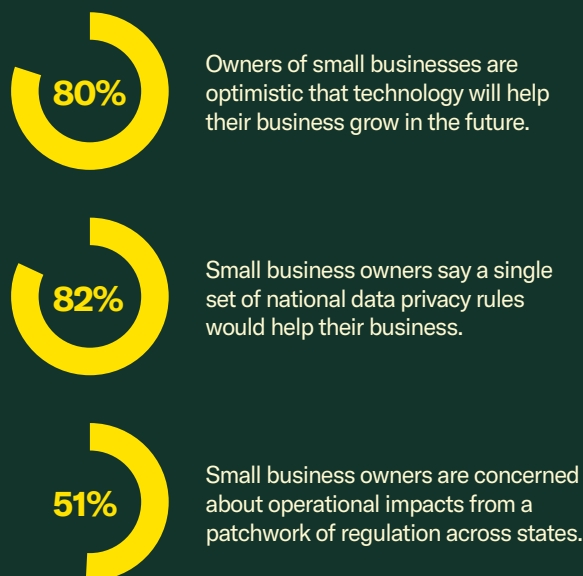
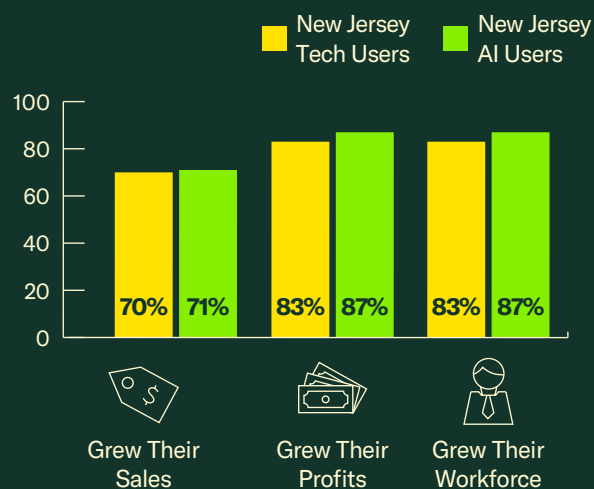
Hampshire small businesses that use tech or AI say...



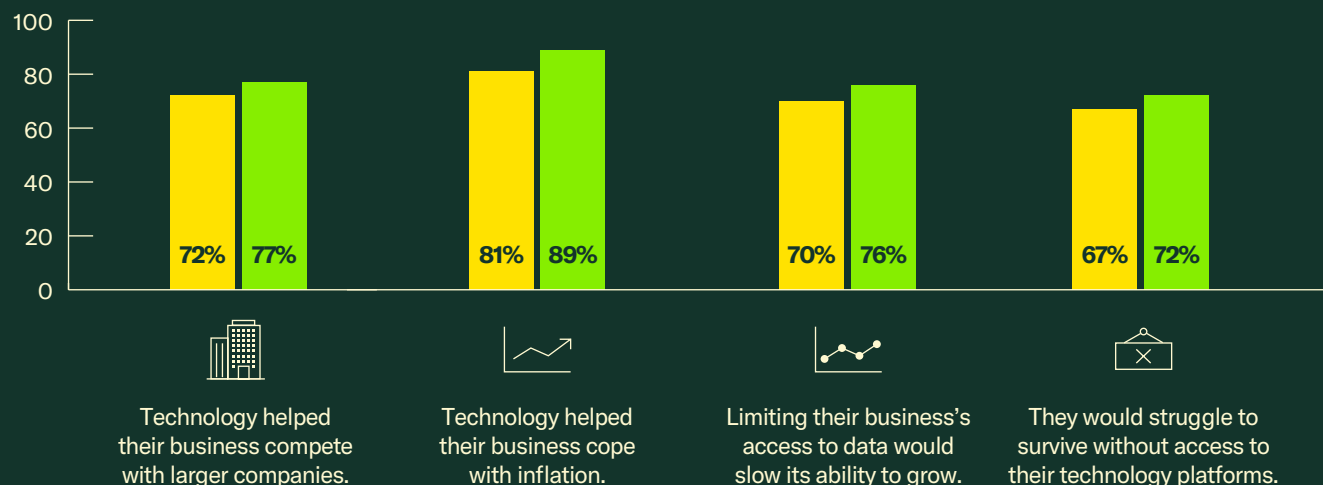
Key Numbers: New Jersey Small Businesses



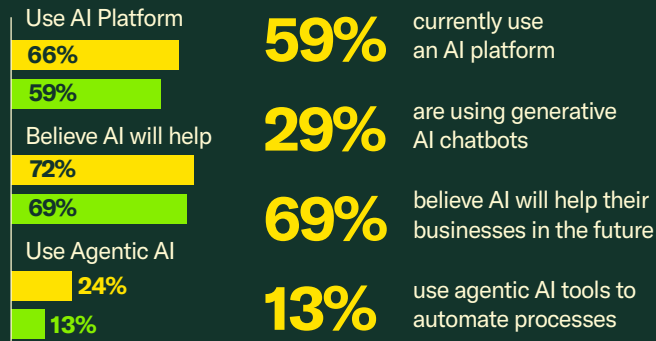
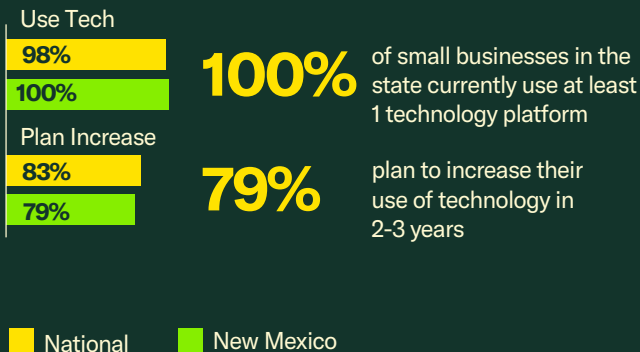
Tech and AI use leads to significant economic growth



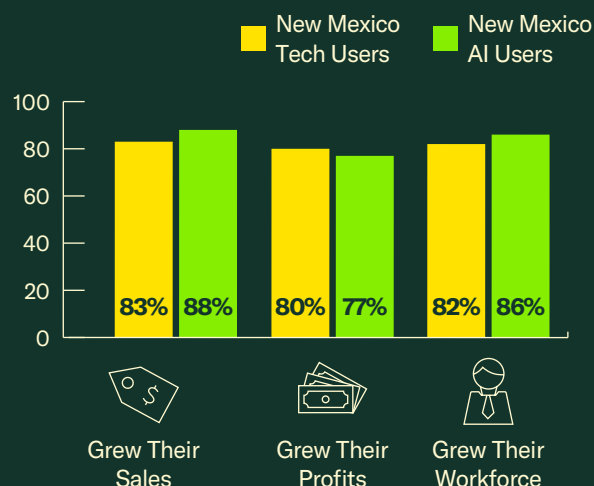
New Jersey small businesses that use tech or AI say...



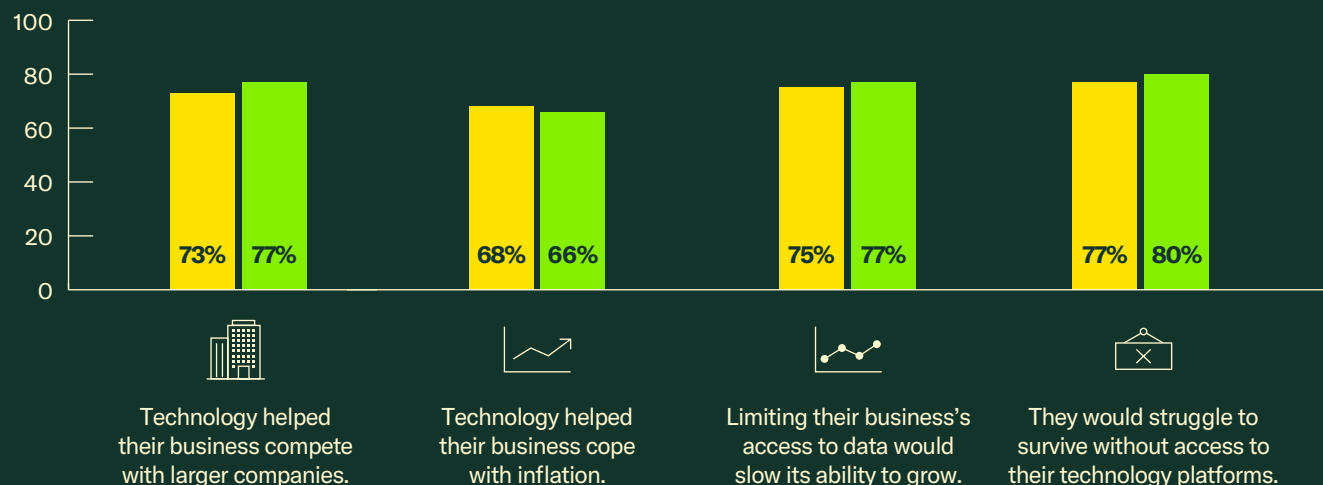
Key Numbers: New Mexico Small Businesses



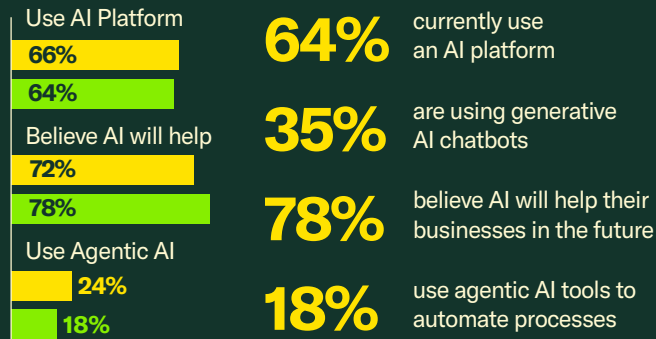
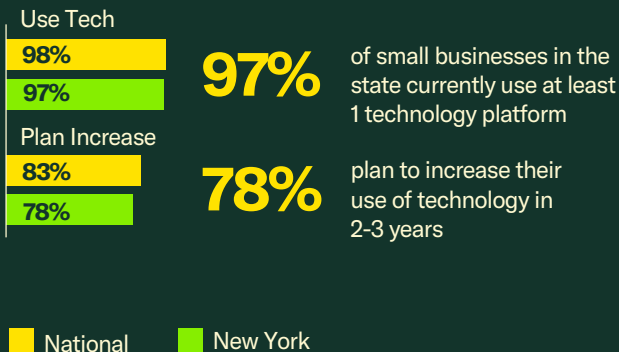
Tech and AI use leads to significant economic growth



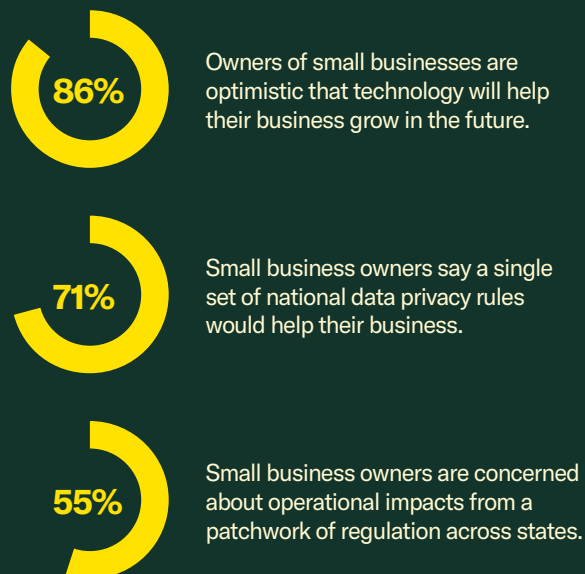
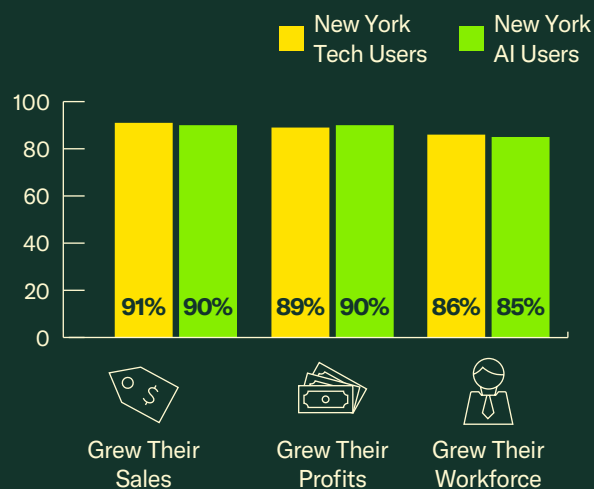
New Mexico small businesses that use tech or AI say...



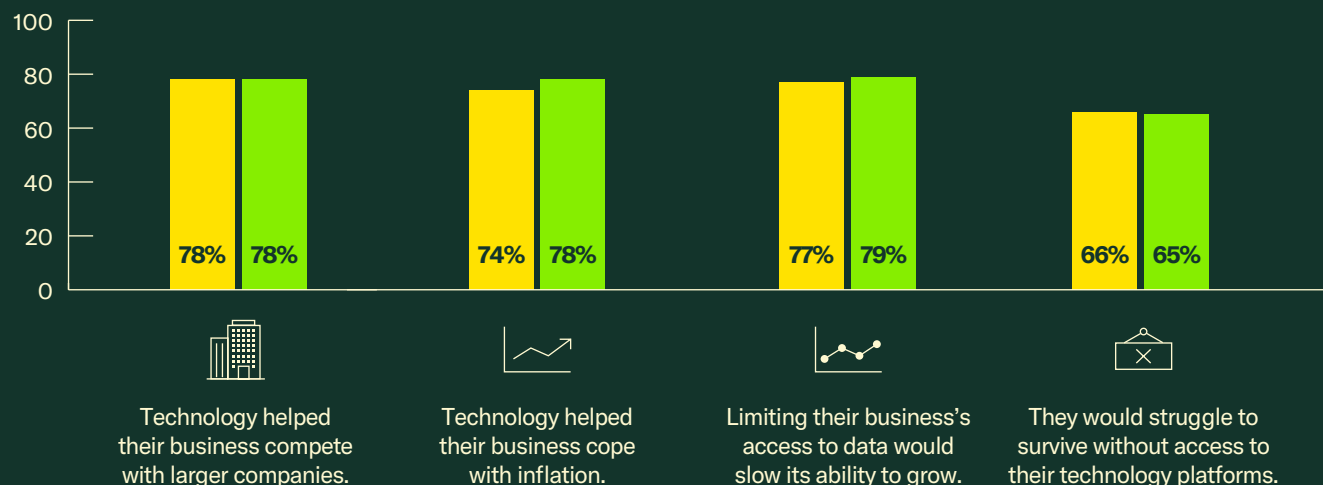
Key Numbers: New York Small Businesses



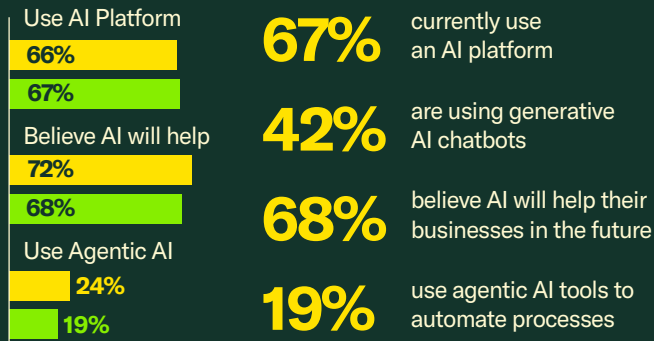
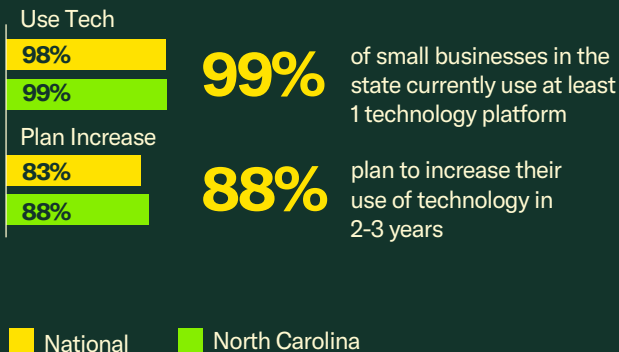
Tech and AI use leads to significant economic growth



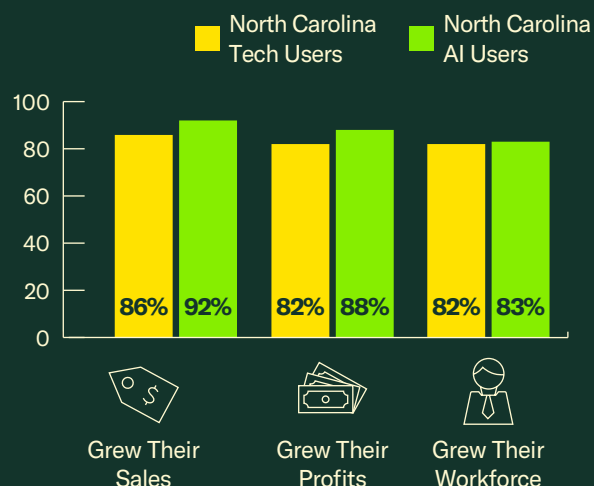
New York small businesses that use tech or AI say...



