Empowering Small Business:
The Impact of Technology on U.S. Small Business

Second Edition

U.S. Chamber of Commerce Technology Engagement Center
Introduction

In 2022, the U.S. Chamber of Commerce’s Technology Engagement Center (C_TEC) commissioned Teneo Research to examine the impact that technology had on small businesses during the COVID-19 pandemic in a report titled Empowering Small Business: The Impact of Technology on U.S. Small Business. That report found that even during one of the most challenging times for smaller and independent operators to do business, when those companies used technology, they contributed $17.7 trillion to the U.S. economy and supported nearly 99 million American jobs. Of small businesses surveyed in 2022, 86% believed technology helped them survive during the challenges of the pandemic.

After the pandemic emergency, small businesses face a new set of challenges like worker shortage and inflation as well as opportunities like artificial intelligence (AI). At the same time, calls for regulations of AI, privacy, and technology platforms could have a profound impact on small businesses’ ability to reap the benefits of digital tools and innovations that help them operate and compete.

To measure the effect a growing range of technology platforms have had on small businesses and the economy, C_TEC and Teneo Research completed an update to Empowering Small Business and conducted a nationwide survey of the U.S. small business ecosystem to explore the following:

- 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
- How U.S. small businesses adopt AI

As in the first version of the report, the results demonstrate that various technology platforms have played a critical role in helping small businesses weather challenges and that small businesses that fully embrace technology outperform their peers and are more optimistic about the future. Companies are also looking at emerging technologies like AI to add to their arsenal of digital tools to compete and expand their business. This new version of the report found the following:

- 95% of small businesses use at least one technology platform.

- 4 out of 5 businesses with very high tech usage report growth in sales, employment, and profits.

- Small businesses using six or more technology platforms are up 11 points year over year.

- Nearly a quarter of small businesses are already using AI, and those who do report high satisfaction and improved performance primarily in marketing and communications to reach customers.

- Businesses that use AI saw a 12-point increase over non-AI users in their likelihood of seeing an increase in profit.

- 85% of small businesses plan to increase their use of technology platforms.

- 82% are optimistic that technology will help their business in the future.

- 71% of small business owners plan to adopt the latest technology, including AI, chatbots, and cryptocurrencies.

- 87% say that technology platforms have helped their businesses operate more efficiently.

- 7 out of 10 small business owners agree that without access to technology platforms, their businesses would struggle to survive.

- Around half of small business owners are concerned about tech regulations harming their businesses as well as having to comply with increased costs and litigation stemming from out-of-state regulation.

- 7 out of 10 small business owners would like to see modernized IT processes to improve the ease of doing business with the government.
Part 1: Technology Platform Usage in General

How U.S. Small Businesses Are Using Technology in 2023

Small businesses continue to be nearly universal in their adoption of a wide range of technology platforms. Slightly more than in 2022, 95% of small business owners in the U.S. report using at least one type of technology platform in the running of their business.

Social media and digital payments are the most used platforms among U.S. small businesses. Social media (87% of small businesses) and point-of-sales tools (41% of small businesses) saw the greatest increase in small business use year over year from 2021 to 2022. Fifty-seven percent of small businesses also use digital payments.

How do small businesses use this technology? Sixty-one percent of them use it for marketing and promotions, 57% use it for processing sales, and 56% use it for communicating with customers and prospects.
Small businesses use an average of four types of technology platforms. Year over year, there is a greater share of low tech adopter and high tech adopter businesses. Fewer small businesses fall into the middle ground of tech adoption and opt for all-in tech implementation or the opposite. When selecting a technology, low-adoption businesses (those that use only up to one platform) tend to use social media, digital payments, or accounting software.

Technology is also changing the nature of how businesses operate. Like trends observed in the first version of this report, small businesses are increasingly taking their business online. When asked how their business originated, 60% stated that they were online, whereas 40% were brick and mortar only. Many of these small businesses have decided to get away from a brick-and-mortar-only approach, and now 71% have an online presence.

Which, if any, of the following types of technology platforms is your business using?

<table>
<thead>
<tr>
<th>Low adoption</th>
<th>Average adoption</th>
<th>High adoption</th>
<th>Very high adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6%</td>
<td>-5%</td>
<td>-12%</td>
<td>+11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>0-1 platforms</th>
<th>2-3 platforms</th>
<th>4-5 platforms</th>
<th>6+ platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>25% 31%</td>
<td>36% 31%</td>
<td>26% 14%</td>
<td>14% 25%</td>
</tr>
</tbody>
</table>

2022 2023
When your business was founded it was...

