

Small Business Confidence Slips as Economic Uncertainty Grows

Inflation pressures, weaker economic outlook, and declining hiring and investment plans signal growing caution among small businesses nationwide.



The Small Business Index score for Q1 2026 is 67.0, down from 68.4 last quarter.

Key Takeaways

Inflation is chief concern

53% of small business owners cite inflation as their biggest challenge.

Hiring and investment plans pull back

Just 37% expect to increase investment and 30% plan to add staff in the next year.

Biggest challenges facing small business owners (top 6 shown)

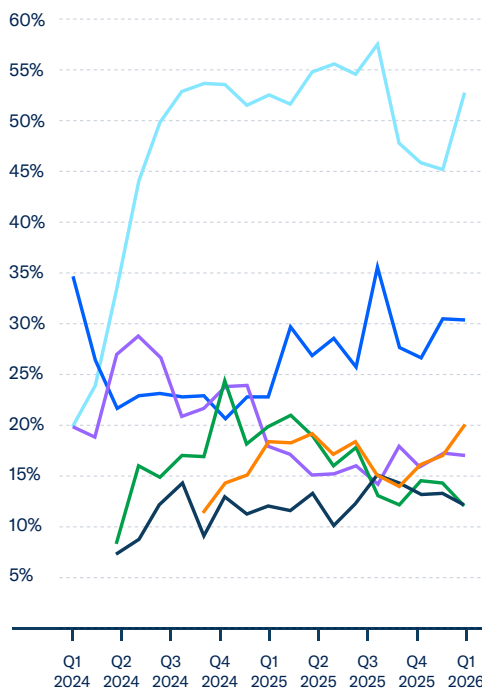
- Inflation costs
- Supply chain issues
- Revenue
- Interest rates
- Access to credit/loans
- Affording employee benefits/healthcare

Economic confidence weakens

Only 28% say the U.S. economy is in good health, a 10-point drop from last quarter.

Cash-flow confidence slips

Only 20% say they are very comfortable with their cash flow, down 11 points over two quarters.



Small Business Voice: Chris Barber

Chief Nerd, Cheaper Than A Geek (Crofton, Maryland)

“Financial uncertainty in the economy is causing tightening on discretionary spending.”