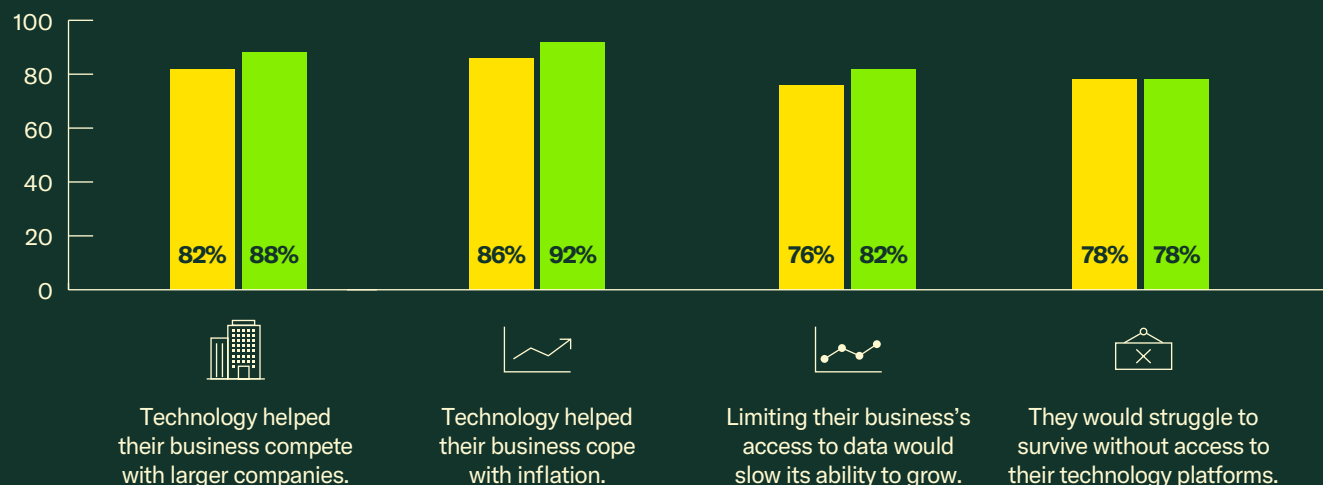
Key Numbers: North Carolina Small Businesses



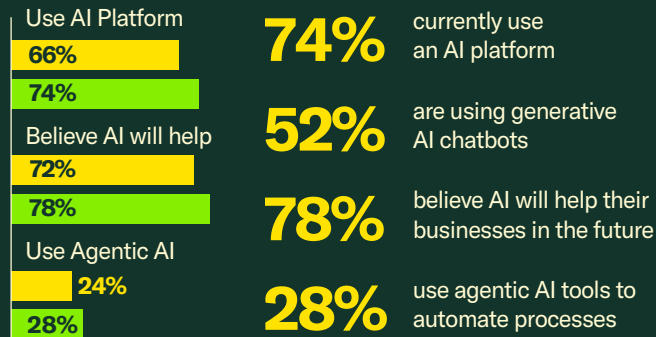
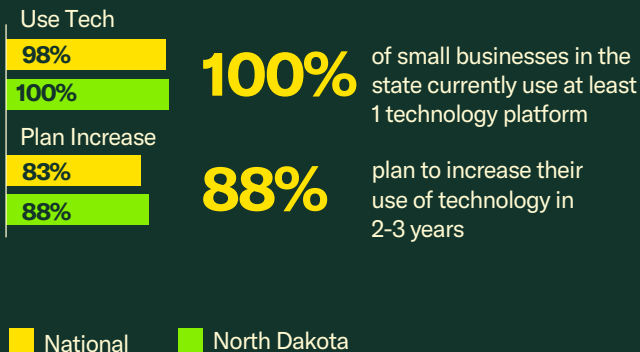
Tech and AI use leads to significant economic growth



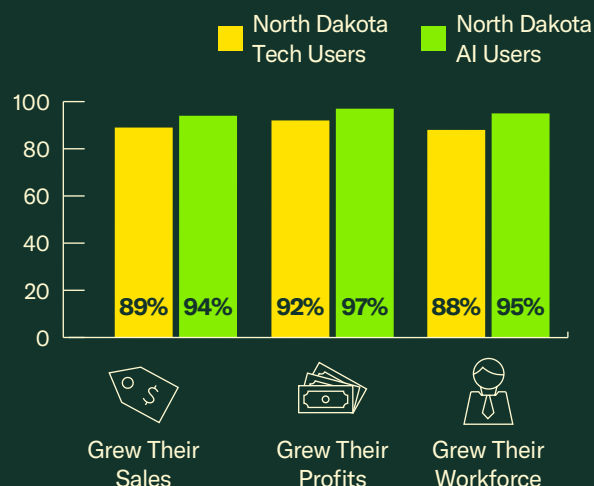
North Carolina small businesses that use tech or AI say...



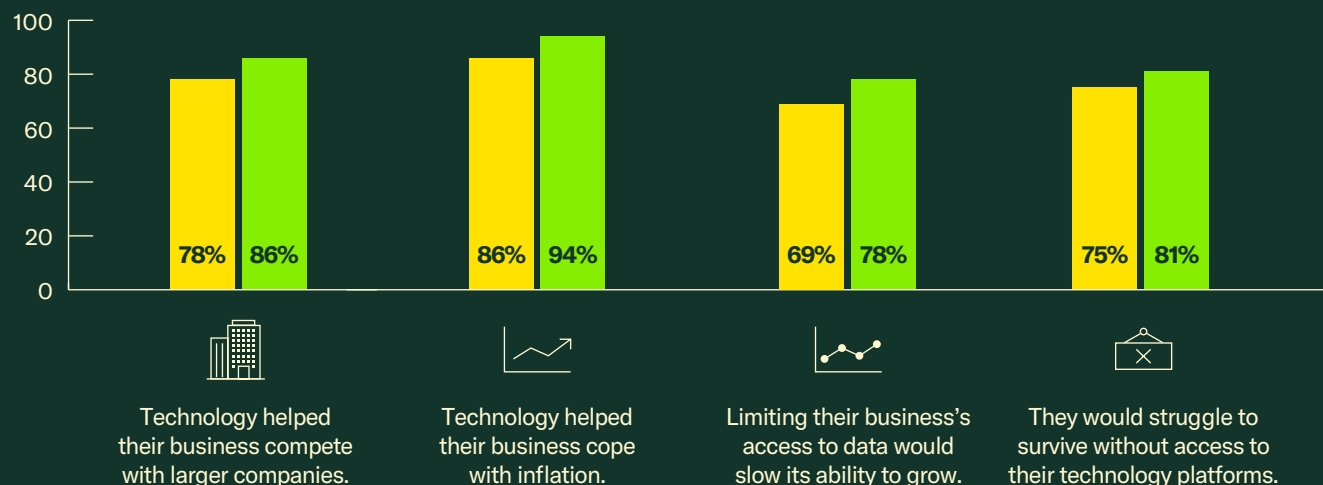
Key Numbers: North Dakota Small Businesses



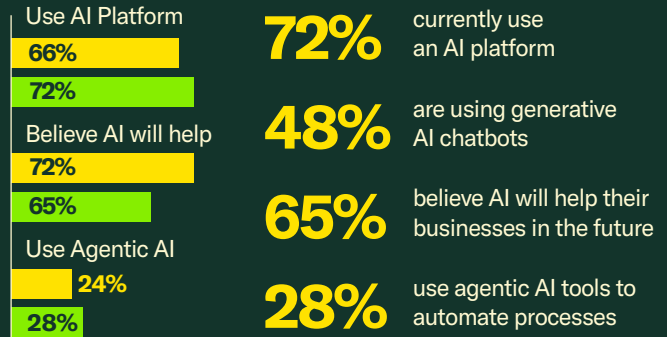
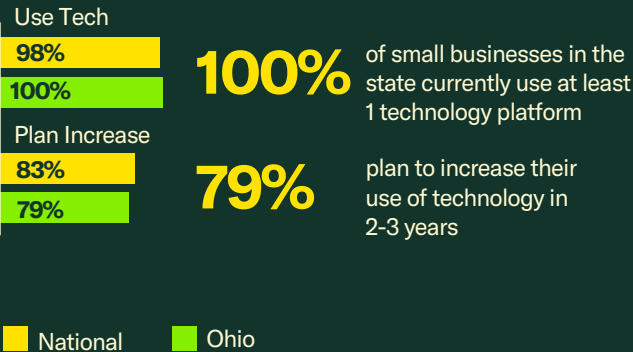
Tech and AI use leads to significant economic growth



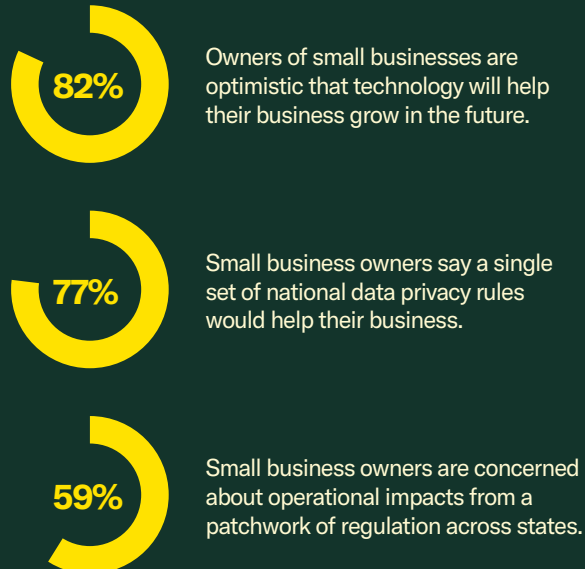
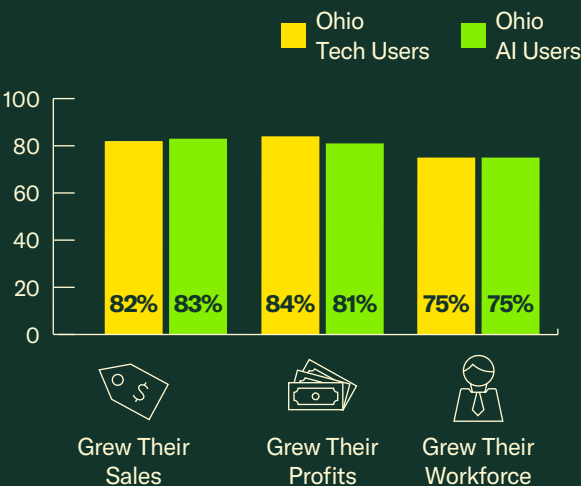
North Dakota small businesses that use tech or AI say...



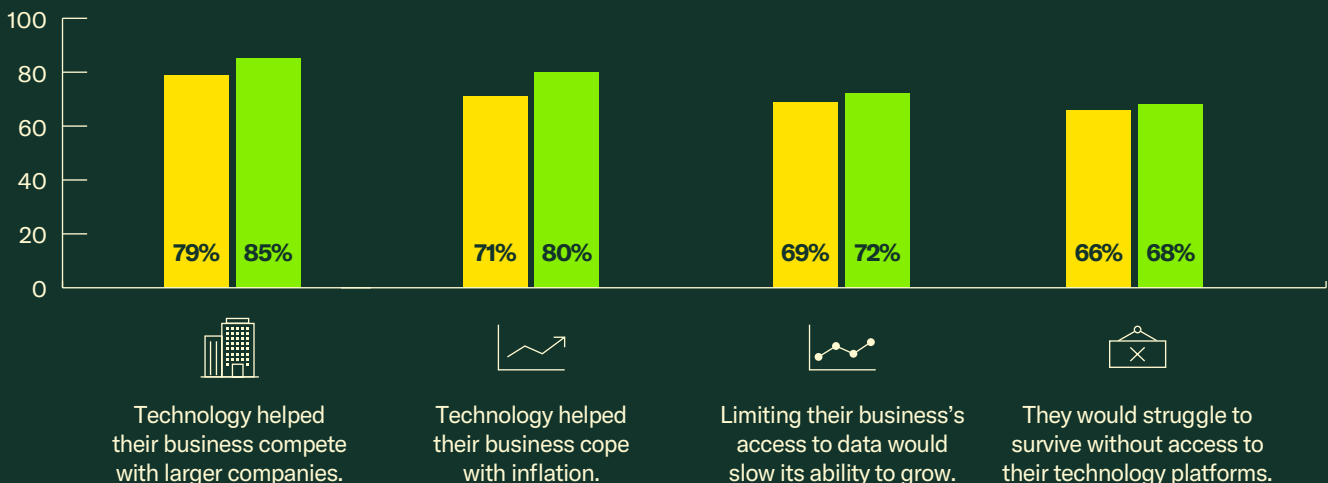
Key Numbers: Ohio Small Businesses



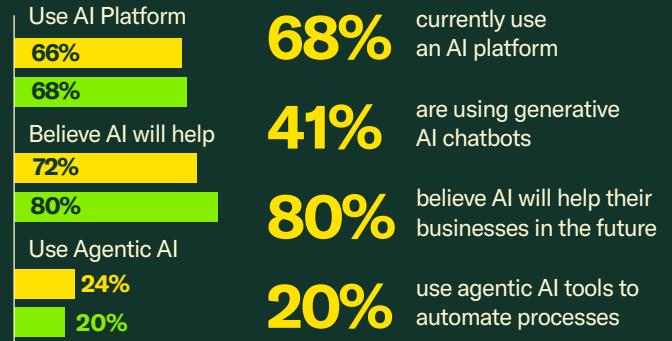
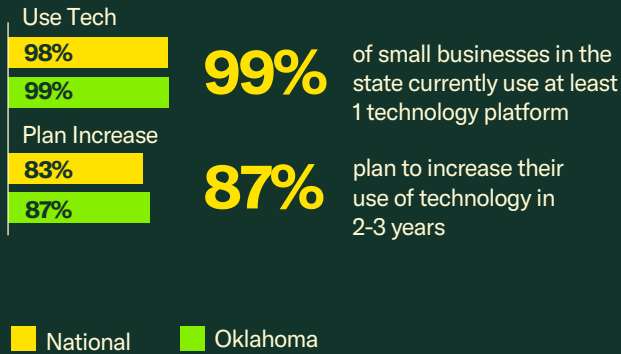
Tech and AI use leads to significant economic growth



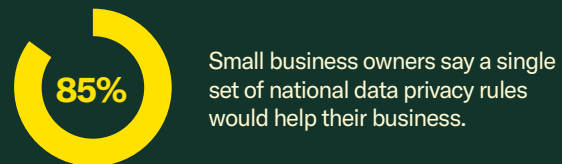
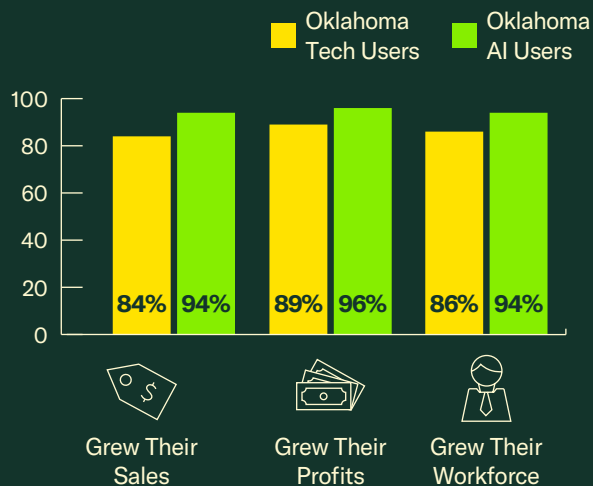
Ohio small businesses that use tech or AI say...



