

WSFS Bank

2026 Small Business Trends Survey

The current economic climate

Small business owners demonstrate strong optimism about performance

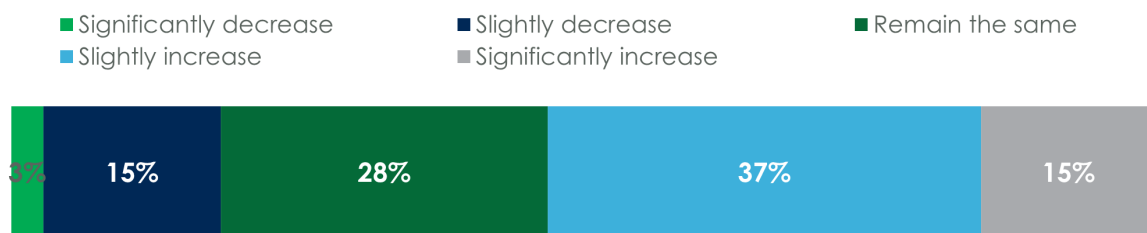
Overall, small business owners and decision-makers express a positive outlook on the health of their businesses. Two-thirds (66%) report that their businesses are meeting expectations, while 26% indicate they are thriving. Only a small minority (8%) claim their business is struggling.

In New Jersey, a higher share of businesses report challenges, with 15% indicating they are struggling. Pennsylvania stands out for stability, with 72% of businesses meeting expectations, while Virginia leads in performance, with 35% of businesses describing themselves as thriving.

Business size also plays a role in performance perceptions. Smaller businesses with 1 to 19 employees report higher levels of struggle (11%), whereas larger businesses with 100 to 499 employees show stronger overall performance, with 41% reporting that they are thriving.

Anticipated change in revenue over the next 12 months

Among all respondents



Q2. Thinking about the potential impact of current events over the next 12 months, to what extent do you predict that your volume of business/revenue will change? Base: all respondents (n505)

Looking ahead, expectations for growth remain strong. Half (52%) of small business decision-makers anticipate an increase in business volume or revenue over the next year, including 15% who expect a significant increase. Meanwhile, 28% expect performance to remain stable, and only 18% expect a decline, further underscoring an overall sense of optimism.

Mid-sized (20 to 99 employees, 59%) and larger businesses (100 to 499 employees, 68%) project elevated growth, as do businesses generating between \$3 million and \$4.99 million in revenue (70%).

Furthermore, two-thirds (66%) of small business decision-makers report feeling optimistic about their business' growth in the next year.

Business maturity also influences outlook:

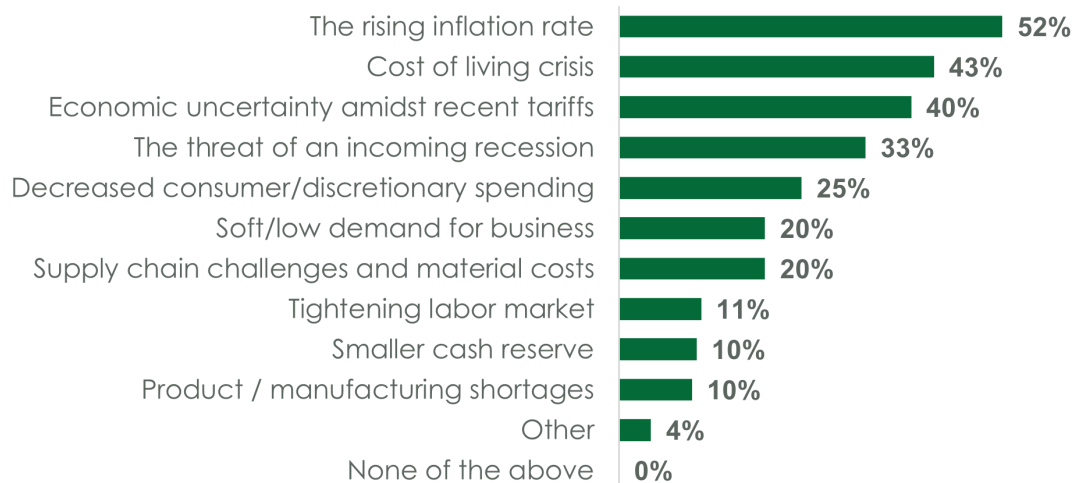
- Established businesses (those operating for more than 25 years) express the least concern about longevity, with 78% disagreeing that they may not be operating in the next year.
- Newer businesses (founded within the last 5 years) and larger organizations (100 to 499 employees) report the highest levels of growth optimism among their categories, with 77% in each group agreeing with the statement “I feel optimistic about my business’s growth in the next 12 months.