- Primarily brick and mortar: 40%
- Both: 30%
- Primarily online: 30%

Today, is your business...

- Primarily brick and mortar: 29%
- Both: 41%
- Primarily online: 30%
Technology use is linked to growth among small businesses. Small businesses that make greater use of leveraging technology platforms are more likely to have experienced a growth in sales and profits over the past year, as well as an increase in their workforce. High tech adopters (those that use six or more types of technology) outperformed low tech adopters (those that use one or fewer tech platforms) in the areas of sales, profits, and employment between 2021 and 2022. For example, 80% of high tech adopters reported increases in sales compared with 68% of low tech adopters. Eighty-two percent of high tech adopters realized increased profits compared with 68% of low tech adopters. An even more dramatic difference is observed in employment where 79% of high tech adopters hired more workers compared with only 62% of low tech adopters. Women-owned businesses were more likely to hire more workers if they were high tech adopters (75%).

**Percentage Share of Small Businesses That Grew from 2021 to 2022**

- **Low**: 61%
- **Average**: 65%
- **High**: 67%
- **Very High**: 83%

**Legend**
- ● Sales
- ■ Profits
- ▲ Employment
Year-over-year likelihood of growth of sales and profit is consistent for small businesses with very high use of tech platforms. However, growth probability increased for low, average, and high tech use companies.

Percentage Share of Small Businesses That Grew Since 2021

Sales Growth

- 2020 to 2021
- 2021 to 2022

Tech Platform Usage

- Low
- Average
- High
- Very High
Employment Growth

Tech Platform Usage

- 2020 to 2021
- 2021 to 2022
Small businesses that make use of social media are more likely to have experienced growth in sales, profits, and employees over the past year. Seventy-five percent of small businesses that use social media grew their workforce between 2021 and 2022. Small businesses similarly are more likely to have experienced growth in sales and profits over the past year. Eighty-six percent of small businesses using delivery apps increased their profits from 2021 to 2022.

In addition to the growth opportunities presented by technology, small business owners use technology to ease the burdens of inflation and supply chain disruptions. Most small business owners agreed that technology platforms have helped them limit costs passed on to consumers, improve access to credit and capital, handle supply chain difficulties, and weather inflation.

- Technology platforms have helped my business limit cost increases that would have been passed on to customers: 39% Strongly Agree, 39% Somewhat Agree
- Technology platforms have helped improve my business’s access to credit and capital: 31% Strongly Agree, 39% Somewhat Agree
- Technology platforms have helped my business handle supply chain difficulties: 28% Strongly Agree, 34% Somewhat Agree
- Technology platforms have helped my business handle inflation: 25% Strongly Agree, 39% Somewhat Agree
Technology and data are the backbone of operations for many small businesses that rely on it to survive and run more efficiently. Most small business owners report that technology platforms have helped their business get up and running and operate more efficiently. Without access to technology platforms, most small businesses agree they would not be able to survive.

Seventy percent of minority small business owners indicated that lower tech access would have a negative impact on their business’s viability. Nearly three in four small businesses acknowledged that limiting their access to data would harm their operations.
Small business owners credit technology with helping them build their customer base, cultivate and grow customer relationships, and foster strong connections with their broader community.

- Technology platforms have helped me communicate more with customers: 46% Strongly Agree, 42% Somewhat Agree
- My customers appreciate having access to technology when interacting with my business: 45% Strongly Agree, 42% Somewhat Agree
- Technology platforms have helped me find new customers: 46% Strongly Agree, 41% Somewhat Agree
- Technology platforms have helped build stronger relationships with customers: 40% Strongly Agree, 46% Somewhat Agree
- Technology platforms have helped my business build stronger connections to the communities where we operate: 37% Strongly Agree, 44% Somewhat Agree
As debates continue in Washington, D.C., and state capitals about the impact of technology on the workforce, small businesses also indicate that technology platforms have helped them access high-quality talent and cope with staffing issues.

Tech platforms enable small businesses to compete and grow. These same owners are optimistic about the role technology plays in the future of their business. Nearly three in four small businesses state that technology platforms have helped them compete with larger companies.
In addition to supply chain, workforce, and inflationary pressures, small businesses are concerned about an evolving regulatory landscape as it relates to data regulation. Half of small businesses worry about having to comply with different state laws on privacy, AI, and technology in states where they are not headquartered, which can lead to increased litigation and compliance costs. Small businesses agree (82%) that the government could help with IT modernization of outdated and nondigitized systems to streamline processes for professional licensing and permitting.