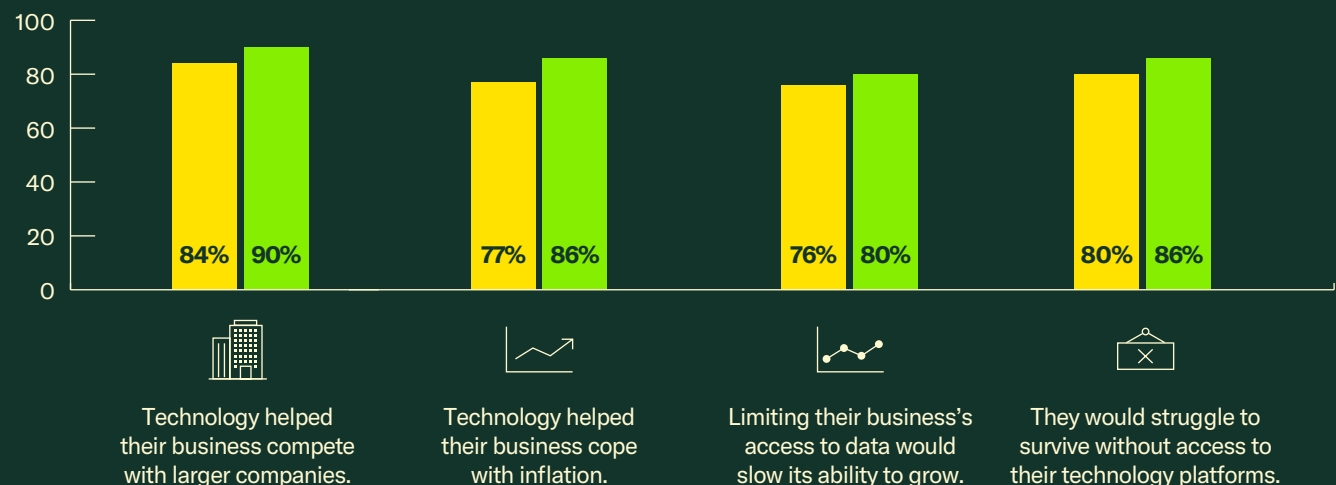
Key Numbers: Oklahoma Small Businesses



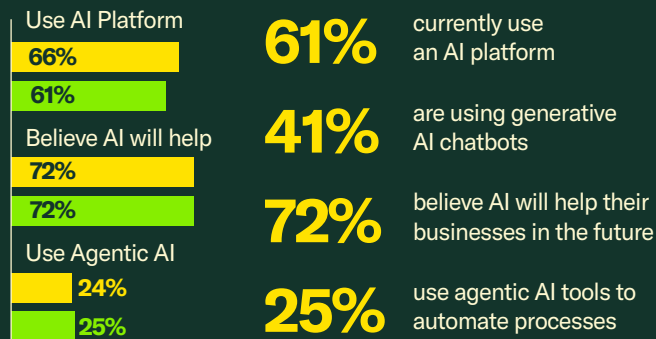
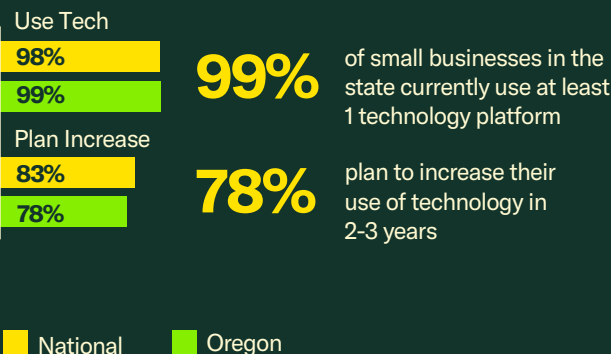
Tech and AI use leads to significant economic growth



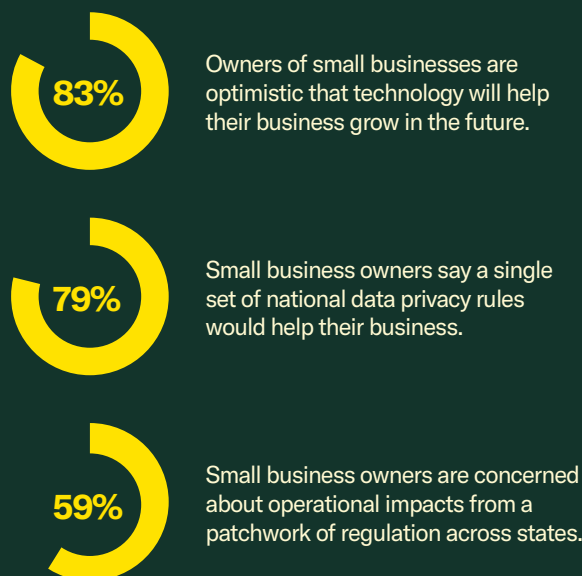
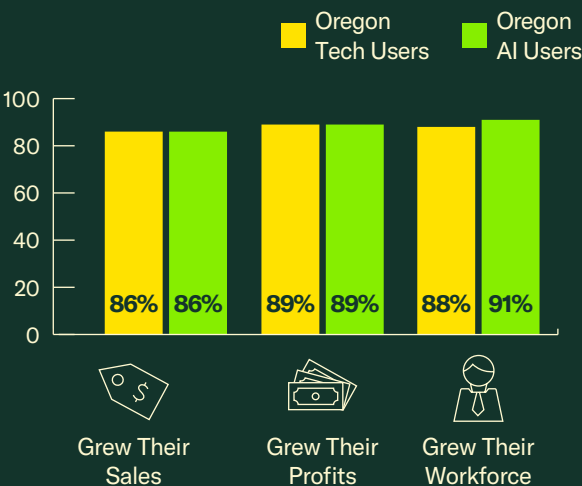
Oklahoma small businesses that use tech or AI say...



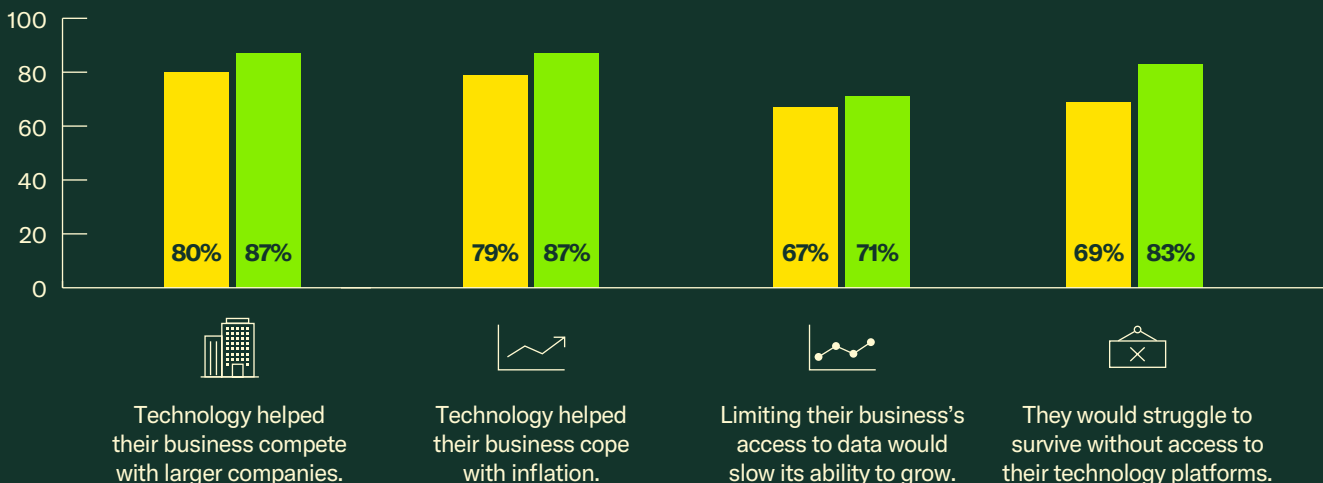
Key Numbers: Oregon Small Businesses



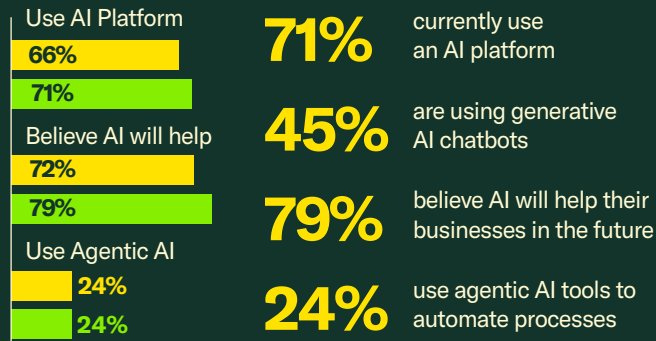
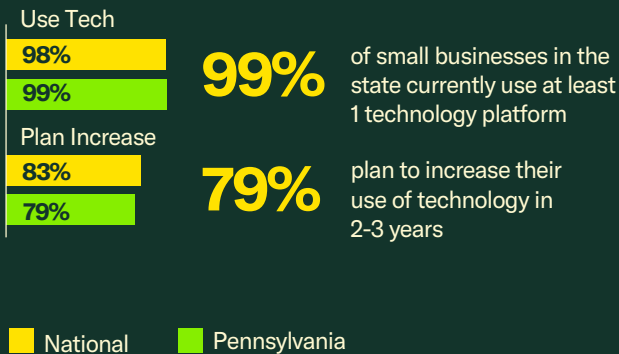
Tech and AI use leads to significant economic growth



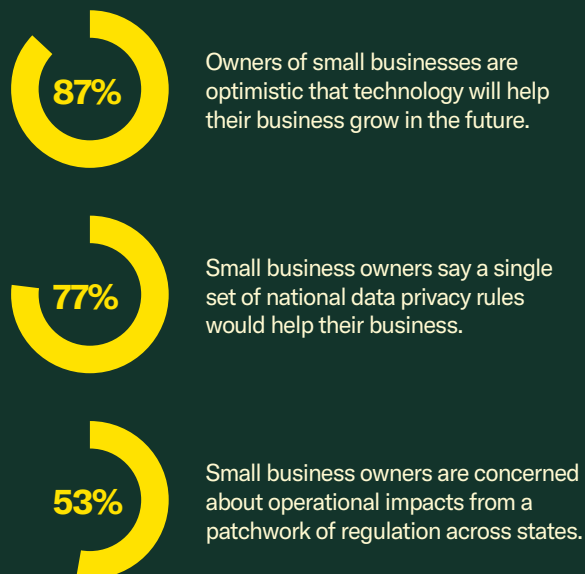
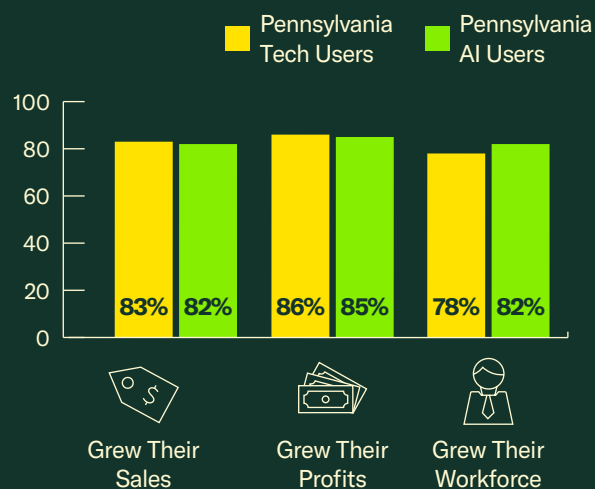
Oregon small businesses that use tech or AI say...



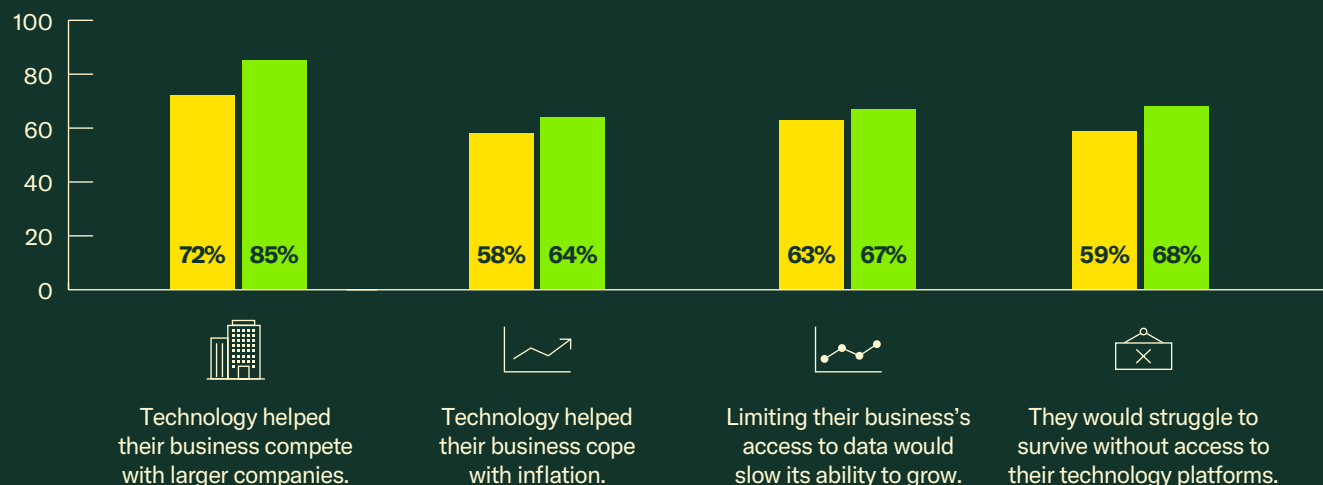
Key Numbers: Pennsylvania Small Businesses



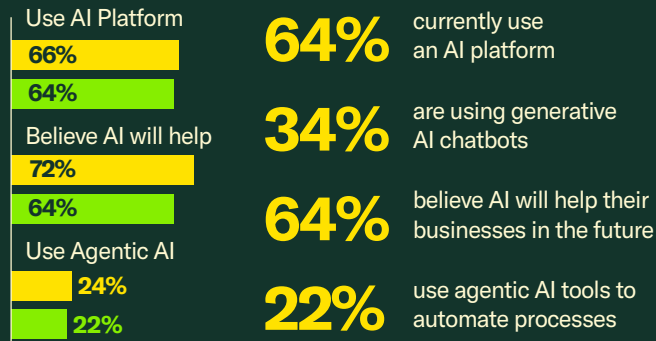
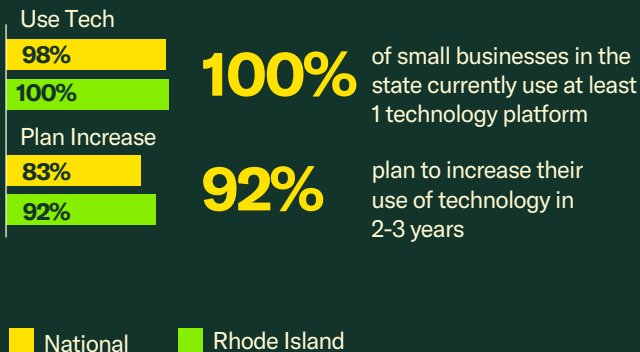
Tech and AI use leads to significant economic growth



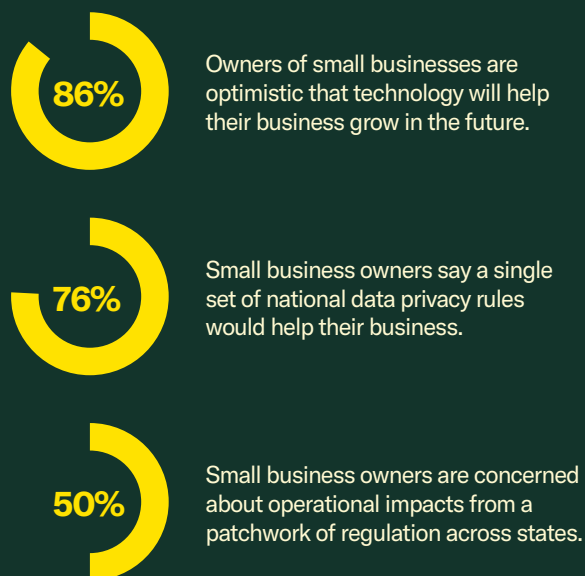
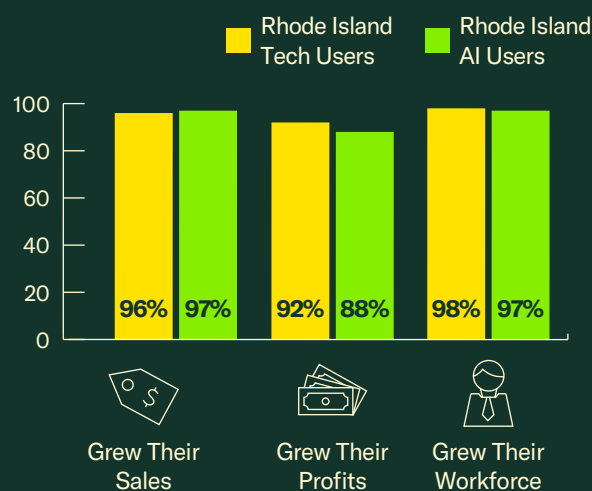
Pennsylvania small businesses that use tech or AI say...