Nearly one-third of small business decision-makers (32%) report that their business has been impacted negatively overall by the past two years. Additionally, 11% express concern about whether their business will remain in operation over the next year.

Inflation and cost of living pressures emerge as primary drivers of negative business impact

Factors that negatively impacted business

Among those whose business was negatively impacted over the past two years



Q4. You indicated your business has been negatively impacted over the past two years. Which of the following factors do you believe has negatively impacted your business/revenue the most? Please select no more than three. Base: respondents whose business has been negatively impacted overall (n162)

Among those who experienced negative impacts, rising inflation emerges as the primary challenge, cited by 52% as a key driver of decreased business performance. The cost-of-living crisis follows closely (43%), and economic uncertainty related to recent tariffs ranks third, impacting 40% of affected business. Other notable pressures include the threat of a potential recession (33%) and reduced consumer spending (25%), each cited by one quarter or more of respondents as factors contributing to declining business volume.

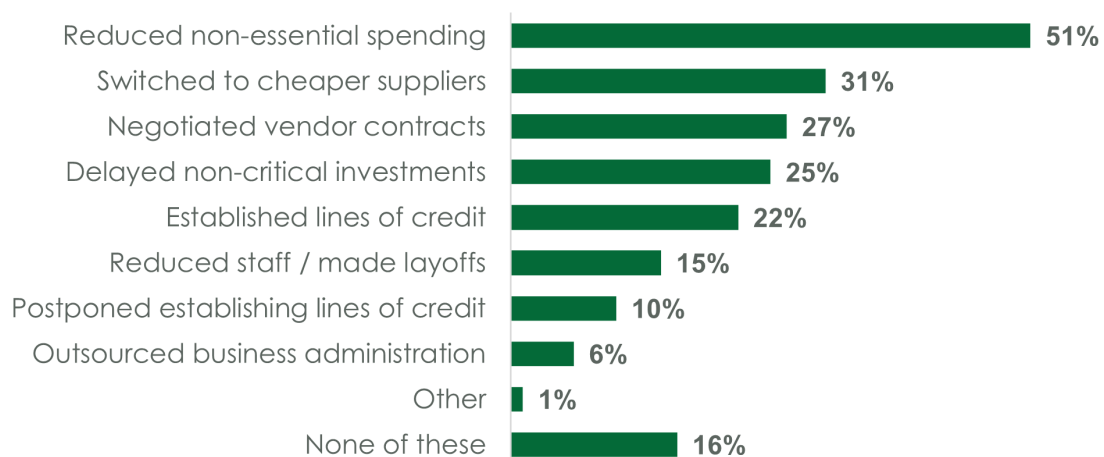
Additionally, small businesses generating \$3 million to \$4.99 million in revenue are particularly attuned to tariff-related economic uncertainty as a significant factor in reduced performance (61%).

Economic conditions drive cost-cutting among over half of small businesses

In response to recent economic conditions, over half (51%) of small business owners report having reduced non-essential spending. Around a third (31%) have shifted to cheaper suppliers, and a quarter (27%) report negotiating vendor contracts to manage expenses.

Actions taken due to recent economic conditions

Among all respondents



Q5. Which of the following, if any, has your business done in response to recent economic conditions? Base: all respondents (n505)

Businesses' value has an impact on how small businesses respond to recent economic conditions. Businesses generating up to \$250,000 in revenue report far fewer intervention measures overall, including lower levels of vendor negotiation (13%), establishing access to credit (12%), and outsourcing administrative functions (1%). This likely reflects limited resources and bargaining power, constraining their ability to respond proactively to economic pressures.

