CHASE for BUSINESS®

SMALL BUSINESS PULSE

Profitability stays elevated, payroll growth moderates, and businesses anticipate a boost from the coming holiday season

NOVEMBER 2026

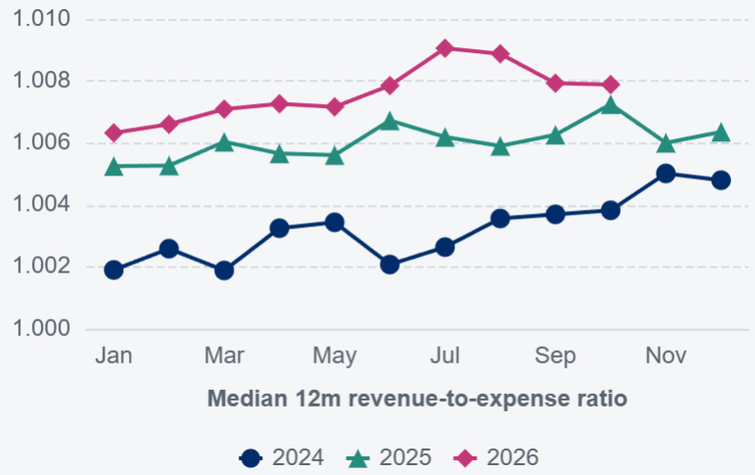
The Big Picture

Small businesses remain resilient, with profitability holding above both year-ago and start-of-year levels, even as it comes in slightly below September. Payroll growth moderates, with businesses still expanding payrolls year over year, though momentum has eased from September. This month we spotlight holiday readiness, using the annual “shop small” weekend in November from recent years as an early pulse on seasonal demand. Shipping’s growing role in business budgets is a reminder that delivery planning and cash-flow timing are central to being prepared.

What We're Seeing

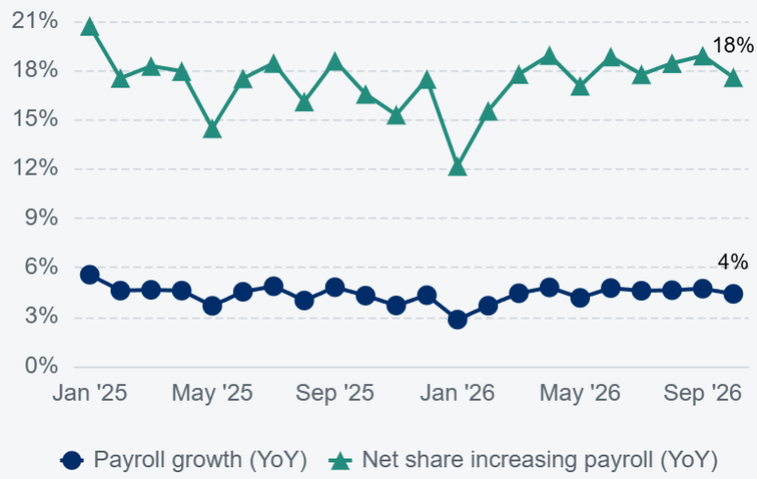
- **Profitability stays elevated in October:** Our proxy for business profitability came in slightly below September but remains higher than last year and the start-of-year baseline—pointing to broad consistency.
- **Payroll growth moderates:** Businesses continued to expand payrolls year-over-year in October, with the net share expanding payrolls at 18% and median year-over-year payroll growth at 4%. Both measures remain slightly above year-ago levels, indicating continued labor investment even as m/m readings ease.
- **Small Business Saturday and holiday readiness put fulfillment in focus:** The annual “shop small” weekend provides an early pulse on consumer-facing demand as the holiday season ramps up, and holiday prep is underway—32% of owners say they’re producing or ordering now and on track, and 26% report they’re already fully stocked. At the same time, shipping has become a structurally larger share of business spend than before COVID.