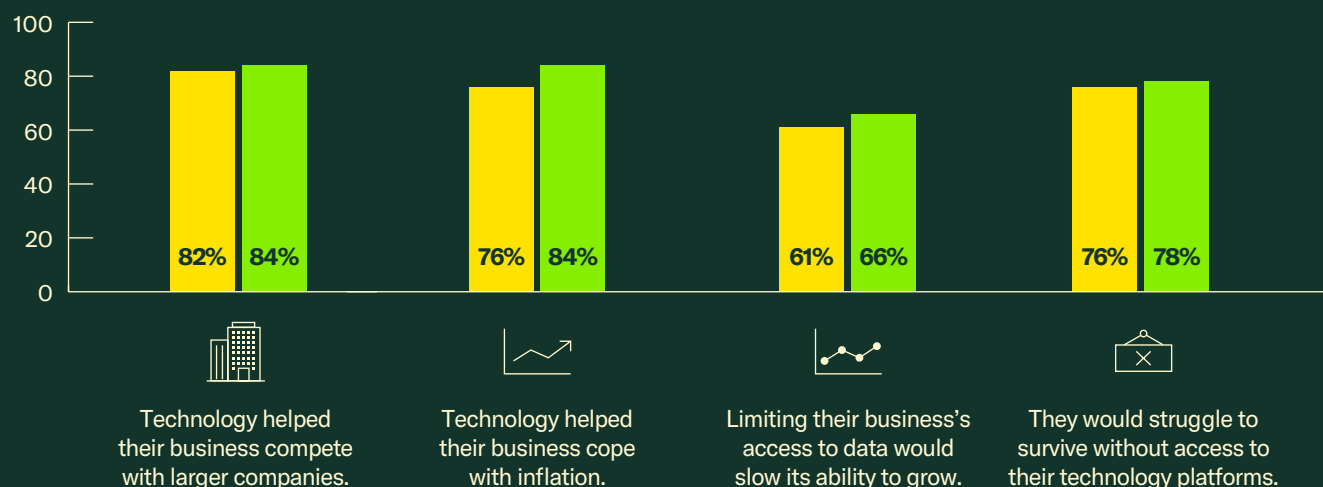
Key Numbers: Rhode Island Small Businesses



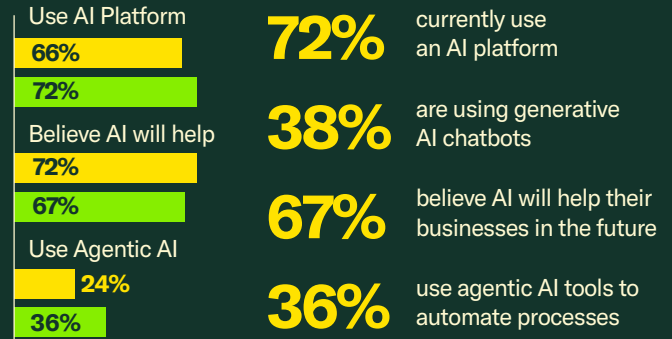
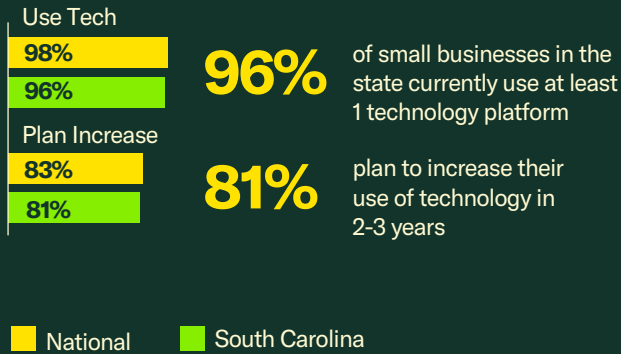
Tech and AI use leads to significant economic growth



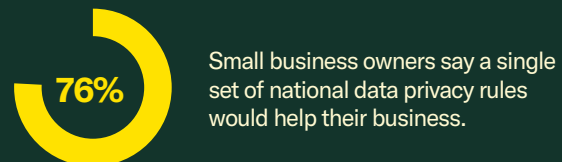
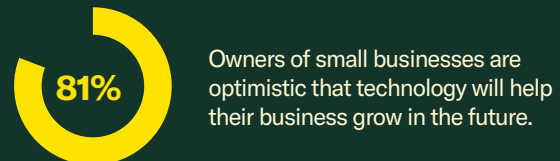
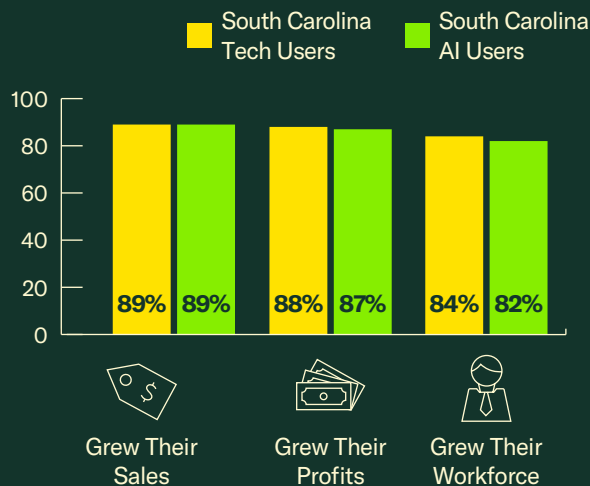
Rhode Island small businesses that use tech or AI say...



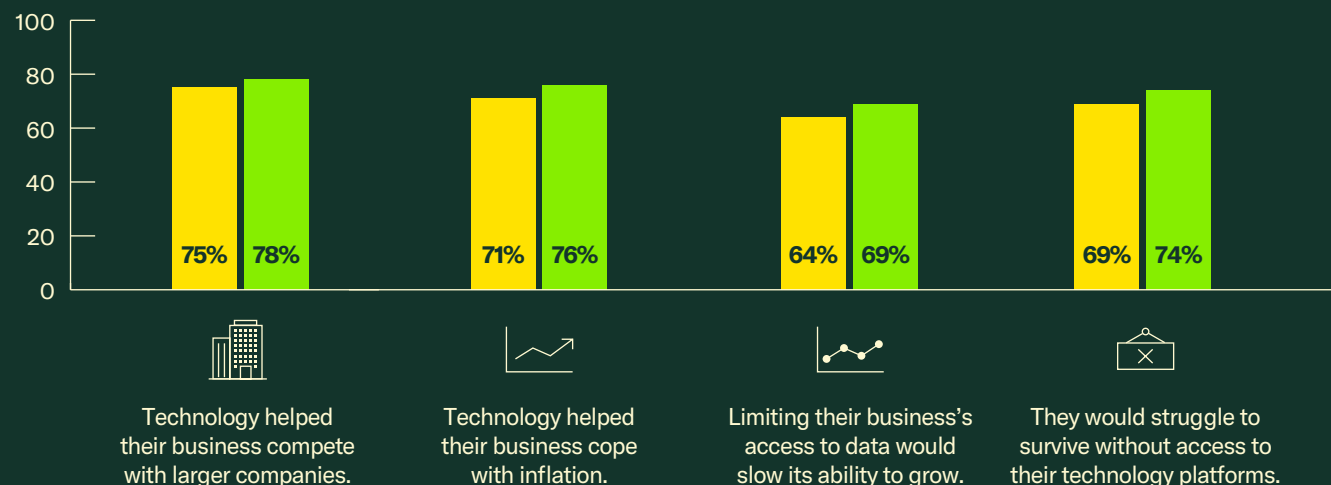
Key Numbers: South Carolina Small Businesses



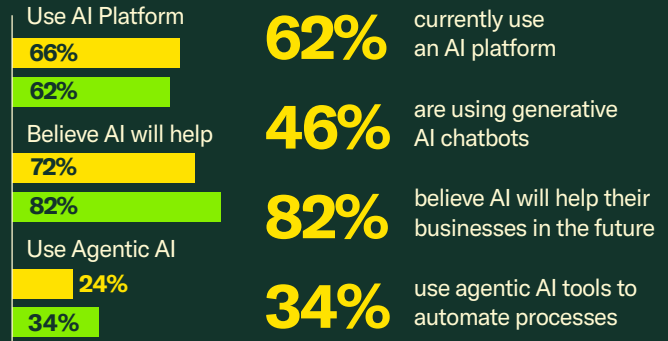
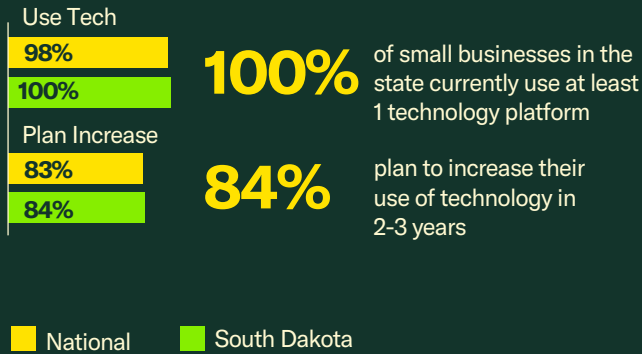
Tech and AI use leads to significant economic growth



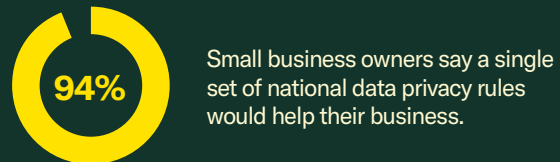
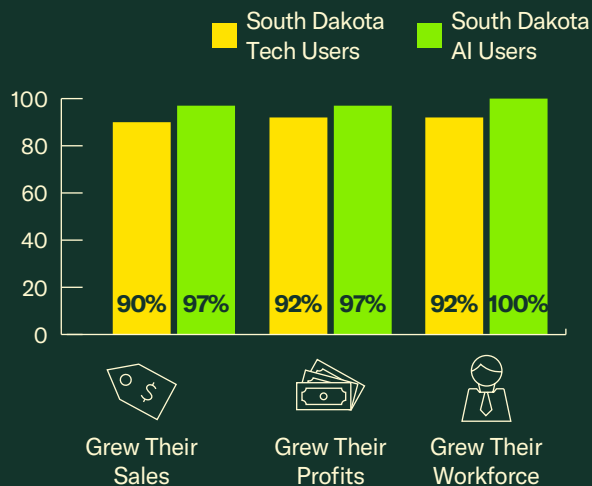
South Carolina small businesses that use tech or AI say...



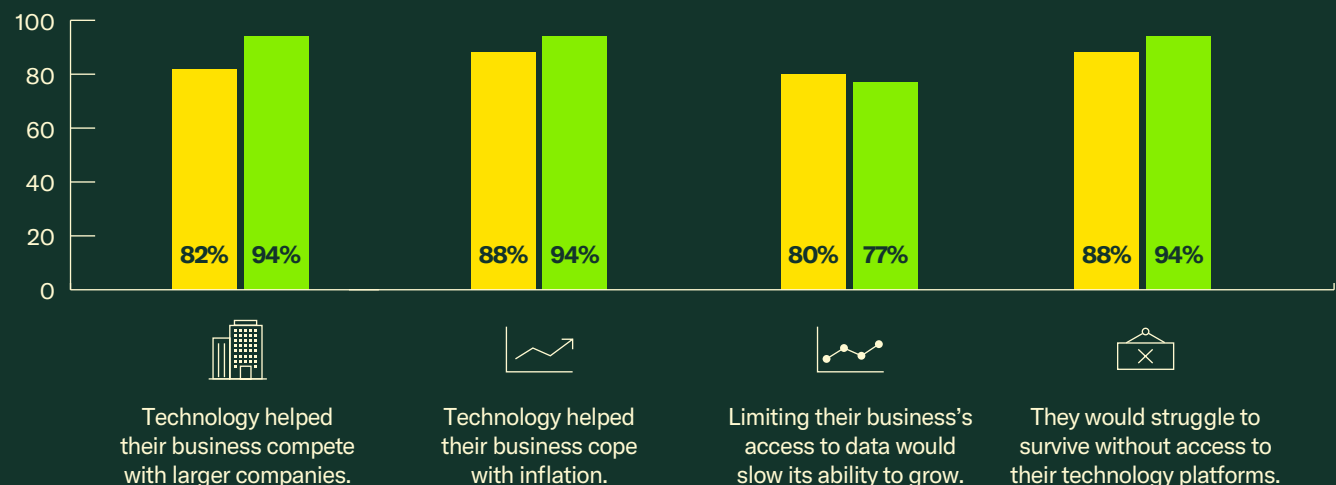
Key Numbers: South Dakota Small Businesses



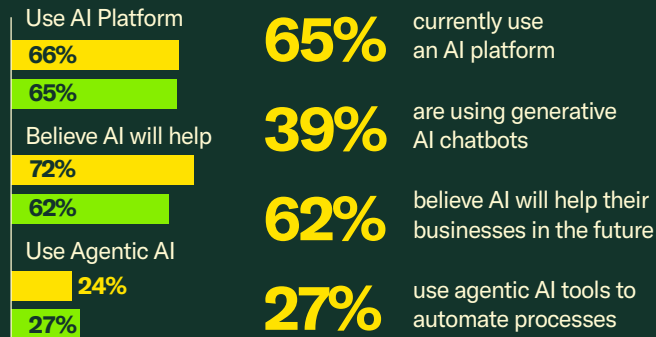
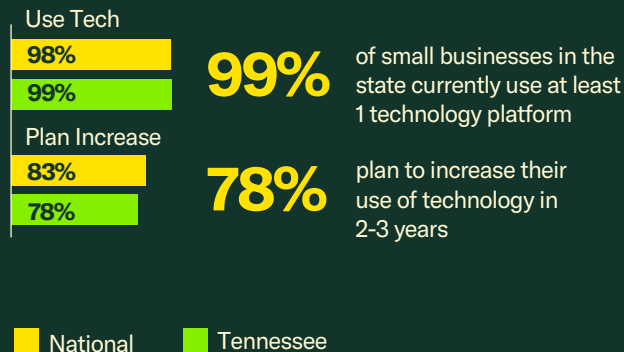
Tech and AI use leads to significant economic growth



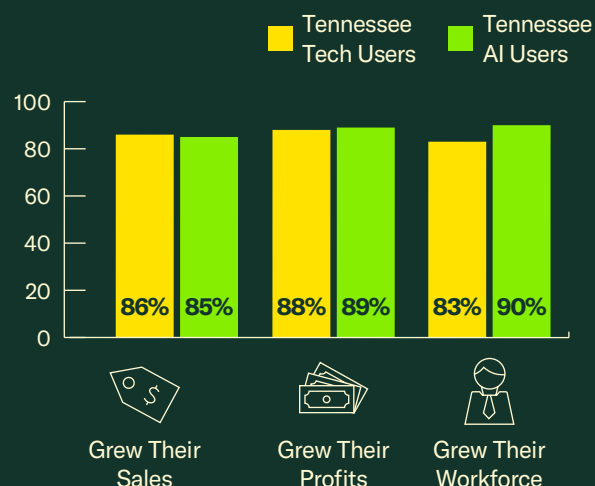
South Dakota small businesses that use tech or AI say...