Businesses generating \$1-\$2.99 million demonstrate broad engagement across the board, as they are more likely to negotiate vendor contracts (34%), establish lines of credit (29%), and reduce staff (21%). Similarly, businesses with \$3-\$4.99 million in revenue show even greater reliance on financial and structural adjustments, with 37% negotiating vendor contracts, 37% establishing lines of credit, and 11% outsourcing business administration. This reflects the higher level of resources and bargaining power held by higher value small businesses. Business age and size further influence how organizations respond to economic strain, reflecting differences in experience, resources, and operational complexity:

- Vendor negotiation:** Businesses established 6 to 15 years ago appear particularly proactive, reporting higher engagement in vendor negotiations (35%). Larger organizations also demonstrate stronger negotiation activity, with 39% of businesses with 20 to 99 employees and 37% of those with 100 to 499 employees negotiating contracts.

- By comparison, newer businesses (founded within the past 5 years, 18%), long-established firms (operating more than 25 years, 16%), and the smallest organizations (1 to 19 employees, 18%) engage less frequently, potentially due to limited leverage or – in the case of mature businesses – more stable existing vendor relationships.
- **Lines of credit (by age):** Businesses founded within the last 5 years stand out for delaying longer-term financial commitments, with 18% postponing the establishment of lines of credit. This may reflect caution among newer firms that are still stabilizing cash flow or are uncertain about future financial needs.
- **Lines of credit (by size):** Mid-sized and larger businesses (20 to 99 employees at 30% and 100 to 499 employees at 32%) are considerably more active in securing lines of credit compared to smaller businesses (1 to 19 employees at 15%). Similarly to newer businesses, owners of organizations operating with fewer staff members may be hesitant to establish long-lasting lines of credit, whereas larger businesses likely have greater access to lending.
- **Inaction:** More mature businesses (operating for more than 25 years; 25%) and companies with 19 or fewer employees (21%) show the lowest levels of intervention, reporting having done none of the listed actions in response to recent economic conditions. This suggests a combination of established resilience among older firms and limited flexibility and greater resource constraint in smaller firms.

Small business bank practices

Small business owners bank differently based on size and maturity

Larger banks are the most common banking partner for small business owners. Half (50%) report banking with a large national bank, while over one in five (22%) report using a regional bank, less than one in five (17%) use credit unions, and small community banks are least commonly used banking partners, with just 9% citing these as their primary financial institution.

Differences by Business Maturity:

- New businesses opened within the last 5 years are more likely to partner with credit unions (24%), while businesses that have been established for 25+ years are more likely to partner with regional banks (33%). This demonstrates the evolving banking landscape over the last 25 years, and the shifting banking needs for businesses over time.

In terms of expectations for their banking partner, small business owners most commonly expect help with obtaining business credit cards, with over three in five (62%) reporting they look to their banker for this. Digital banking tools (52%) follows along with cash flow management (42%) and merchant services (39%).

Reported banking partner

Among all respondents

- Large national bank
- Regional bank
- Credit Union
- Small community bank
- Other (please specify)
- N/A - My business doesn't use a bank



Q6. How would you describe your business's banking partner? Base: all respondents (n505)

Differences by Business Maturity:

- Business maturity has an impact on what small business decision-makers are looking for from their banker. The needs of newly established businesses (within the last 5 years) generally follow the average trend. However, decision-makers at growing businesses (established 6-15 years) stand out as looking for more from their bankers during this growth stage. They are significantly more likely than average to be looking for help from their banker across 6 out of the 14 benefits listed, including digital tools (61%), cash flow management (48%), lending (46%), and payment solutions (44%). At the other end of the scale, established businesses (25+ years) are significantly less likely to be looking to their banker for 5 of the 14 benefits listed. It's likely that established businesses have already arranged many of these needs, while growing businesses still need them to grow.