Nearly 70% of small businesses state that limiting access to data would harm their bottom line and ability to grow. As most small businesses use some form of technology platform for marketing, 65% of them expressed that losing their ability to reach consumers with targeted advertising would harm their business.
Core to accessing these digital tools is broadband internet connectivity. Small businesses see that broadband internet access is essential, particularly among firms with high use of technology.

Do you agree or disagree with the following statement?
Access to broadband internet is important to my business.
Part 2: The Use of Artificial Intelligence

In the inaugural issue of the *Empowering Small Business* report, nearly one-quarter of U.S. small businesses in 2022 planned to use AI. Although generative AI applications have experienced increased visibility in 2023, small businesses are also taking advantage of more specific uses of this technology. Twenty-three percent of small businesses already use AI. Marketing and communications are the most common among small businesses.

<table>
<thead>
<tr>
<th>Function</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Marketing / promotions</td>
<td>42%</td>
</tr>
<tr>
<td>Communicating with my customers and prospective customers</td>
<td>36%</td>
</tr>
<tr>
<td>Identifying potential customers</td>
<td>33%</td>
</tr>
<tr>
<td>Managing inventory</td>
<td>32%</td>
</tr>
<tr>
<td>Developing customer insights</td>
<td>28%</td>
</tr>
<tr>
<td>Managing customer relationships</td>
<td>28%</td>
</tr>
<tr>
<td>Processing sales</td>
<td>26%</td>
</tr>
<tr>
<td>Preventing fraud and knowing who I’m doing business with</td>
<td>26%</td>
</tr>
<tr>
<td>Processing returns</td>
<td>21%</td>
</tr>
<tr>
<td>Accounting</td>
<td>21%</td>
</tr>
<tr>
<td>Payroll management</td>
<td>20%</td>
</tr>
<tr>
<td>Identifying / recruiting talent</td>
<td>19%</td>
</tr>
<tr>
<td>Accessing and managing credit and cash flow</td>
<td>19%</td>
</tr>
<tr>
<td>Managing supply chain challenges</td>
<td>18%</td>
</tr>
<tr>
<td>Finding lower-cost suppliers to manage inflation</td>
<td>13%</td>
</tr>
<tr>
<td>Something else</td>
<td>5%</td>
</tr>
<tr>
<td>None of these</td>
<td>3%</td>
</tr>
</tbody>
</table>
AI business users agree on its benefits and cite its ability to help them grow, increase efficiency, and improve business satisfaction through customer relationships. Eighty-four percent of businesses using AI are optimistic that it will help future growth. Eighty-two percent also agree that AI has helped increase efficiency of business operations. Additionally, 86% of small businesses using AI state that the technology has helped customer communications.

I am optimistic that A.I. will help my business grow in the future
A.I. has helped my business to operate more efficiently
A.I. has helped me communicate more with customers
A.I. has helped me enjoy running my business more
A.I. has helped build stronger relationships with customers
A.I. has helped my business build connections to our communities
A.I. has helped my business to compete with larger companies
A.I. has helped me get my business up and running
A.I. has helped me find new customers
A.I. has helped my business access high quality talent
Limiting my business's access to A.I. would slow its ability to grow
Tech A.I. has helped my business handle supply chain difficulties
Limiting access to A.I. would negatively impact how I reach customers
A.I. has helped my business get the most out of remote workers
A.I. has helped my business limit cost increases
A.I. has helped my business to grow in challenging conditions
My customers appreciate A.I. when interacting with my business
I am worried that changing A.I. regulations could harm my business
A.I. has helped my business handle inflation
A.I. has helped my business better cope with staffing issues
Limiting my business's access to A.I. would hurt its bottom line
Limiting my business's use of A.I. would harm its operations
Without access to A.I., my business would struggle to survive
Of those companies not currently using AI, lack of knowledge is the single most common barrier to entry for adoption of this technology for small businesses. Seventy-seven percent of small businesses indicated that either they do not know enough about AI or the benefits are not clear.