Profitability remains above year-ago levels



Source: Chase business deposit account data

Payrolls cool m/m, still steady overall



Source: Chase business deposit account data

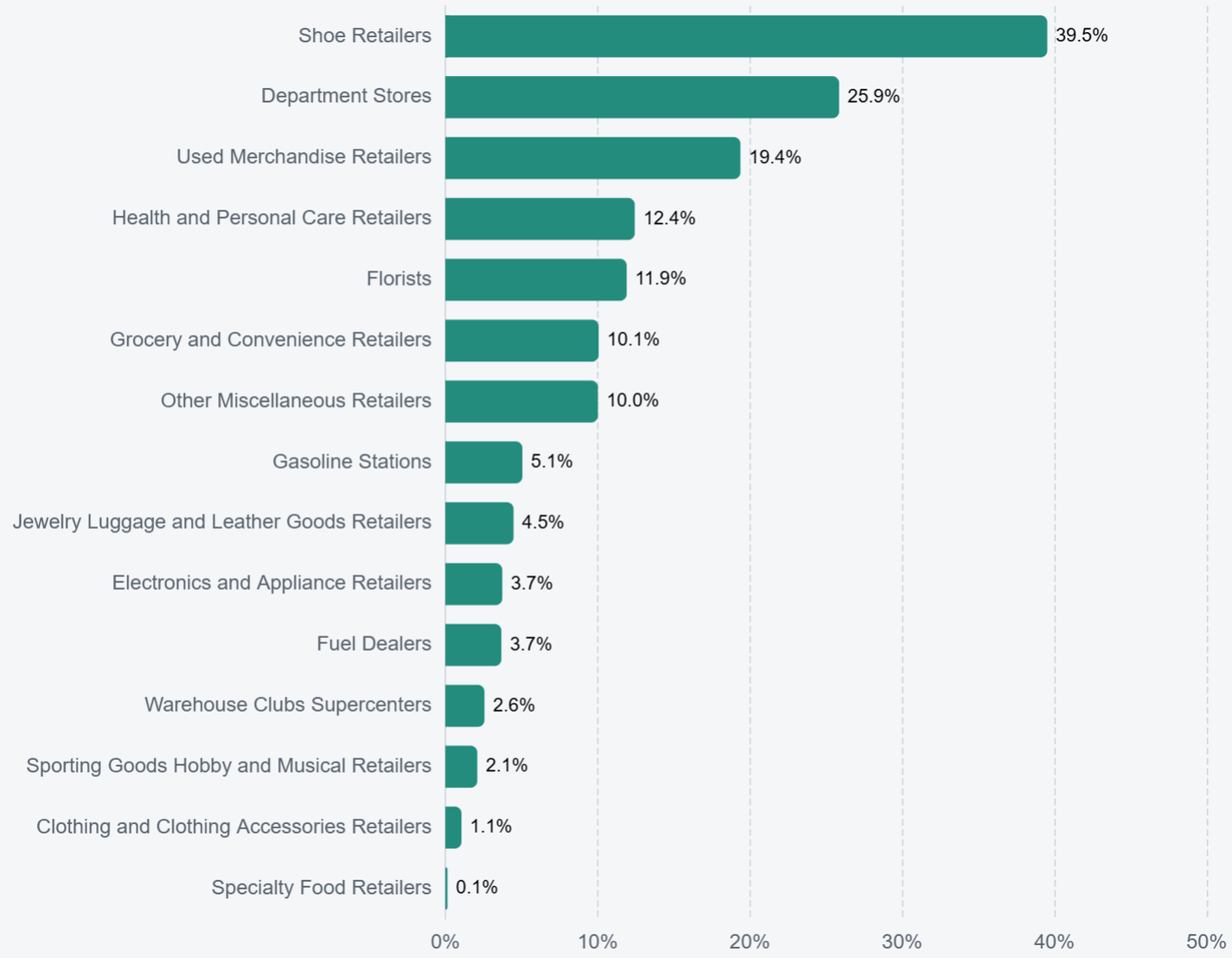
Small Business Saturday drives a measurable retail lift

Small Business Saturday (SBS) is built around a simple idea— “shop small”—and it’s designed to encourage shoppers to spend with smaller businesses during the holiday shopping rush. In Chase business data, that message shows up clearly for Retail Trade small businesses, with a noticeable pickup in median revenue during the SBS weekend over the past two years—about +8% in 2024 and +6% in 2025 versus a typical weekend—consistent with SBS having its most visible effect in consumer-facing categories.