Differences by Business Size:

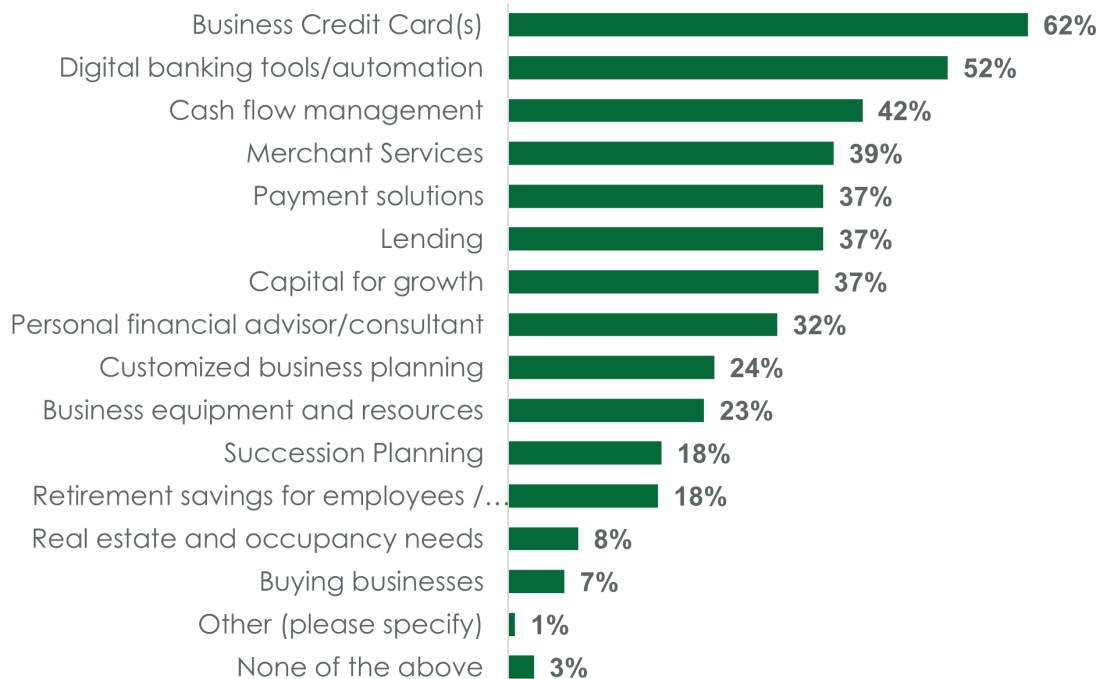
- Size of business has a large impact on the number of benefits small business owners are looking for from their banker. Micro businesses (1-19 employees) are significantly less likely to look to their banker for help with 11 out of the 14 benefits listed. While small businesses (20-99 employees) are significantly more likely to look to their banker for 5 out of the 14 benefits listed, and medium sized business (100-499 employees) are significantly more likely on 7 of the 14 benefits listed. As businesses grow in size and number of employees, the range of needs they have is likely to grow too.

Differences by Business Revenue:

- The same trend can be seen by business revenue. Those with lower revenue (up to \$250,000) are significantly less likely to look to their banker for 5 out of the 14 needs listed, while those with higher revenue (\$3-\$4.99 million) are significantly more likely to look to their banker for 5 of the 14 needs listed.

Percent that expect the following from their banker

Among all those with a banking partner



Q7. When it comes to banking for your small business, which of the following do you look for from your banker? Base: has a banking partner (n494)

The majority (84%) of small business owners are satisfied with the way their financial institution helps their business

The majority (84%) of small business owners that partner with a bank or credit union say that they are satisfied with the way they have helped their small business. Nearly half (48%) are very satisfied, while only 3% are dissatisfied.

Decision-makers at small businesses that bank with regional banks (80%) and small community banks tend to be satisfied with their financial institution (79%). Dissatisfaction spikes to 9% among small community banks (note: low sample n=47).

Differences by Business Maturity:

- Business maturity has an impact on satisfaction levels. New businesses (founded in the last 5 years) and established businesses (25+ years) are significantly less satisfied with how their bank has helped their small business (76% and 74% respectively) than average (84%). On the other hand, growing businesses, aged 6-15 years (90%) and 16 to 25 years (92%) are far more likely to be satisfied with their bank than average (84%).

Differences by Business Size:

- Business size also has an impact on satisfaction. Those from micro businesses (1-19 employees) are significantly less likely to be satisfied (79%), while those from small (20-99 employees) and medium sized businesses (100-499 employees) are more satisfied (90% and 95% respectively). A similar trend is apparent by the value of small businesses. Decision-

makers at lower-revenue businesses (up to \$250,000) are significantly less satisfied (75%) than average, while those at higher-revenue small businesses (\$3-\$4.99 million) are significantly more satisfied (92%) than average (84%).