Don’t see how it would help the business: 39%
Don’t know enough about it: 38%
Concerned about quality of tools: 27%
Concerned about cost: 25%
Concerns about legal or compliance issues: 20%
Employees or users aren't properly trained: 7%
Other: 3%

Given the importance of AI education, small businesses that know more about the technology are more likely to understand its benefits. For example, among those who say they are very knowledgeable about AI, 77% of small businesses believe it will help their business in the future compared with only 35% of firms that claim to not know much.
Even if small businesses do not currently use AI, nearly two-thirds believe that their competitors will use this technology within the next year. This will further incentivize adoption by those not currently using the technology.

- They are already using it: 29%
- They will be using it this year: 16%
- They will be using it by next year: 23%
- They will be using it in the next 5 years: 18%
- They will not be using it: 14%
As Congress and states deliberate laws governing AI, only a plurality of small businesses believe that regulations will help them. The Chamber believes it is essential for U.S. policymakers to consider small businesses when considering AI regulations to ensure no unnecessary barriers to AI adoption exist so that businesses of all sizes can benefit from AI's productivity.
Part 3: Technology Outlook

As demonstrated in this report, small businesses already understand the value of technology platforms to reach consumers, manage inventory, and weather economic and policy challenges. In fact, 85% of small businesses expect to increase their use of technology over the next two to three years. Seventy-one percent of small businesses plan to use at least one form of emerging and cutting-edge technologies. For example, the number of small businesses planning to add AI to their toolkit is 39% compared with the current 23% already using it. Twenty-seven percent are considering accepting cryptocurrency compared with the 9% using it.

Does your business currently use any of the following newer technologies? Will your business use any of the following newer technologies in the future?
Part 4: Implications and Policy Recommendations

- Small businesses that leverage technology platforms reap the benefits in terms of growth, operational efficiency, and customer relationships.

- On average, U.S. small businesses use four different types of technology platforms across business applications. Last year, on average, businesses used only three platforms.

- Their reliance on technology will continue to grow, with 85% of small businesses planning to increase their tech use over the next two to three years.

- Small business owners’ attitudes toward technology will continue to evolve, as they seek newer technology solutions such as AI, but a large education gap remains in how to understand and implement it.

Technology in part has helped small businesses stay competitive and thrive despite inflationary, workforce, and supply chain challenges. Without the right policies in place to encourage a virtuous cycle of technology development and adoption, small businesses could lose their ability to adapt and confront the new challenges of the 21st-century economy. C_TEC offers the following recommendations to policymakers to ensure America’s small businesses realize their potential through digital tools and platforms.

- Enacting smart national data privacy legislation.
  As noted in this report, most small businesses are concerned about having to comply with out-of-state technology regulations. With 7 in 10 small businesses stating that limiting access to data could be harmful to their operations, it is vital that Congress pass a national privacy law that protects all Americans equally and preserves the benefits of a modern digital economy. A recent report by the Information Technology & Information Foundation highlighted that a 50-state patchwork of privacy laws could cost the economy $1 trillion and specifically $200 billion for small businesses. Small businesses are disproportionately affected by compliance costs associated with a confusing and potentially conflicting state-by-state regime of privacy obligations. Congress must pass a national privacy law that provides strong preemption of state privacy laws to provide a clear set of rules of the road for businesses to follow.


2
A national privacy law should also provide adequate protections for small businesses that could have difficulty competing against larger, more sophisticated entities. Data protection laws should grant consumers robust rights, but restrictions or bans on the use of broad categories of data, as well as allowing for 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 nearly one-quarter of small businesses already using AI and seeing value from it, Congress should ensure that the United States remains competitive and promotes innovation while mitigating risk. In March 2023, the U.S. Chamber of Commerce’s Commission on AI Competitiveness, Inclusion, and Innovation³ released a report highlighting the need for a risk-based approach to AI regulation and not one-size-fits-all bans, pauses, or rules.

• **Upskilling the digital workforce and education.**
The government must promote a 21st-century workforce that includes small business owners and invests in Science, Technology, Engineering & Math (“STEM”) and computer science education to prepare the next generation of digital tool developers.

• **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 third-party content. Since 1996, the internet and data-driven economy have thrived. Congress should reject calls to outright repeal this landmark law.

• **Using fair competition policy.**
Some contend that America’s longstanding antitrust laws should be used to specifically target America’s technology sector. Congress should refrain from passing competition legislation that singles out companies for enforcement and deprive the companies due process.

