

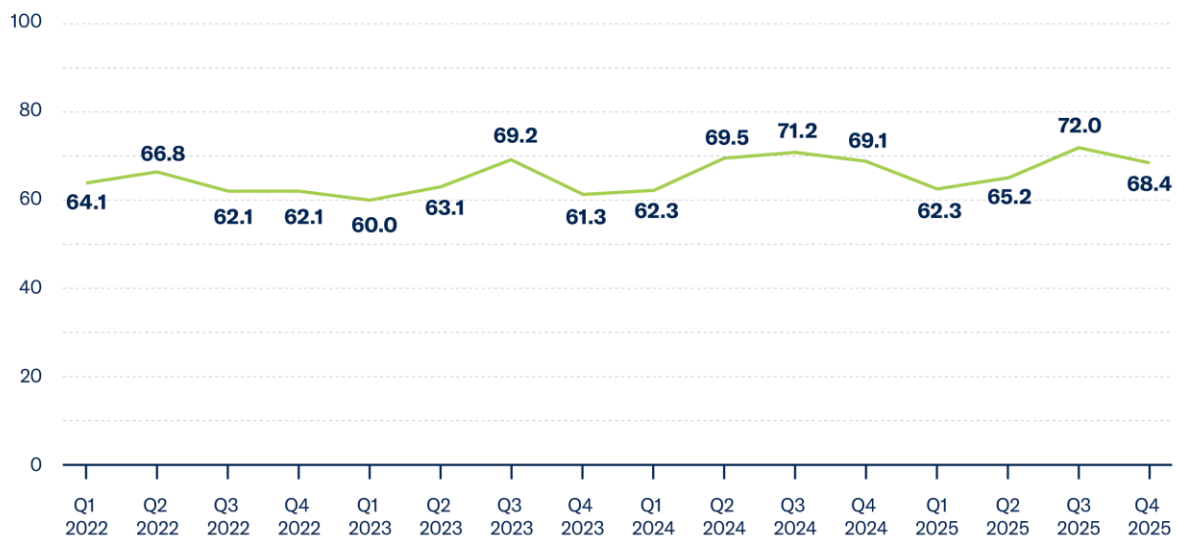
Small Business Confidence Softens, Workforce Pressures Mount Ahead of Holidays

Index score falls amid uncertainty during government shutdown; workforce challenges and holiday season pressures take center stage

December 10, 2025

Washington, D.C. — Small business confidence dipped slightly in the fourth quarter, according to the latest MetLife and U.S. Chamber of Commerce Small Business Index. The Q4 2025 Index score of 68.4, down from last quarter's 72.0, reflects small declines in cash flow comfort and future investment and revenue expectations as inflation remains the top challenge. Despite the dip, the Index score remains several points above where it was in Q1 and Q2 2025.

Small Business Index Score Q1 2022 - Q4 2025



“Small businesses are showing resilience, even amid uncertainty exacerbated by the longest government shutdown in history, when this survey was in the field,” said Tom Sullivan, Senior Vice President of Small Business Policy at the U.S. Chamber of Commerce. “Inflation remains the top challenge, and workforce concerns are rising. At the same time, the holiday season is more important than ever for small businesses’ bottom lines.”

This year, the holiday season is especially vital. Retail businesses lead the charge, with 91% saying the season is critical for profits. More businesses are planning seasonal promotions and extended hours to capture consumer spending, even as inflation forces price hikes. Additional key holiday season findings include:

- **Holiday season is critical:** Nearly four in five (79%) small businesses say the holiday season is important for their profit, up from 70% last year.
- **Inflation impacts holiday plans:** 58% expect to raise prices and 52% anticipate lower revenue this holiday season due to inflation.

- **Seasonal strategies ramp up:** More businesses plan to hire seasonal workers (29%, up 7 percentage points), offer discounts (56%, up 9 percentage points), and extend hours (48%, up 9 percentage points) compared to this time last year.
- **Giving back grows:** 65% of small businesses plan to donate to charitable organizations this holiday season, up from 54% last year.

In addition to the special considerations that come with the holiday season, small business owners continue to grapple with everyday concerns that will impact their business this quarter and beyond:

- **Inflation still dominates:** 45% of small businesses cite inflation as their biggest challenge, in line with last quarter.
- **Talent concerns rise:** Workforce issues are gaining ground. 17% of small businesses now cite employee retention as a challenge (up from 12% a year ago), and 14% say attracting talent is a top concern—more than double last year’s figure (6%).
- **Cash flow comfort dips:** While 74% of small businesses remain comfortable with cash flow, only 24% say they are *very* comfortable, down from 31% in Q3.

“This quarter’s Index makes it clear: attracting and retaining employees is a growing concern for today’s small businesses. As small businesses consider their workforce goals and the employee experience offered, meaningful benefits aren’t just nice-to-haves—but a strategic imperative to support business outcomes,” said Bradd Chignoli, executive vice president and head of Regional Business & Workforce Engagement at MetLife. “Businesses who prioritize employee well-being through robust benefits packages are better positioned to foster employee trust, build loyalty, and drive long-term growth.”

Concerns about attracting and retaining employees have steadily grown over the past year. Combined, these issues now rank as the third most cited challenge after inflation and revenue, with roughly one in four (26%) small businesses selecting one or both. Businesses in manufacturing and those with 20–500 employees report the highest levels of concern.

About the Small Business Index

The MetLife and U.S. Chamber of Commerce [Small Business Index](#) is part of a multiyear collaboration by MetLife and the U.S. Chamber to elevate the voice of America’s small business owners and highlight the important role they play in the nation’s economy. The quarterly Index conducted by Ipsos is designed to take the temperature of the sector, see where small business owners are confident, and where they are experiencing challenges.

The Q4 2025 survey was conducted online in English by Ipsos between October 9 – 29, 2025. The survey has a sample size of 754 small business owners and operators age 18+ from the continental U.S., Alaska, and Hawaii.

About the U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business organization representing companies of all sizes across every sector of the economy. Our members range from the small businesses and local chambers of commerce that line the Main Streets of America to leading industry associations and large corporations.

They all share one thing: They count on the U.S. Chamber to be their voice in Washington, across the country, and around the world. For more than 100 years, we have advocated for pro-business policies that help businesses create jobs and grow our economy.

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