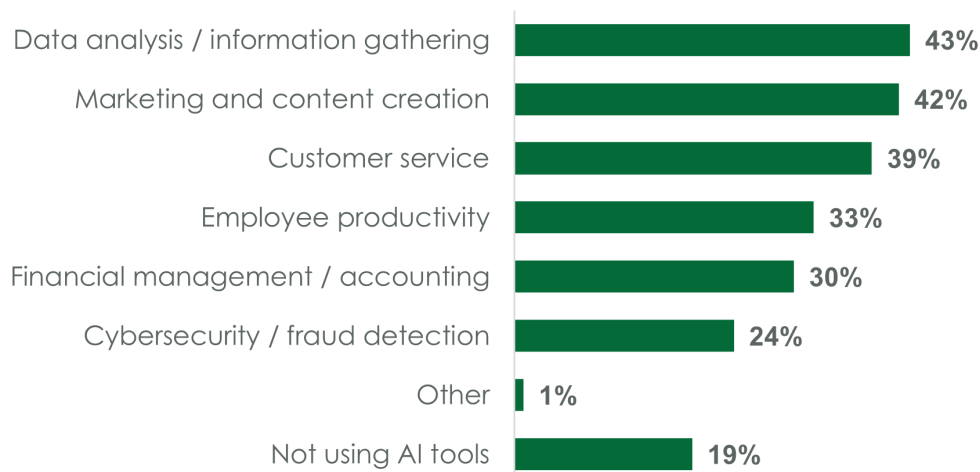
The reasons for this could be multi-faceted. Earlier we noted that larger businesses (by employees and by value) have more needs they look to their banker to help with. It's likely these needs create a closer relationship with their banker, providing the banker more opportunity to support them. We also noted that the size of business (by value) also has an impact on where small businesses bank. Although large national banks are the most common partner regardless of size, smaller businesses (by value) are comparatively less likely to partner with larger national banks and more likely than larger businesses to partner with small community banks.

Earlier in the report, we also noted more generally that smaller businesses (by number of employees and by value) are more likely to say they are “not meeting expectations/ struggling” and they are less likely than average to say they expect their business volume to increase in the next 12 months, while larger businesses are more likely to be “exceeding expectations/ thriving” and more likely to say their business volume will increase. This gives an indication of how the level of financial challenges and pressures may vary by business size, and how the mindset and outlook of business owners may vary by business size, too. The financial challenges faced by those at smaller businesses could make their banking relationships more difficult and lead to lower satisfaction.

AI Trends

AI adoption is widespread, with usage concentrated in data analysis and marketing

Areas of AI adoption among small businesses
Among all respondents



Q9. Which of the following areas is your business currently using AI tools for? Base: all respondents (n505)

A strong majority of small businesses (81%) report actively using AI tools across at least one function, with the most common applications being data analysis and information gathering (43%) and marketing and content creation (42%). These use cases highlight AI's role in supporting both internal and customer-facing activities. Customer service and employee productivity also emerge as key areas of adoption.

Business Maturity:

- As expected, business maturity plays a significant role in AI adoption patterns. Companies established 6 to 15 years ago demonstrate the most comprehensive use of AI across functions, including data analysis (50%), customer service (47%), employee productivity (42%), and financial management (37%). This cohort may be particularly well-positioned to adopt AI, balancing a willingness to adopt new technologies with industry experience.
- By contrast, businesses operating for more than 25 years are more likely to report not using AI tools at all (39%), potentially reflecting a reliance on established processes and a lower urge to divert from the status quo.

Company Size:

Company size further differentiates AI usage. Businesses with 1 to 19 employees show the lowest levels of AI usage overall, with 27% reporting no adoption and consistently lower engagement across all functional areas. Limited internal resources and uncertainty about AI's acceptance in their industry may act as barriers to entry for these companies.

By comparison, businesses with 20 or more employees demonstrate significantly higher adoption and broader use cases:

- Data analysis (53%), financial management (37%), and cybersecurity (32%) are the strongest adoption methods for businesses with 20 to 99 employees, indicating a growing need for structured insights.
- Businesses with 100 to 499 employees lead in adoption across nearly all areas, including data analysis (64%), employee productivity (53%), customer service (52%), financial management (45%), and cybersecurity at (37%). Their scale and complexity likely drive the need for AI solutions that are integrated into every component of the business.