• **Promoting the gig economy.**
As outlined in the report, small businesses using third-party delivery platforms have benefited in terms of growth, employment, and revenue. Governments should avoid unnecessarily imposing limitations on flexible work arrangements or preventing app-based delivery companies from communicating valuable, flexible earnings opportunities to the public.

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• Connecting all Americans. Broadband access is foundational for small businesses to use most digital tools and to connect with consumers across the country. To complement private sector efforts, policymakers must 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 should streamline permitting requirements and should avoid costly regulatory mandates such as public utility–style rules for broadband and domestic content requirements.

• Modernizing and digitizing government. Eighty-two percent of small businesses believe that the government should invest in IT modernization 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.

Methodology

Working closely with C_TEC, Teneo Research surveyed 1,025 U.S. small businesses, defined as those having fewer than 250 employees, including oversamples in Arizona, California, Florida, Texas, Ohio, Pennsylvania, and Washington. Data were collected between June 15 and July 9, 2023. The survey was fielded online and is available for desktop and mobile devices.
Appendix A: State Scorecards
Key Numbers in Arizona

96% of AZ small businesses currently use at least 1 technology platform (+4%*)

50% of AZ small businesses currently use an A.I. platform

87% plan to increase their use of technology in 2-3 years (-1%)

71% believe A.I. will help their businesses in the future

AZ small business owners are optimistic that technology will help their business grow in the future.

But a majority worry that a patchwork of state-level tech policies will drive up legal/compliance costs.

AZ small businesses that make greater use of tech are more likely to have experienced growth in sales, profits, and employees over the past year.

AZ small businesses that make greater use of tech are more likely to say:

- Technology helped their business compete with larger companies
- Technology helped their business handle supply chain difficulties
- Limiting their business's access to data would slow its ability to grow
- They would struggle to survive without access to their technology platforms

*Shift from 2022 data (where applicable)
**Key Numbers in California**

<table>
<thead>
<tr>
<th>Metric</th>
<th>CA Percentage</th>
<th>National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA small businesses currently use at least 1 technology platform</td>
<td>96%</td>
<td>95%</td>
</tr>
<tr>
<td>29% of CA small businesses currently use an A.I. platform</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>83% plan to increase their use of technology in 2-3 years</td>
<td>83%</td>
<td>86%</td>
</tr>
<tr>
<td>59% believe A.I. will help their businesses in the future</td>
<td>59%</td>
<td>55%</td>
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*Shift from 2022 data (where applicable)*

CA small businesses that make greater use of tech are more likely to have experienced growth in sales and employees over the past year.

- **Grew Their Sales**
  - High Adopters: 86%
  - Low Adopters: 75%
  - Shift: +16%

- **Grew Their Profits**
  - High Adopters: 86%
  - Low Adopters: 81%
  - Shift: +10%

- **Grew Their Workforce**
  - High Adopters: 81%
  - Low Adopters: 81%
  - Shift: +21%

CA small business owners are optimistic that technology will help their business grow in the future.

- **88%**
  - Shift: -5%

But many worry that a patchwork of state-level tech policies will drive up legal/compliance costs.

- **43%**

CA small businesses that make greater use of tech are more likely to say:

- **Technology helped their business compete with larger companies**
  - High Adopters: 79%
  - Low Adopters: 63%
  - Shift: -12%

- **Technology helped their business handle supply chain difficulties**
  - High Adopters: 63%
  - Low Adopters: 53%
  - Shift: -19%

- **Limiting their business’s access to data would slow its ability to grow**
  - High Adopters: 79%
  - Low Adopters: 69%
  - Shift: -9%

- **They would struggle to survive without access to their technology platforms**
  - High Adopters: 67%
  - Low Adopters: 56%
  - Shift: -9%
**Key Numbers in Florida**

- 96% of FL small businesses currently use at least 1 technology platform (+4%*)
- 79% plan to increase their use of technology in 2-3 years (-3%)
- 17% of FL small businesses currently use an AI platform
- 66% believe AI will help their businesses in the future
  - Florida 17%
  - National Avg. 23%
  - Florida 66%
  - National Avg. 55%
- 96% of FL small businesses currently use at least 1 technology platform (+4%*)
- 79% plan to increase their use of technology in 2-3 years (-3%)

FL small businesses that make greater use of tech are more likely to have experienced growth in sales, profits, and employees over the past year.