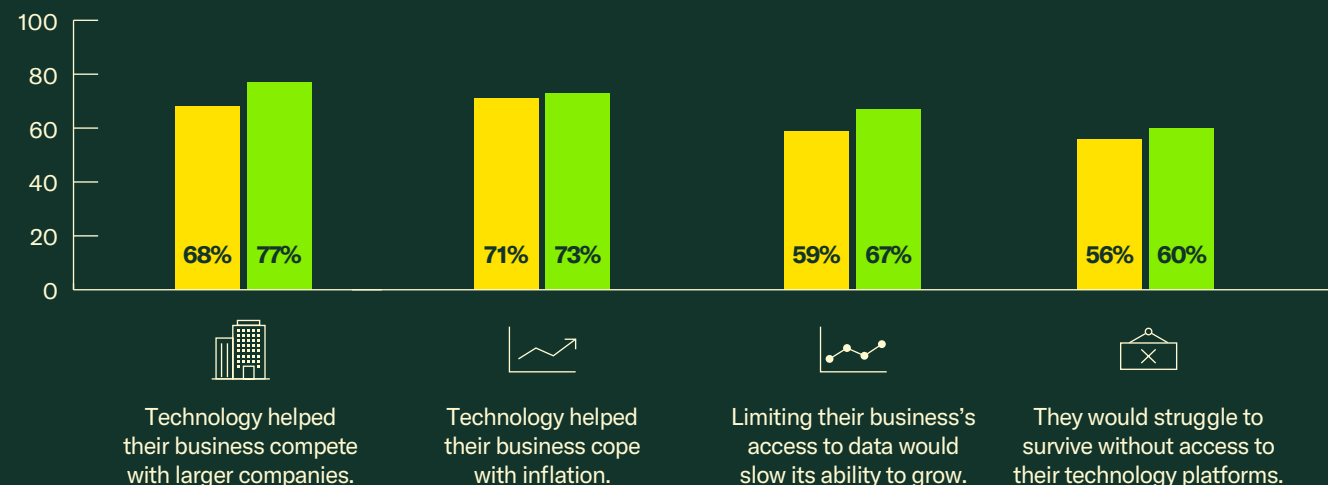
Key Numbers: Tennessee Small Businesses



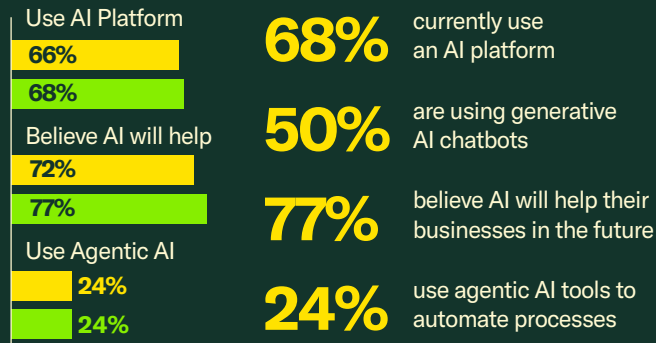
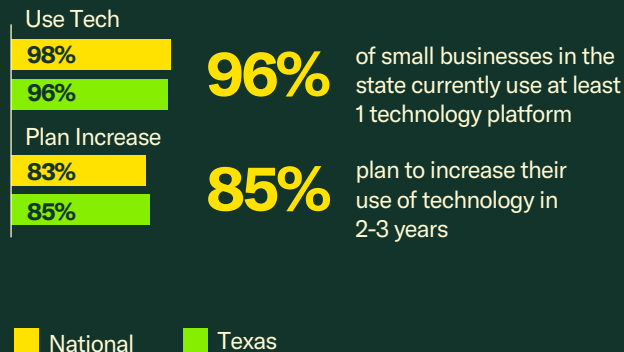
Tech and AI use leads to significant economic growth



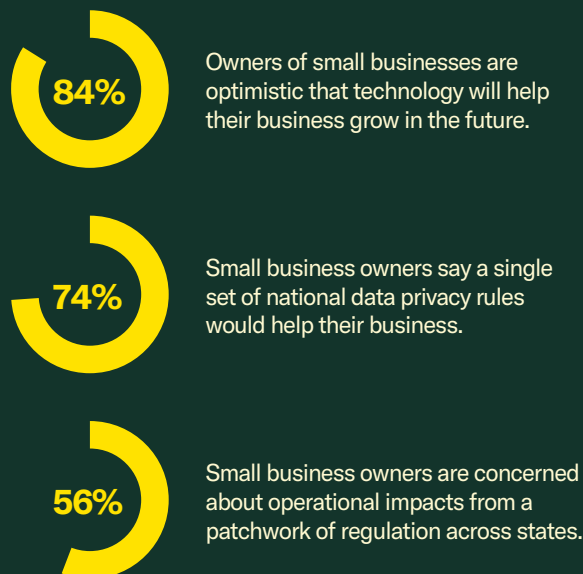
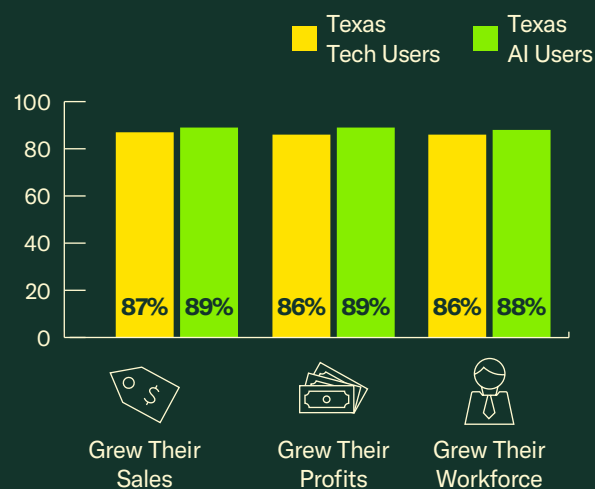
Tennessee small businesses that use tech or AI say...



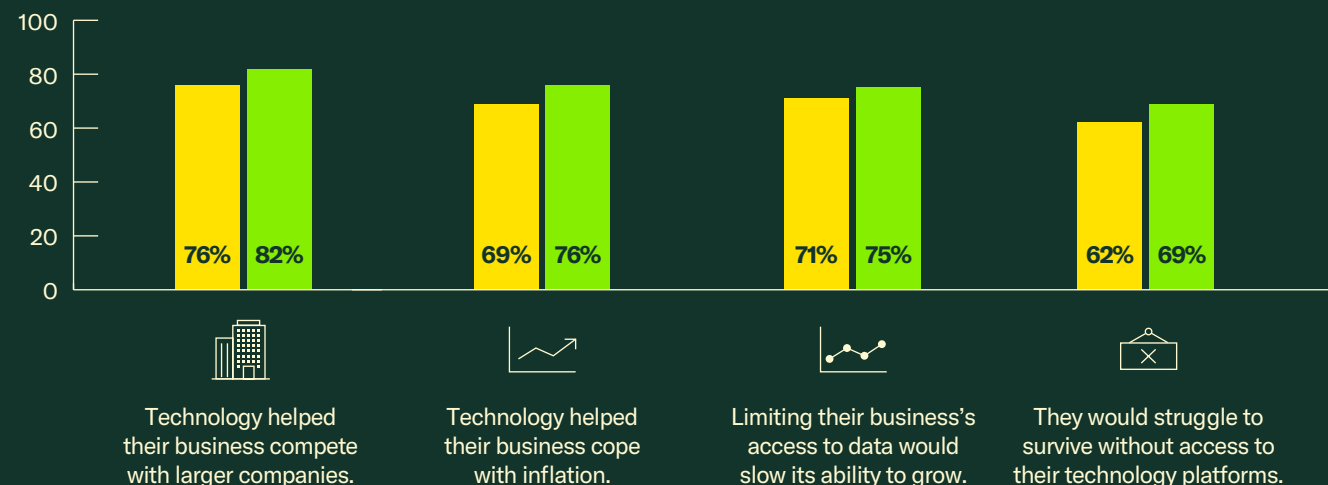
Key Numbers: Texas Small Businesses



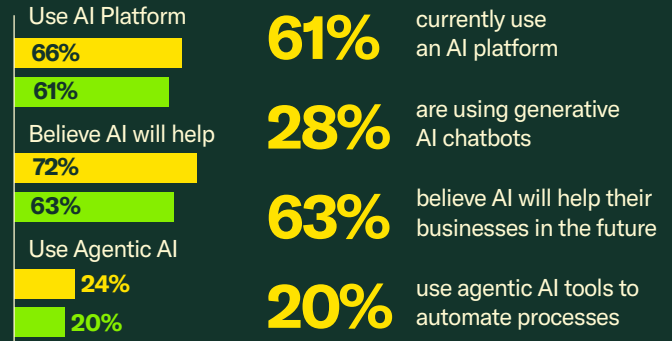
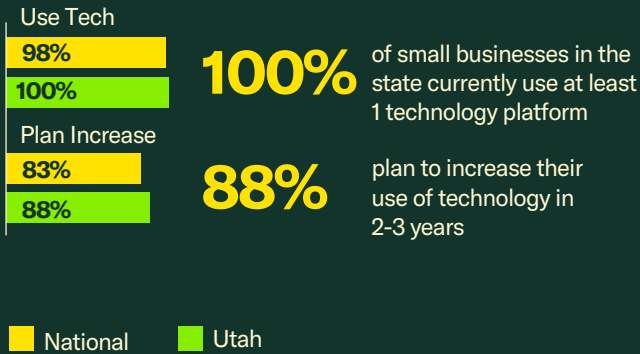
Tech and AI use leads to significant economic growth



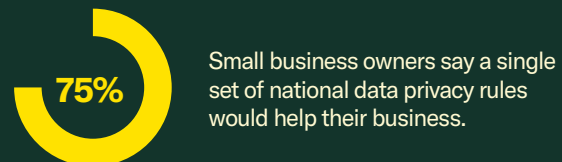
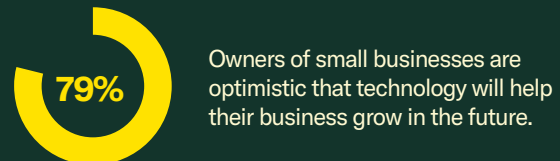
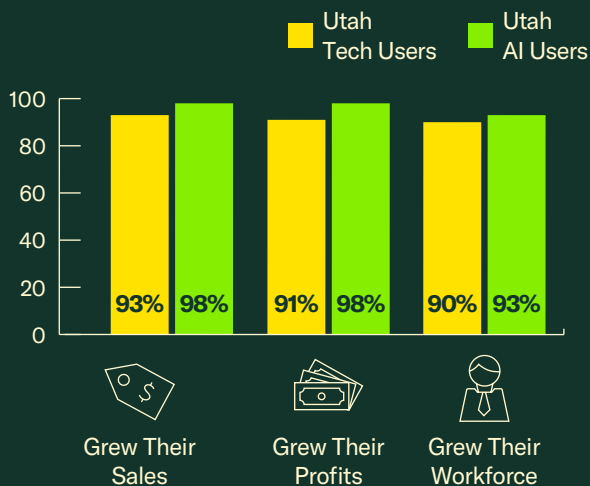
Texas small businesses that use tech or AI say...



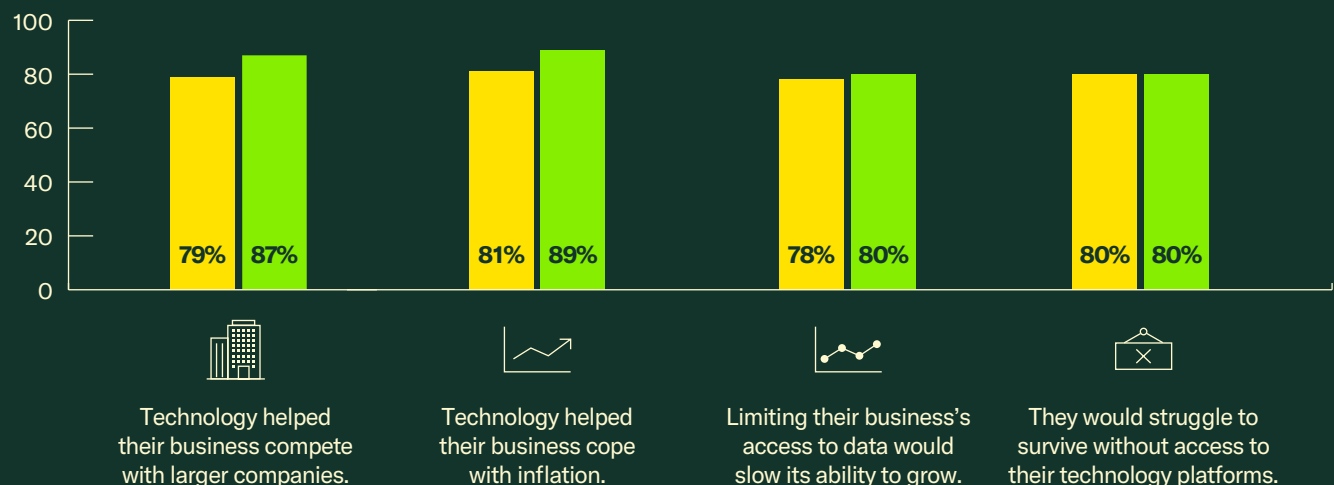
Key Numbers: Utah Small Businesses



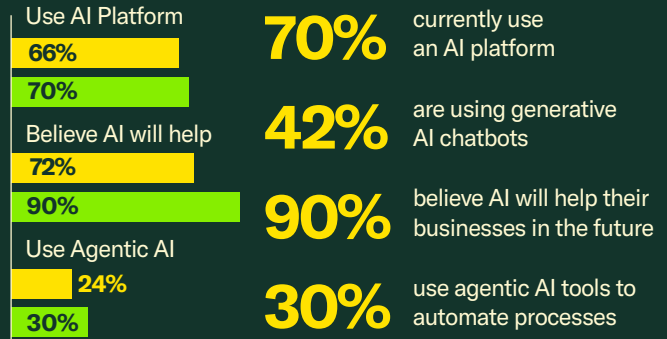
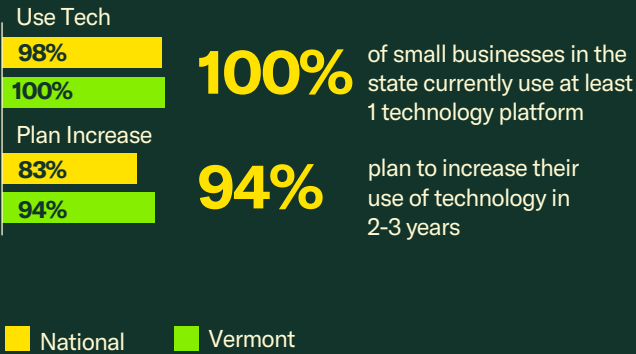
Tech and AI use leads to significant economic growth



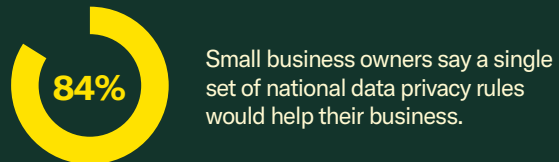
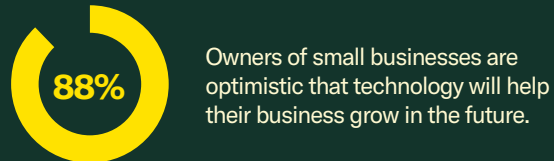
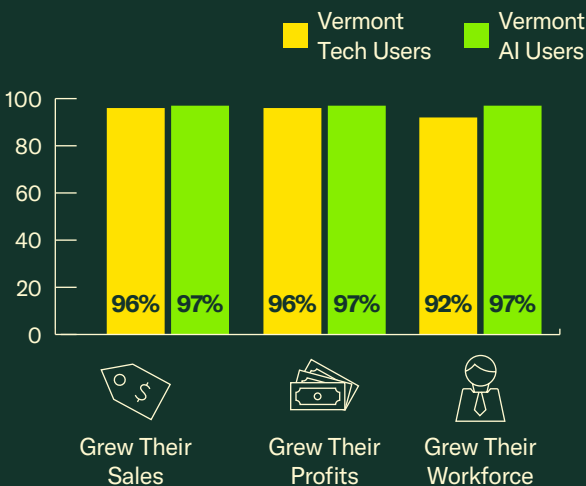
Utah small businesses that use tech or AI say...