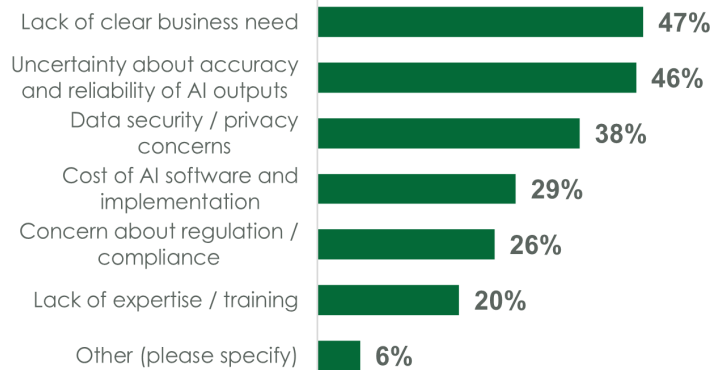
Business Revenue:

- A similar pattern emerges when viewed by revenue: businesses generating up to \$250,000 annually are the most likely to report no AI usage (33%), while those with \$1 million or more in revenue demonstrate widespread adoption across nearly all functional areas. Among these higher-revenue businesses, data analysis is the leading application, with usage exceeding half (\$1-\$2.99 million at 54% and \$3-\$4.99 million at 67%).

While AI is often positioned as a cost-effective and time-saving solution, adoption remains slower among businesses with lower revenues or fewer staff. Larger and higher-revenue organizations are often better equipped to absorb the initial barriers of AI adoption and realize the gains of integrating AI throughout their operations.

Primary barriers preventing AI adoption

Among all those not using AI tools



Q10. If you are not currently using AI tools, what are the primary barriers preventing your business from adopting them? Base: respondents not using AI tools (n98)

Among respondents not currently using AI tools, the primary barriers to adoption are a lack of clear business need and uncertainty around the accuracy of AI outputs, felt by nearly half of non-users.

AI is widely expected to drive growth, with optimism increasing by business size and revenue

Perceived impact of AI on small business growth

Among all respondents

- Extremely positive impact
- Moderately positive impact
- Neutral / no significant impact
- Moderately negative impact
- Extremely negative impact



Q11. How do you believe the use of AI will impact your small business's growth and competitiveness over the next 3-5 years? Base: all respondents (n505)

A clear majority of small business owners anticipate that AI will play a positive role in shaping their future performance. Overall, 62% believe AI will positively impact their business' growth and competitiveness over the next few years, including nearly a quarter (24%), who expect an extremely positive impact.

Company Size & Revenue:

Company size and revenue further shape expectations, with larger and higher-revenue businesses reporting greater confidence in AI's potential:

- **Limited perceived impact:** Companies with 1 to 19 employees (38%) and those generating up to \$250,000 annually (40%) are more likely to believe that AI will have no significant impact on their business. This may indicate a lack of clarity around relevant use cases or limited capacity to implement AI effectively, which leads to lower perceived value.
- **Positive growth expectations:** Businesses with 20 to 99 employees (70%) and 100 to 499 employees (77%) demonstrate strong confidence in AI's ability to drive growth. As operational complexity increases, these organizations may see greater opportunities for AI to enhance efficiency throughout their business.
 - **Revenue-driven confidence in AI:** A similar pattern emerges by revenue, with businesses generating \$1-\$2.99 million (71%) and \$3-\$4.99 million (76%) expressing higher levels of optimism about AI's impact. Greater financial resources likely enable these businesses to invest properly in AI tools and integrate them more effectively throughout their business, reinforcing their confidence in the long-term benefits.

Survey Methodology

The survey was conducted by market research and insights agency Opinium. The sample includes a survey of 505 small business owners/decision-makers in the Mid-Atlantic region, with annual revenues of up to \$5 million and minimum two employees. All respondents were over the age of 18. The online survey was conducted from March 18 – March 28th, 2026. It has a margin of error of +/- 4 percent.

About Opinium, Inc.

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