- **Grew Their Sales**
  - High Adopters: 75%
  - Low Adopters: 76%
  - (-4%) (+18%)

- **Grew Their Profits**
  - High Adopters: 73%
  - Low Adopters: 78%
  - (-9%) (+15%)

- **Grew Their Workforce**
  - High Adopters: 78%
  - Low Adopters: 71%
  - (-) (+15%)

**Technology helped their business compete with larger companies**
- High Adopters: 79%
- Low Adopters: 60%
- (-4%) (+6%)

**Technology helped their business handle supply chain difficulties**
- High Adopters: 61%
- Low Adopters: 57%
- (-16%) (+5%)

**Limiting their business’s access to data would slow its ability to grow**
- High Adopters: 76%
- Low Adopters: 67%
- (-9%) (+18%)

**They would struggle to survive without access to their technology platforms**
- High Adopters: 76%
- Low Adopters: 57%
- (-3%) (-10%)

*Shift from 2022 data (where applicable)
Key Numbers in Ohio

95% of OH small businesses currently use at least 1 technology platform (+3%*)

85% plan to increase their use of technology in 2-3 years (-1%)

17% of OH small businesses currently use an A.I. platform

48% believe A.I. will help their businesses in the future

71% of OH small businesses that make greater use of tech are more likely to have experienced growth in sales, profits, and employees over the past year.

43% of OH small businesses that make greater use of tech are more likely to say:

- Technology helped their business compete with larger companies
- Technology helped their business handle supply chain difficulties
- Limiting their business’s access to data would slow its ability to grow
- They would struggle to survive without access to their technology platforms

OH small business owners are optimistic that technology will help their business grow in the future.

But many worry that a patchwork of state-level tech policies will drive up legal/compliance costs.

*Shift from 2022 data (where applicable)
93% of PA small businesses currently use at least one technology platform (no change*)

77% plan to increase their use of technology in 2-3 years (-7%)

PA small businesses that make greater use of tech are more likely to have experienced growth in sales, profits, and employees over the past year.

PA small business owners are optimistic that technology will help their business grow in the future.

But more than one-in-three worry a patchwork of state-level tech policies will drive up legal/compliance costs.

PA small businesses who use tech say:

- Technology helped their business compete with larger companies
- Technology helped their business handle supply chain difficulties
- Limiting their business's access to data would slow its ability to grow
- They would struggle to survive without access to their technology platforms
Key Numbers in Texas

- **97% of TX small businesses currently use at least 1 technology platform**
  - Texas 97%
  - National Avg. 96%

- **85% plan to increase their use of technology in 2-3 years**
  - Texas 85%
  - National Avg. 86%

- **32% of TX small businesses currently use an AI platform**
  - Texas 32%
  - National Avg. 23%

- **58% believe AI will help their businesses in the future**
  - Texas 58%
  - National Avg. 55%

The majority of TX small businesses that make greater use of tech experienced growth in sales, profits and employees over the past year.

- **67%** Grew Their Sales
- **72%** Grew Their Profits
- **82%** Grew Their Workforce

TX small business owners are optimistic that technology will help their business grow in the future. **81%**

But a majority worry that a patchwork of state-level tech policies will drive up legal/compliance costs. **53%**

TX small businesses that make greater use of tech are more likely to say:

- **77%** Technology helped their business compete with larger companies
- **74%** Technology helped their business handle supply chain difficulties
- **74%** Limiting their business’s access to data would slow its ability to grow
- **77%** They would struggle to survive without access to their technology platforms

**U.S. Chamber of Commerce Technology Engagement Center**
Key Numbers in Washington

96% of WA small businesses currently use at least 1 technology platform (no change*)

87% plan to increase their use of technology in 2-3 years (no change)

43% of WA small businesses currently use an A.I. platform

64% believe A.I. will help their businesses in the future

Most WA small businesses owners report that they have experienced growth in sales, profits, and employees over the past year.

WA small business owners are optimistic that technology will help their business grow in the future.

But many worry that a patchwork of state-level tech policies will drive up legal/compliance costs.