Even within retail, the impact varies by category. The biggest SBS lift is concentrated in a handful of segments—shoe retailers, department stores, and select specialty retailers (including sporting goods/hobby/musical instrument retailers and jewelry/luggage/leather goods retailers). The lift also reaches other occasion-driven categories associated with holiday hosting and gifting, such as florists and grocery/convenience retailers. Overall, SBS appears to deliver the strongest lift in retail categories that tend to benefit most from holiday foot traffic and gift-driven shopping—making inventory and operational readiness especially important.

Weekend lift is strongest in gift- and occasion-driven retail categories

Within the retail trade sector, several industries stand out with strong SBS lifts.



Source: Chase business deposit account data

Shipping costs are taking up more space in small business budgets as shipping activity rises

As holiday-season activity picks up, delivery and logistics become an increasingly central part of operating—and spending—for many small businesses. Our data show shipping spend has risen materially over time, and average monthly shipping spend per business is up substantially since 2018. Shipping has also become a larger share of overall business card spend: before COVID, it accounted for about 4.5% of spend, rose as high as 10% during the pandemic-era shift toward online commerce, and has since stabilized around 7%.

Larger share of business budgets is going to shipping costs

Shipping share of business card spend

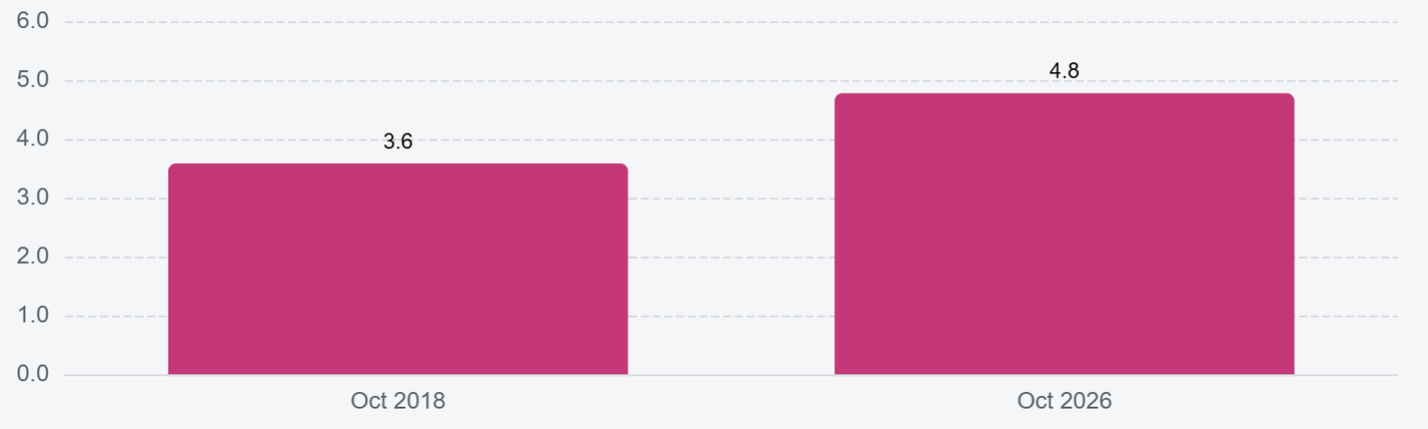


Source: Chase business card spend data

Shipping activity has expanded as well—transaction volume per business has grown steadily since 2018, consistent with both more businesses shipping and existing shippers sending packages more frequently. Taken together, these trends point to a structural increase in how much small businesses allocate to moving goods, making fulfillment costs a more persistent operating line item across the year, even outside the holiday surge.

Shipping transactions per business

Average among Chase businesses.