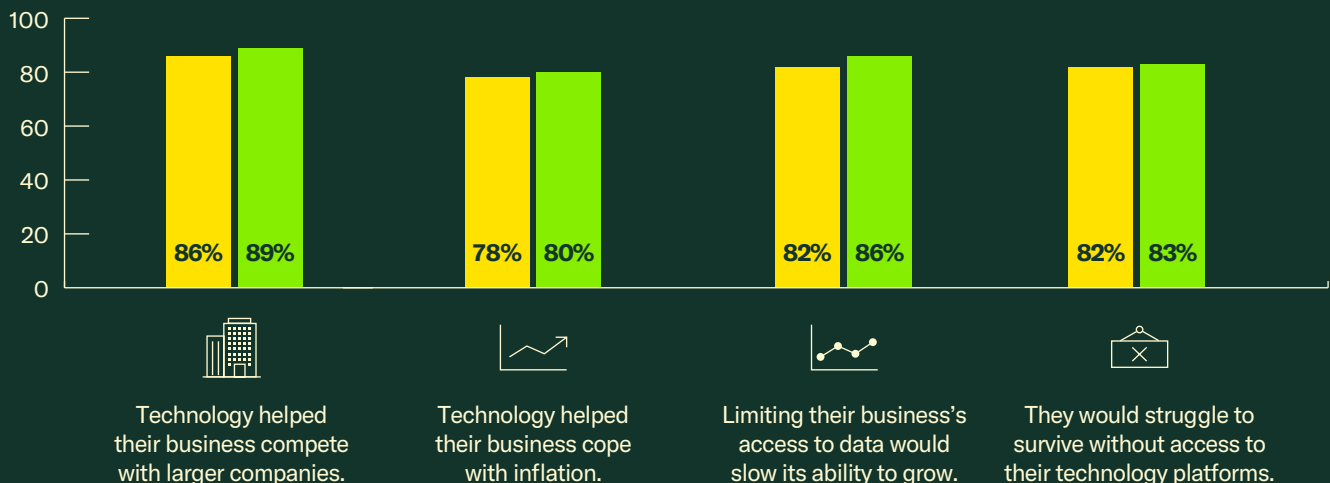
Key Numbers: Vermont Small Businesses



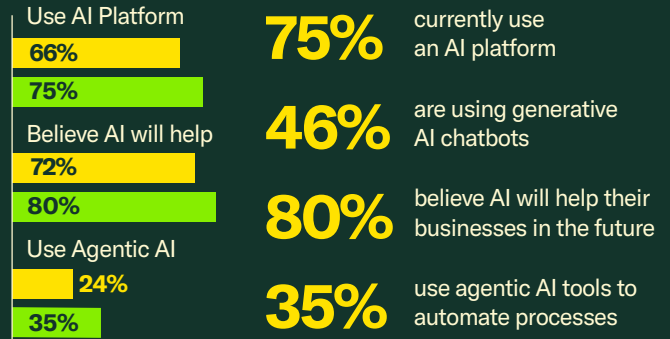
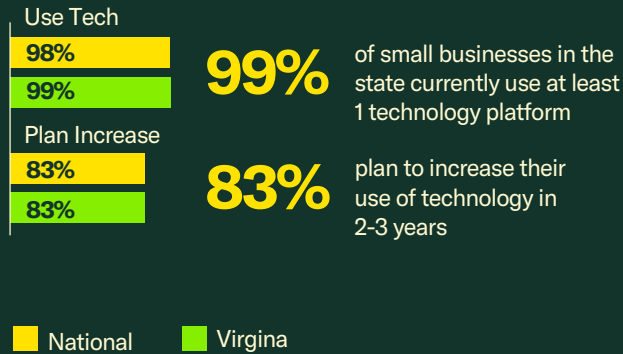
Tech and AI use leads to significant economic growth



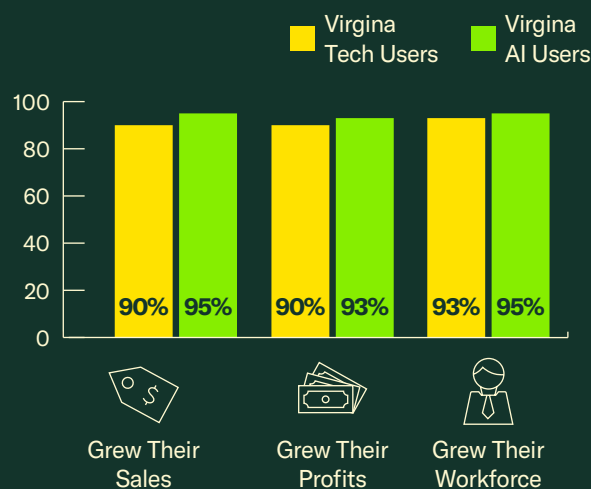
Vermont small businesses that use tech or AI say...



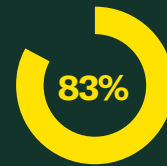
Key Numbers: Virginia Small Businesses



Tech and AI use leads to significant economic growth



Owners of small businesses are optimistic that technology will help their business grow in the future.

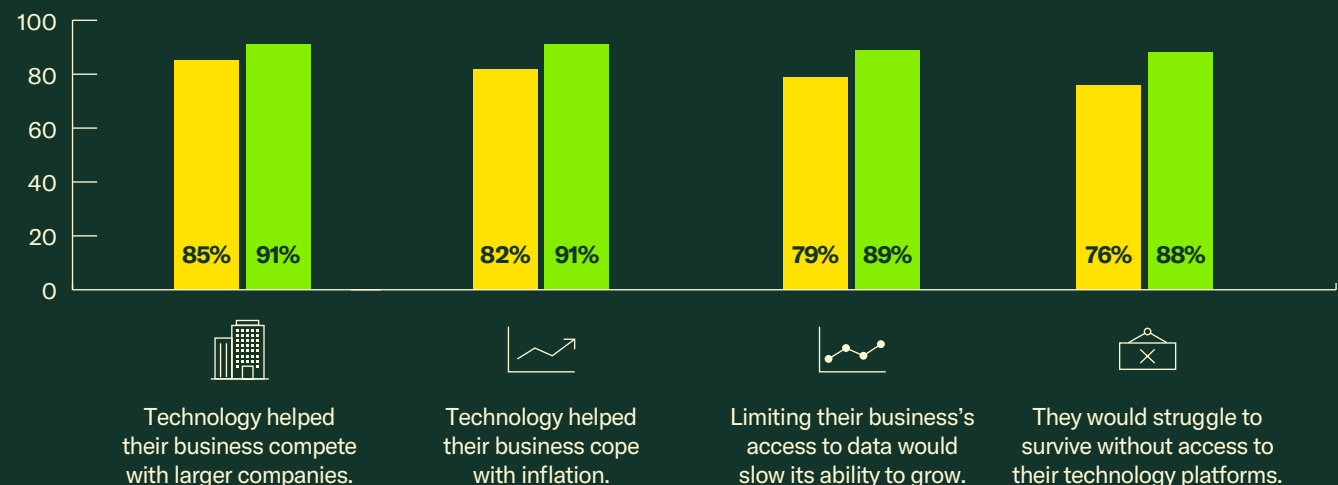


Small business owners say a single set of national data privacy rules would help their business.

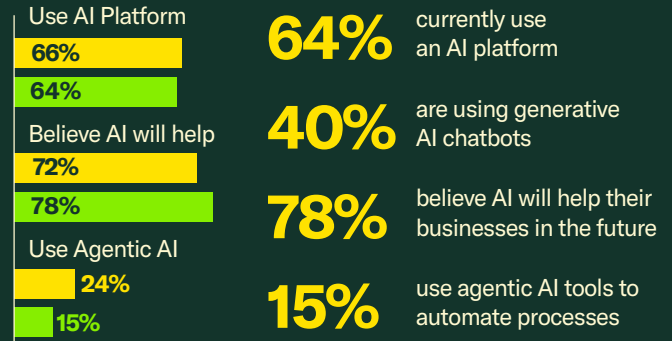
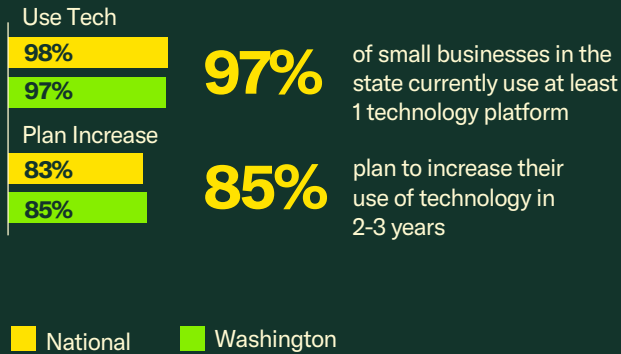


Small business owners are concerned about operational impacts from a patchwork of regulation across states.

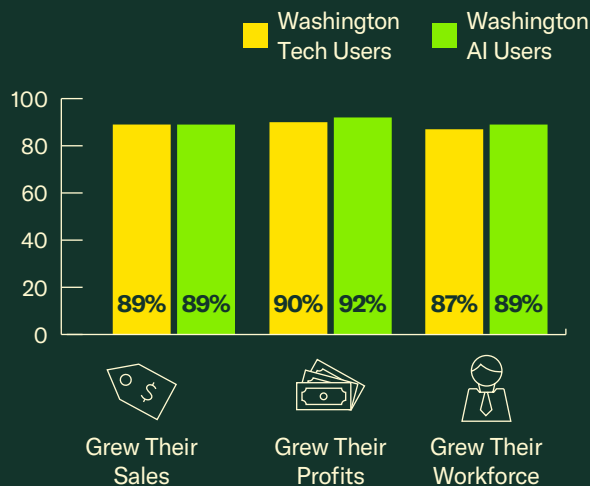
Virginia small businesses that use tech or AI say...



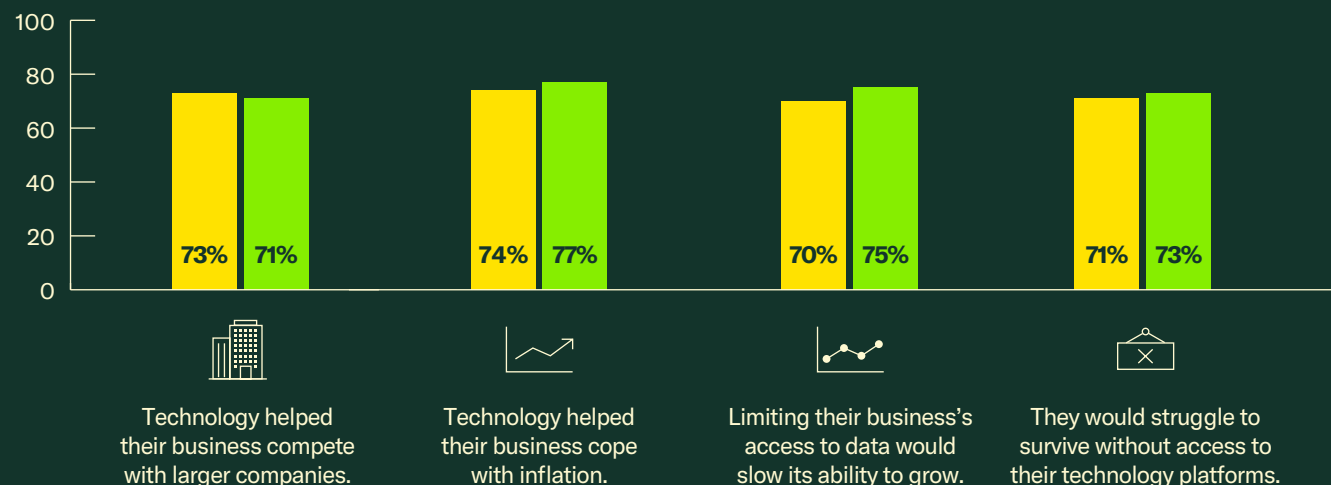
Key Numbers: Washington Small Businesses



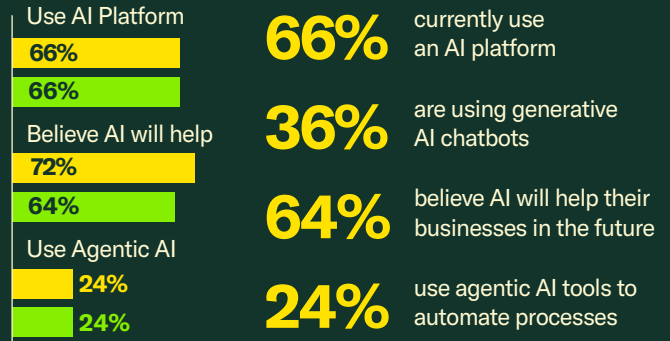
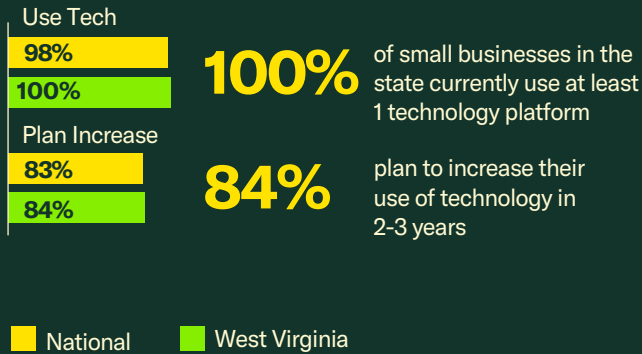
Tech and AI use leads to significant economic growth



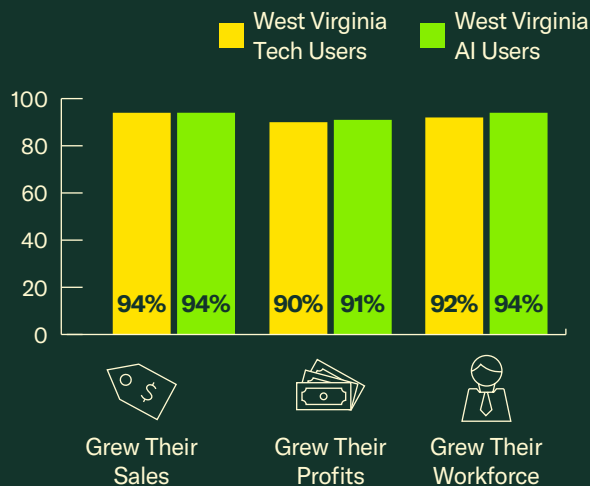
Washington small businesses that use tech or AI say...