WA small businesses who use tech say:

Technology helped their business compete with larger companies

Technology helped their business handle supply chain difficulties

Limiting their business’s access to data would slow its ability to grow

They would struggle to survive without access to their technology platforms

*Shift from 2022 data (where applicable)
Appendix B: Key Statistics for Women-Owned and Minority Small Businesses
Key Numbers Among Women-Owned Small Businesses

- 94% of women-owned small businesses currently use at least 1 technology platform (+1%)
- 82% plan to increase their use of technology in 2-3 years (-2%)
- 16% of women-owned small businesses currently use an AI platform
- 52% believe AI will help their businesses in the future

Women-owned small businesses that make greater use of tech are more likely to have experienced growth in profits and employees over the past year:

- Grew Their Sales: 73% (High Adopters) vs. 73% (Low Adopters)
- Grew Their Profits: 80% (High Adopters) vs. 75% (Low Adopters)
- Grew Their Workforce: 75% (High Adopters) vs. 66% (Low Adopters)

Women-owned small businesses that make greater use of tech are more likely to say:

- Technology helped their business compete with larger companies: 78% (High Adopters) vs. 64% (Low Adopters)
- Technology helped their business handle supply chain difficulties: 65% (High Adopters) vs. 58% (Low Adopters)
- Limiting their business's access to data would slow its ability to grow: 80% (High Adopters) vs. 60% (Low Adopters)
- They would struggle to survive without access to their technology platforms: 77% (High Adopters) vs. 59% (Low Adopters)

*Shift from 2022 data (where applicable)
Key Numbers Among Minority-Owned Small Businesses

- 97% of minority-owned small businesses currently use at least 1 technology platform (+1%*)
- 88% plan to increase their use of technology in 2-3 years (+3%)
- 24% of minority-owned small businesses currently use an AI platform
- 60% believe AI will help their businesses in the future
- Minority-owned small businesses are optimistic that technology will help their business grow in the future.
- Minority-owned small businesses that make greater use of tech are more likely to have experienced growth in profits and employees over the past year.
- 81% 79% 88% 85% 83% 79% (Minority-Owned 81% - National Avg 79%)
- 60% believe A.I. will help their businesses in the future
- 24% of minority-owned small businesses currently use an AI platform
- Women-owned 60% (National Avg 55%)
- 81% 79% 88% 85% 83% 79% (Minority-Owned 81% - National Avg 79%)
- 60% believe A.I. will help their businesses in the future
- 24% of minority-owned small businesses currently use an AI platform
- Women-owned 60% (National Avg 55%)

Minority-owned small businesses are optimistic that technology will help their business grow in the future.

Minority-owned small businesses that make greater use of tech are more likely to say:

- Technology helped their business compete with larger companies
- Technology helped their business handle supply chain difficulties
- Limiting their business's access to data would slow its ability to grow
- They would struggle to survive without access to their technology platforms

*Shift from 2022 data where applicable
Appendix C: Impacts of Social Media, Fintech, Delivery Apps, and AI
Key Numbers Among Small Businesses Using FinTech

Small businesses that make use of FinTech platforms are more likely to have experienced growth in sales, profits, and employees over the past year.

The biggest benefits small businesses that use FinTech realize from technology:

- Technology helps the business communicate more effectively with their customers: 91%
- Technology helps the business find new customers: 90%
- Technology access improves customer satisfaction when interacting with the business: 88%
- Technology helps the business operate more efficiently: 88%

*Shift from 2022 data (where applicable)

Key Numbers Among Small Businesses Using A.I.

Small businesses that make use of A.I. are more likely to have experienced growth in sales, profits, and employees over the past year.

The biggest benefits small businesses that use A.I. realize from technology:

- Technology helps the business communicate more effectively with their customers: 92%
- Technology helps the business operate more efficiently: 91%
- Technology helps the business find new customers: 90%
- Technology platforms have helped my business to grow in challenging conditions: 89%
Key Numbers Among Small Businesses Using Social Media

Small businesses that make use of social media are more likely to have experienced growth in sales, profits, and employees over the past year.

The biggest benefits small businesses that use social media realize from technology are:

- Technology helps the business communicate more effectively with their customers (91%)
- Technology helps the business find new customers (89%)
- Technology helps the business build stronger relationships with customers (88%)
- Technology helps the business operate more efficiently (87%)

*Shift from 2022 data (where applicable)

Key Numbers Among Small Businesses Using Delivery Apps

Small businesses that make use of third-party delivery apps are more likely to have experienced growth in sales and profits over the past year.

The biggest benefits small businesses using third-party delivery apps realize from technology are:

- Technology helps the business communicate more effectively with their customers (91%)
- Technology helps the business build stronger relationships with customers (91%)
- Technology platforms have helped my business to grow in challenging conditions (91%)
- Technology platforms have helped my business find new customers (88%)