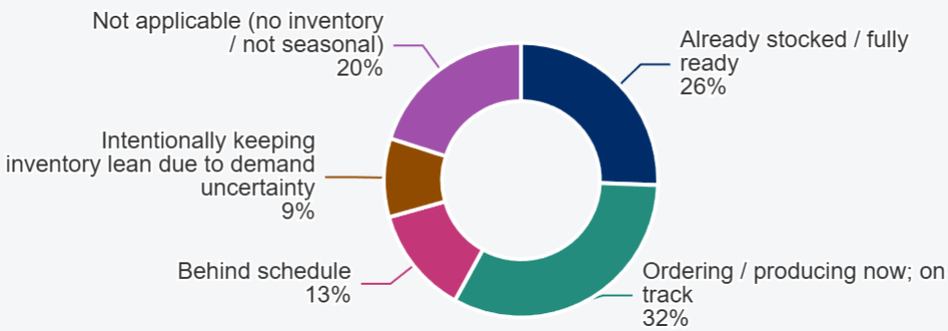
Source: Chase business card spend data

Most owners are on track for the holidays—cash flow is the main hurdle

With shipping taking a larger role in day-to-day operations and peak shopping weekends creating bursts of demand, holiday readiness is ultimately about execution—having the right inventory, the right timing, and the ability to deliver. Holiday prep is underway, and our latest Survey of Business Owners (SBO) offers a quick snapshot of how owners are approaching the season. About 32% say they're ordering or producing now and on track, and 26% report they're already fully stocked and ready. Another 9% are intentionally keeping inventory lean due to demand uncertainty, while 13% say they're behind schedule.

Nearly 60% of owners report being ready or on track for the holiday season

The state of small-business readiness heading into the holiday season.

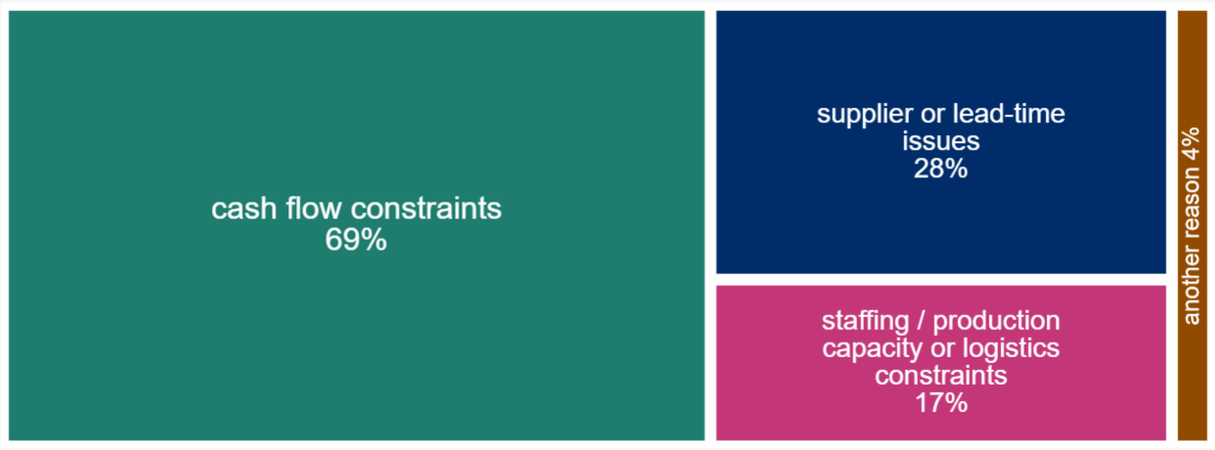


Source: Chase Survey of Business Owners (SBO), October 2026.

The most telling detail is what separates the behind-schedule group: among those businesses, 69% cite cash-flow constraints as the reason, versus 28% citing supplier or lead-time issues (and 17% citing staffing, production, and logistics). Owners' expected holiday cash-flow pressures also center on timing gaps—covering payroll while waiting for revenue (16%), purchasing inventory/materials upfront (15%), and slower customer payments (14%)—though 32% of owners expect no major cash-flow pressure.

Cash flow constraints are the main pain point for business owners running behind schedule

Reason for being behind schedule in holiday readiness.