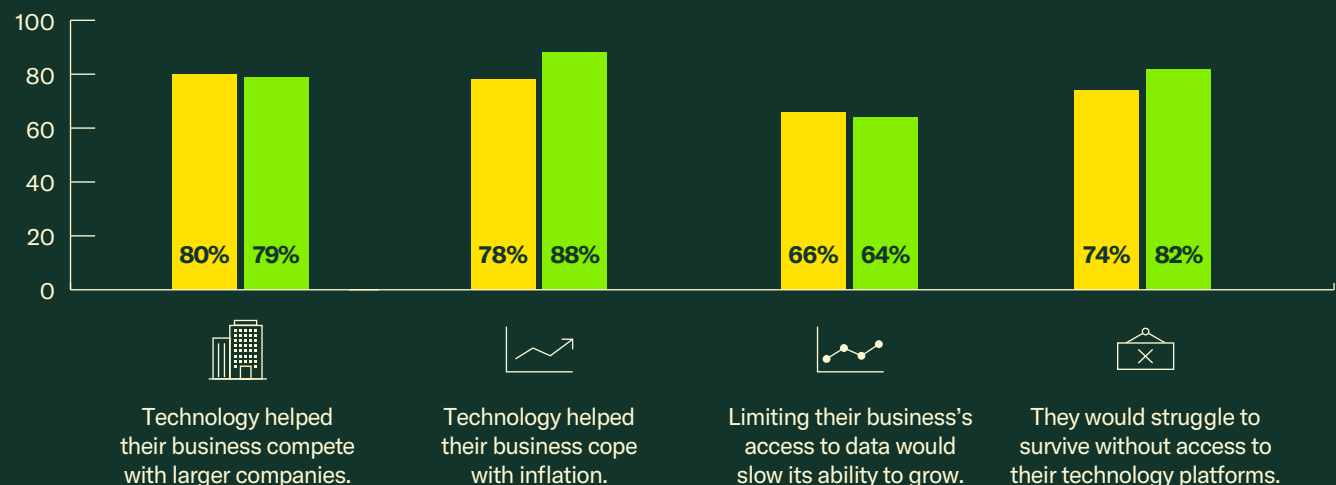
Key Numbers: West Virginia Small Businesses



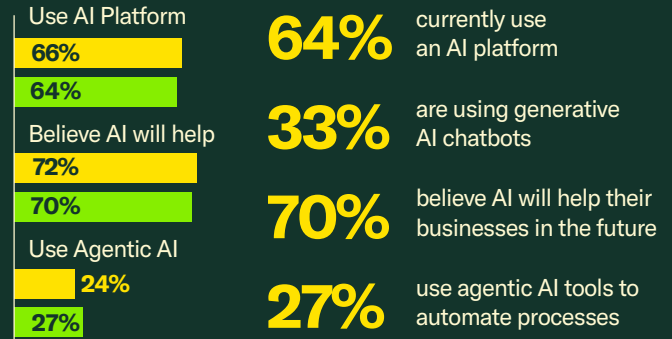
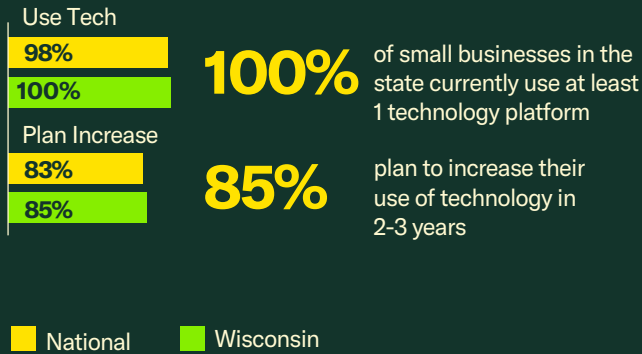
Tech and AI use leads to significant economic growth



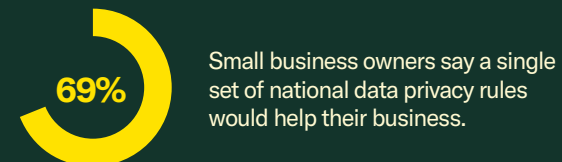
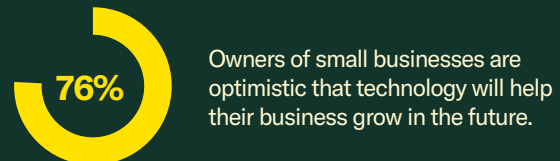
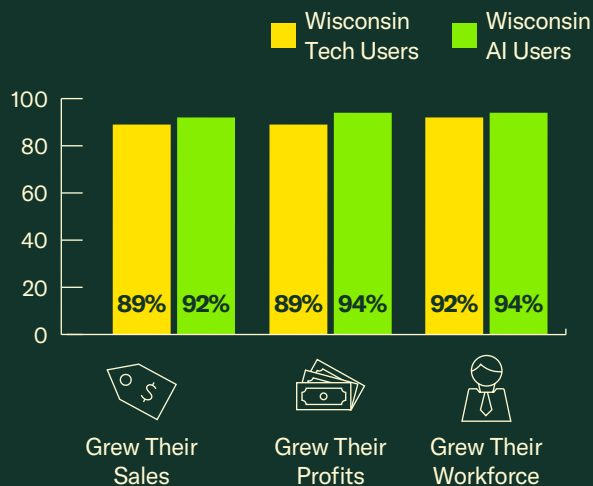
West Virginia small businesses that use tech or AI say...



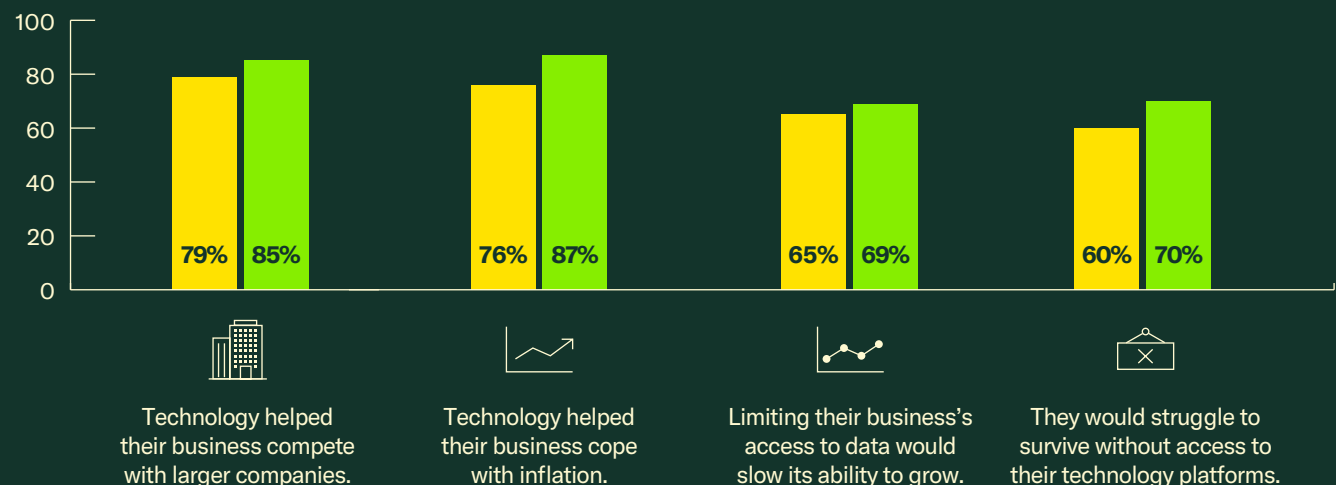
Key Numbers: Wisconsin Small Businesses



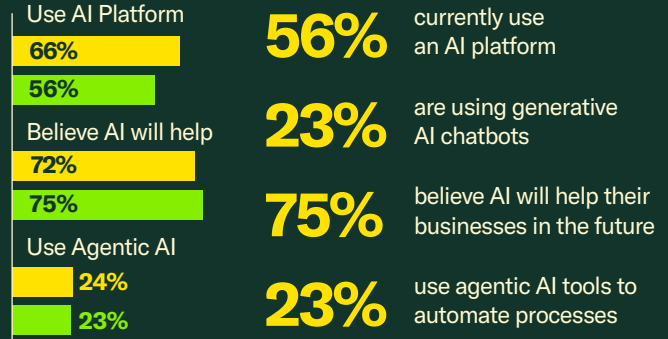
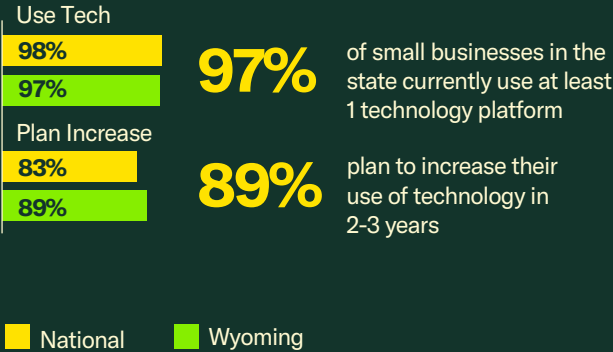
Tech and AI use leads to significant economic growth



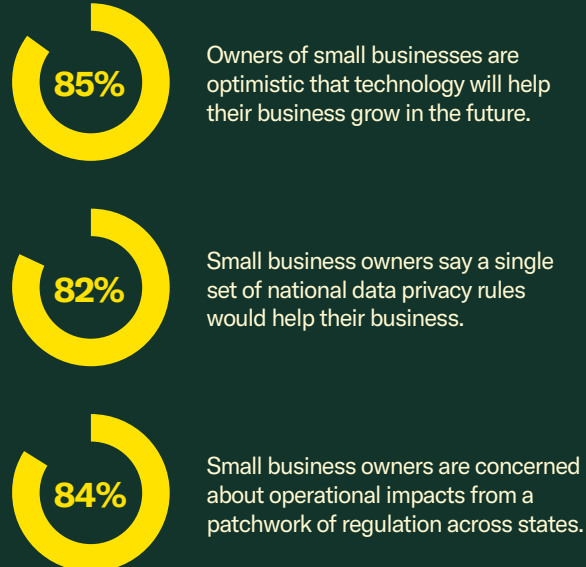
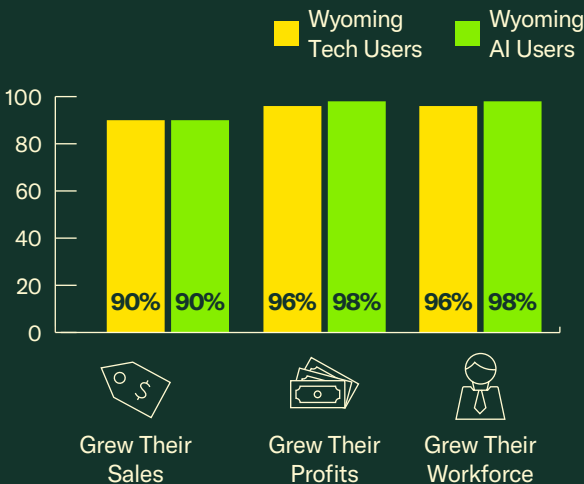
Wisconsin small businesses that use tech or AI say...



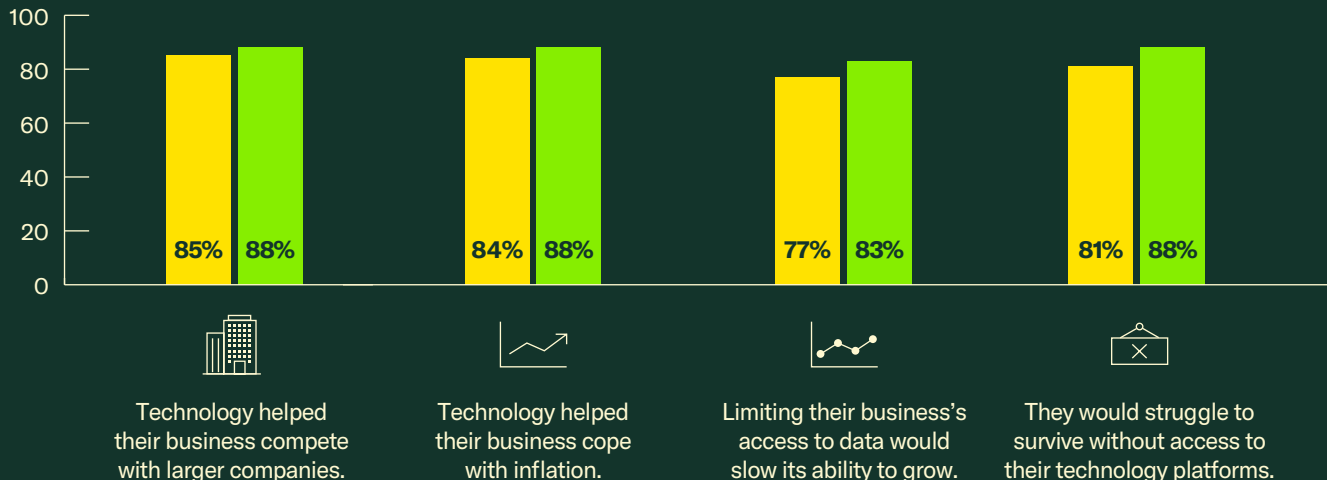
Key Numbers: Wyoming Small Businesses



Tech and AI use leads to significant economic growth



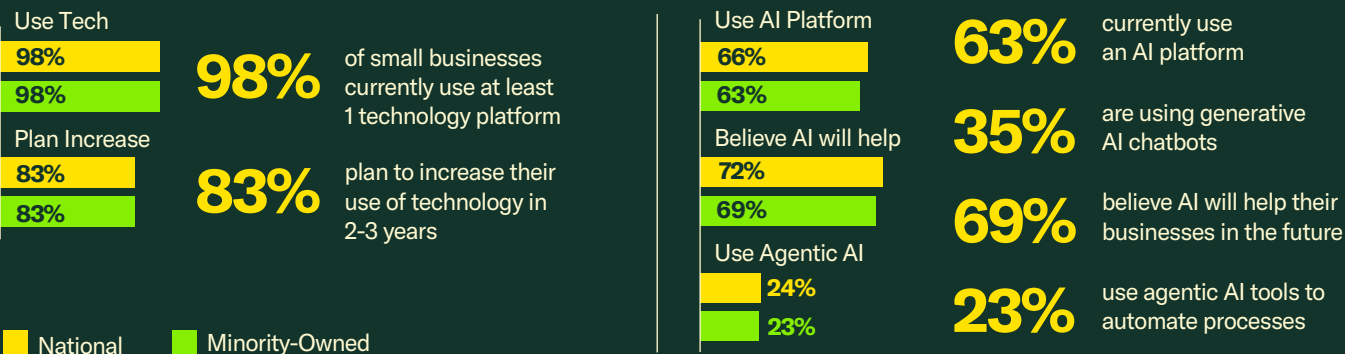
Wyoming small businesses that use tech or AI say...



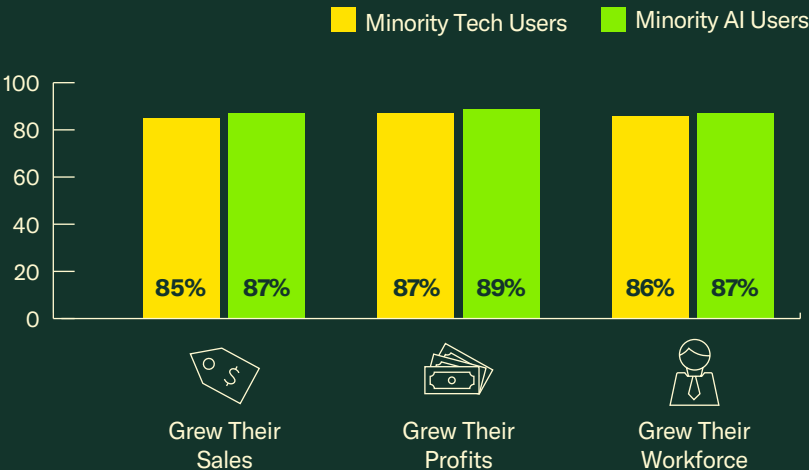
Appendix Two

Minority, Woman, and Veteran- Owned Small Business Data

Key Numbers: Minority-Owned Small Businesses



Tech and AI use leads to significant economic growth

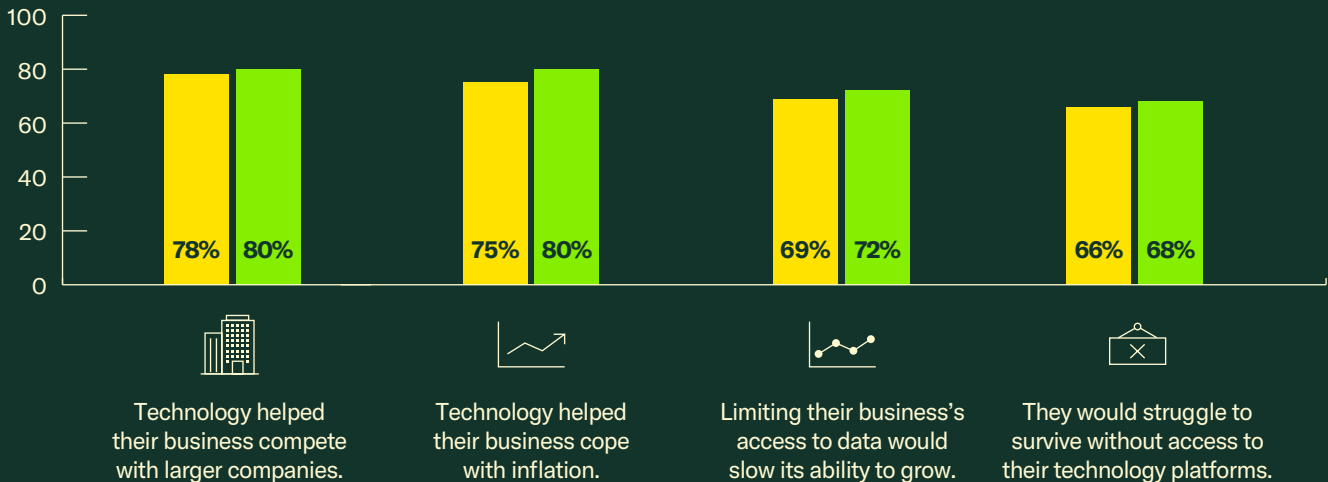


Owners of small businesses are optimistic that technology will help their business grow in the future.

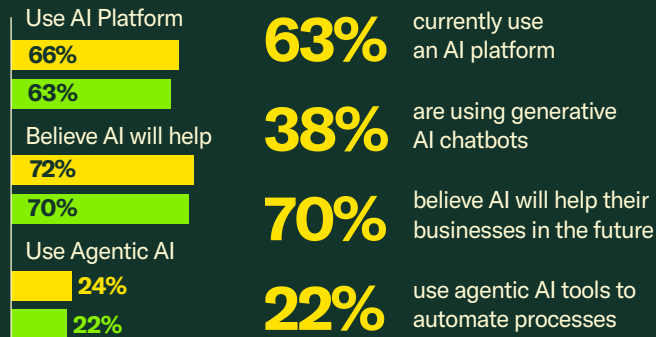
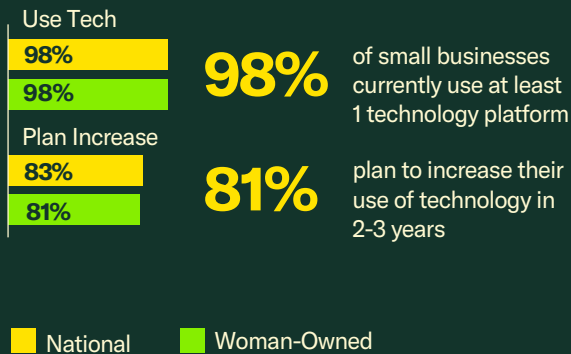


Three in four say a single set of national data privacy rules would help their business.

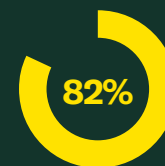
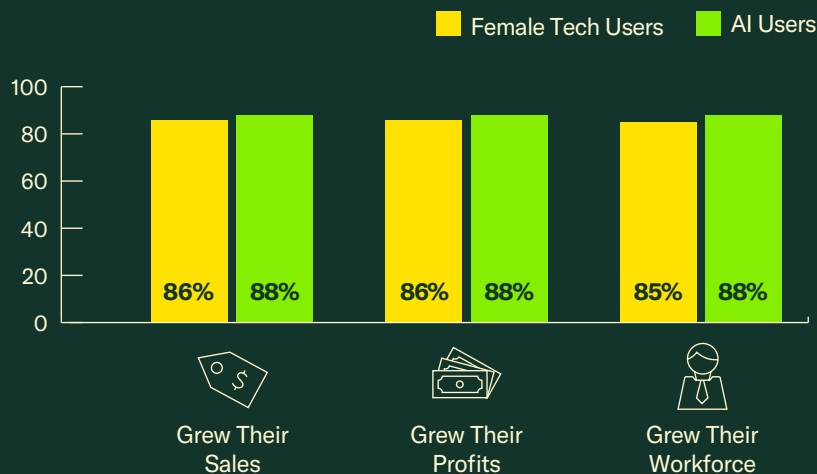
Minority-owned small businesses that make greater use of tech say...



Key Numbers: Woman-Owned Small Businesses



Tech and AI use leads to significant economic growth

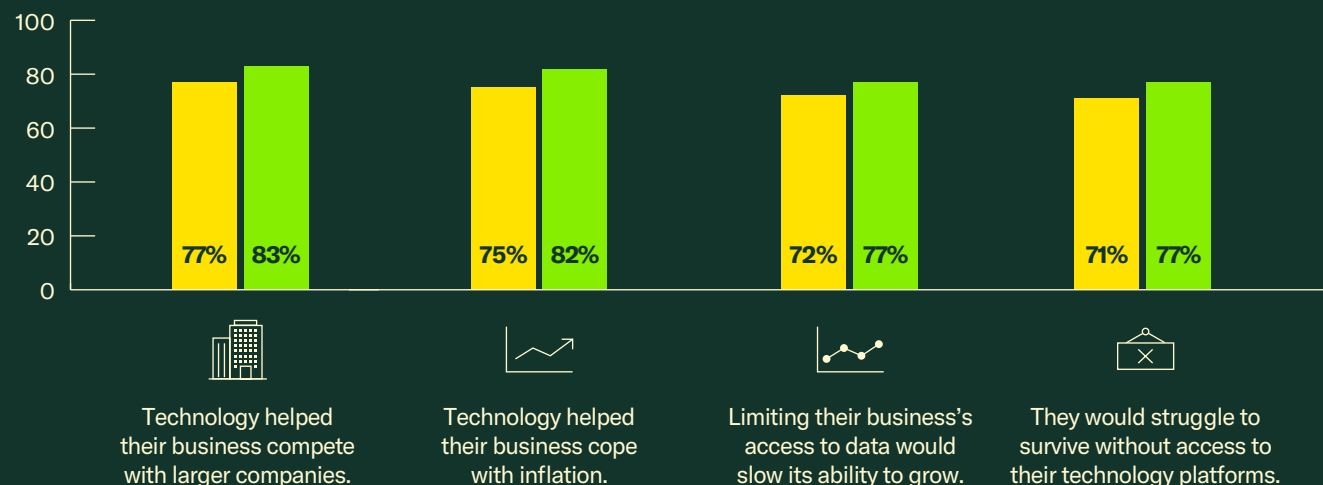


Owners of small businesses are optimistic that technology will help their business grow in the future.

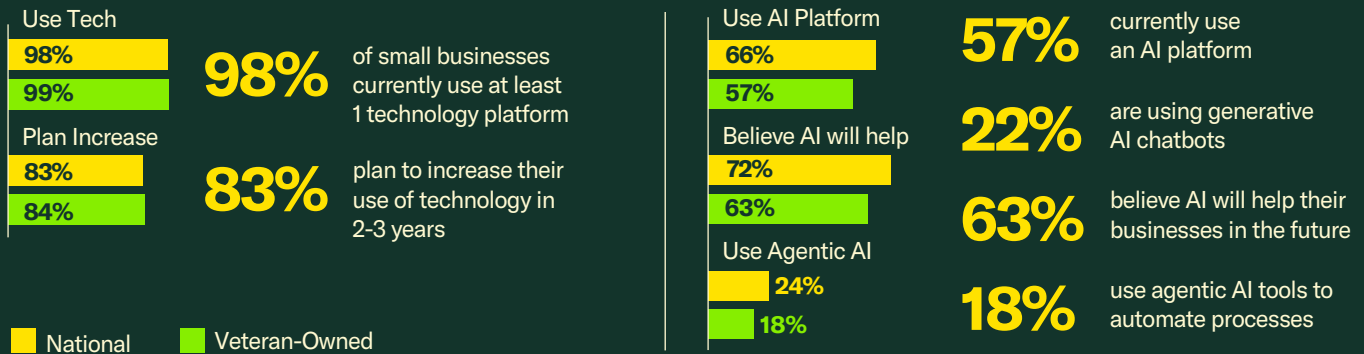


Three in four say a single set of national data privacy rules would help their business.

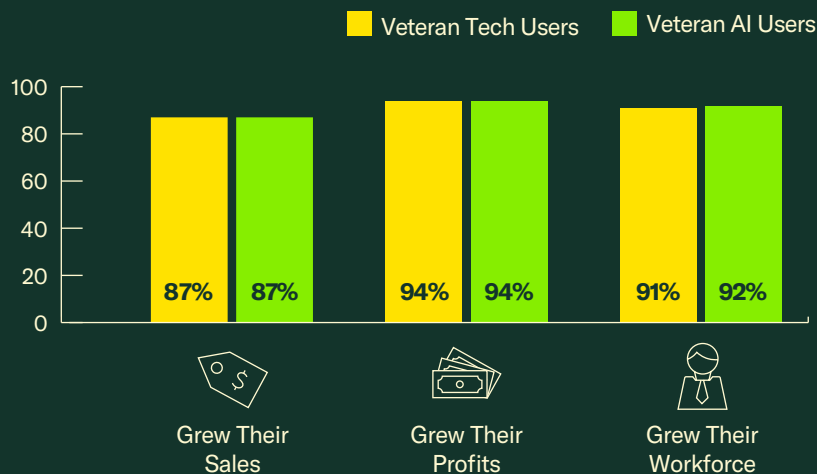
Female-owned small businesses that make greater use of tech say...



Key Numbers: Veteran-Owned Small Businesses



Tech and AI use leads to significant economic growth

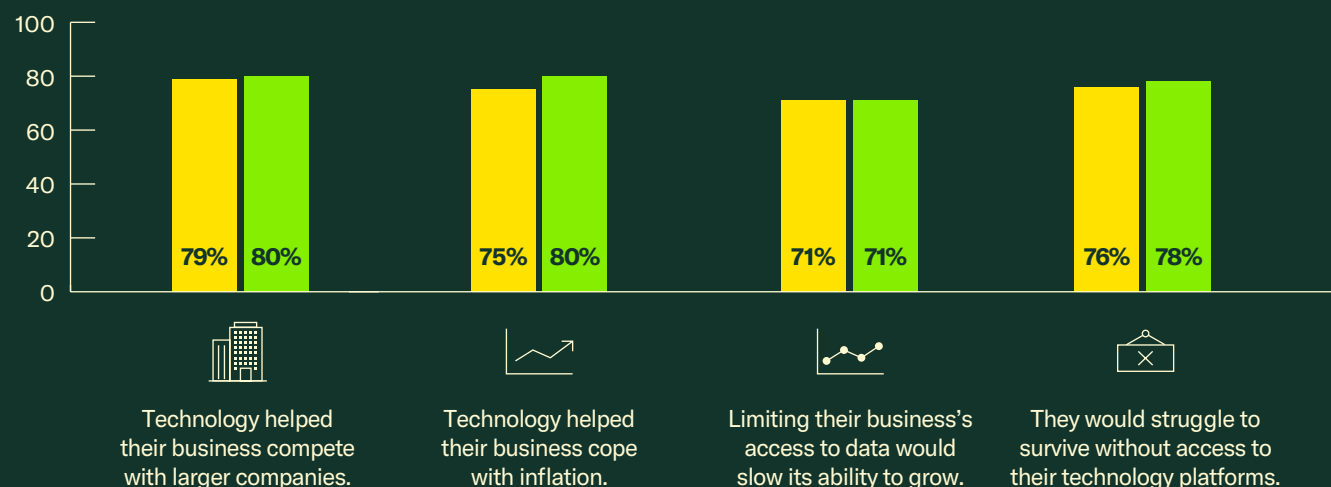


Owners of small businesses are optimistic that technology will help their business grow in the future.



Three in four say a single set of national data privacy rules would help their business.

Veteran-owned small businesses that make greater use of tech say...



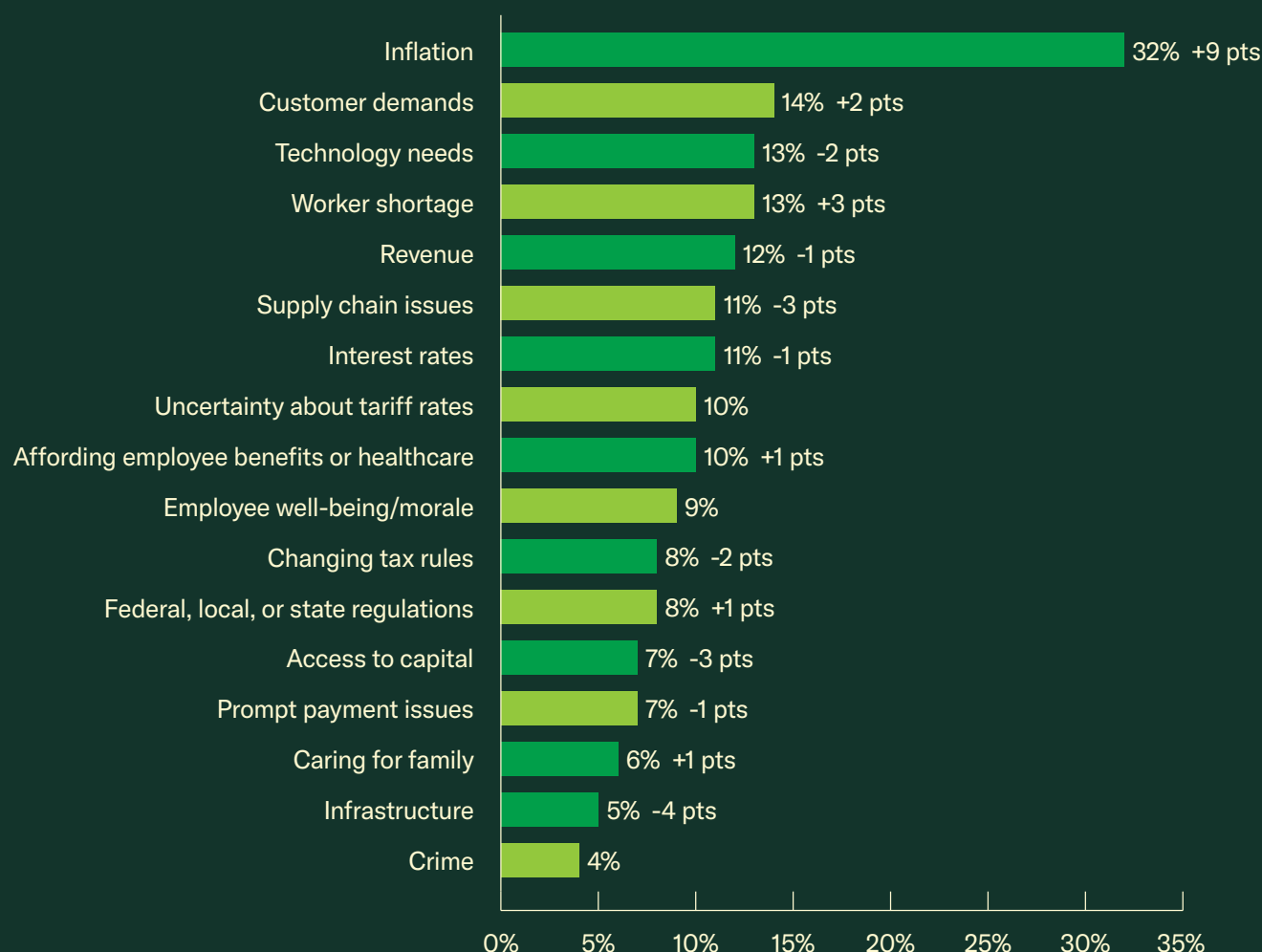
Appendix Three

Small Business Challenges

While inflation continues to pose the greatest challenge to small businesses, other issues persist

Inflation has reemerged as the dominant challenge facing small businesses, rising sharply from last year. When asked about the biggest challenges facing small business owners, 32% cited inflation, up 9 points from 2025.

Which of the following are the biggest challenges facing small business owners right now? You may select up to two.



Worker shortages and customer demands have also gained traction, while concerns around supply chains and access to capital have eased.



U.S. Chamber of Commerce