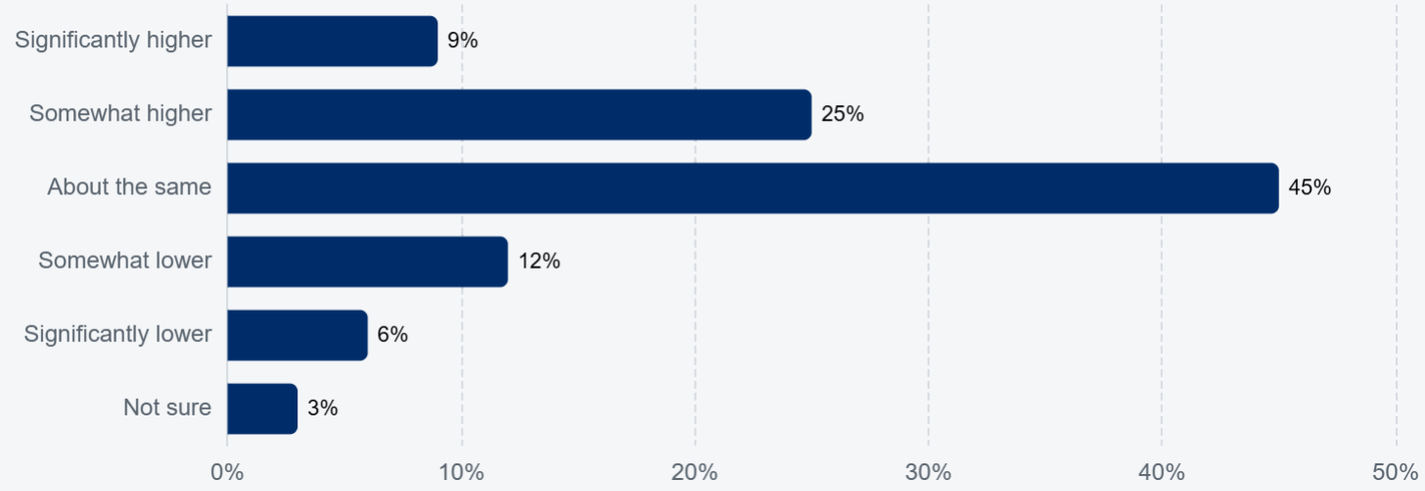


Source: Chase Survey of Business Owners (SBO), October 2026.

Demand expectations remain constructive: 45% expect sales about the same as last year and 34% expect higher sales. And the “most important tools” list leans toward driving and converting demand: digital marketing/social (47%), CRM/customer communications (44%), and payment processing (43%), with inventory/forecasting (39%) and e-commerce (38%) close behind. The mix of most important tools highlights what owners are emphasizing heading into peak weeks.

Owners expect holiday-season sales to be about the same as last year

Expectations for holiday-season sales compared to this time last year.



Source: Chase Survey of Business Owners (SBO), October 2026.

Digital marketing and social media are crucial for holiday preparedness

Most important tools needed to prepare for the holiday season.



Source: Chase Survey of Business Owners (SBO), October 2026.

Why This Matters

Business profitability eases, still a solid base

October profitability remains above both year-ago and start-of-year levels, even though it eased slightly from September. Businesses can plan from a position of relative strength, while keeping a close eye on cost control.

Payroll growth moderates

Payroll growth cooled from September. Plan for steadier, more measured labor expansion into year-end rather than continued broad acceleration.

Holiday operations come into focus

Seasonal demand spikes make it more important to lock in inventory and delivery plans early. With shipping and logistics now a structurally larger share of spend, treat them as core operating lines. At the same time, protect cash-flow timing, which remains the main constraint for owners who are behind.

Methodology: Chase surveyed approximately 700 small business owners across the nation in mid-October 2026. Respondents include both Chase and non-Chase customers. A Chase business is defined as an employer business if within the past 12 months, they had 6 or more months of observed payroll expenses. Expenses are tagged as payroll-related if they are associated with a selection of major payroll processors. Chase business data includes households that have at least 2 years of account history and have at least 3 months with >$500 in outflows and 10+ transactions over the prior year. Y/y comparisons require two years' worth of data. SBO topline sentiment is the share of general-target respondents answering 4 or 5 on a five-point scale to "Overall, how are you feeling about the economy today?" and "Overall, how are you feeling about the state of your business today?" Small Business Saturday results are derived by measuring median inflow growth for a Saturday-Sunday two-day window; Sunday is included to capture next-day card settlement.
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