

SMALL BUSINESS PULSE

Profitability eases and payroll growth moderates, while solopreneurs underscore a path to success

JUNE 2026

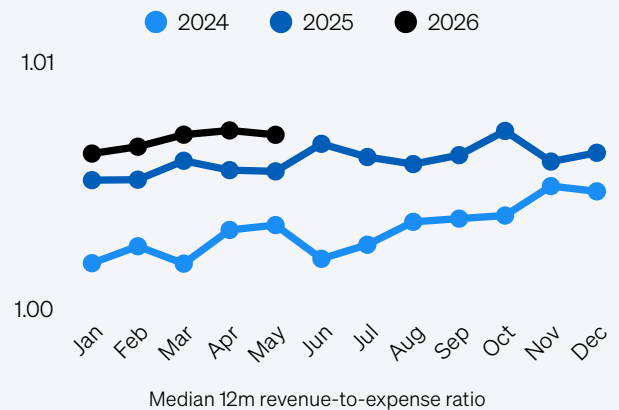
The Big Picture

Profitability eased in May and payroll growth moderated m/m, pointing to a slight cooling in momentum. Even so, both measures remain stronger than a year ago, suggesting small businesses are sustaining progress even as hiring becomes more uneven. We shine the spotlight on solopreneurs this month, an increasingly important part of the small-business landscape, with growing evidence that many are scaling successfully while staying lean.

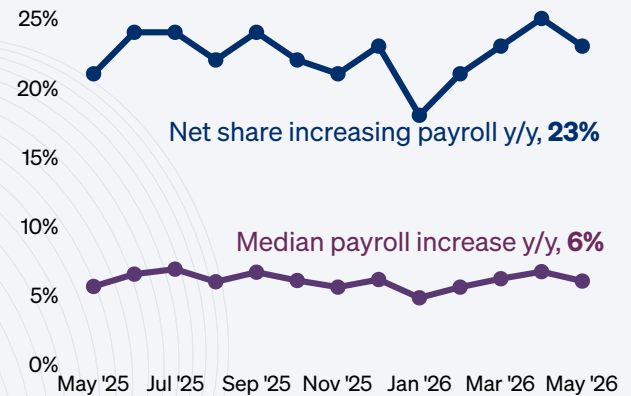
What We're Seeing

- Profitability eases in May:** Our proxy for business profitability is slightly lower than April on a month-over-month basis, though year-over-year gains remain solid, indicating sustained financial improvement relative to last year.
- Payroll growth moderates:** After April's gains, the net share of businesses expanding payrolls y/y pulled back to 23% and the median payroll increase y/y eased to 6%, though both metrics remain above year-ago levels, suggesting continued but varied willingness to hire in May.
- Million-dollar businesses, one decision-maker:** Solopreneurs are drivers of economic value, making up about 10% of million-dollar businesses. Momentum is building—more owners are proving they can grow high-revenue companies while staying lean, with certain metros and industries emerging as strong environments for headcount-light growth.

Business profitability remains strong, with modest m/m increase



Small business payrolls decelerate m/m



Source: Chase business deposit account data

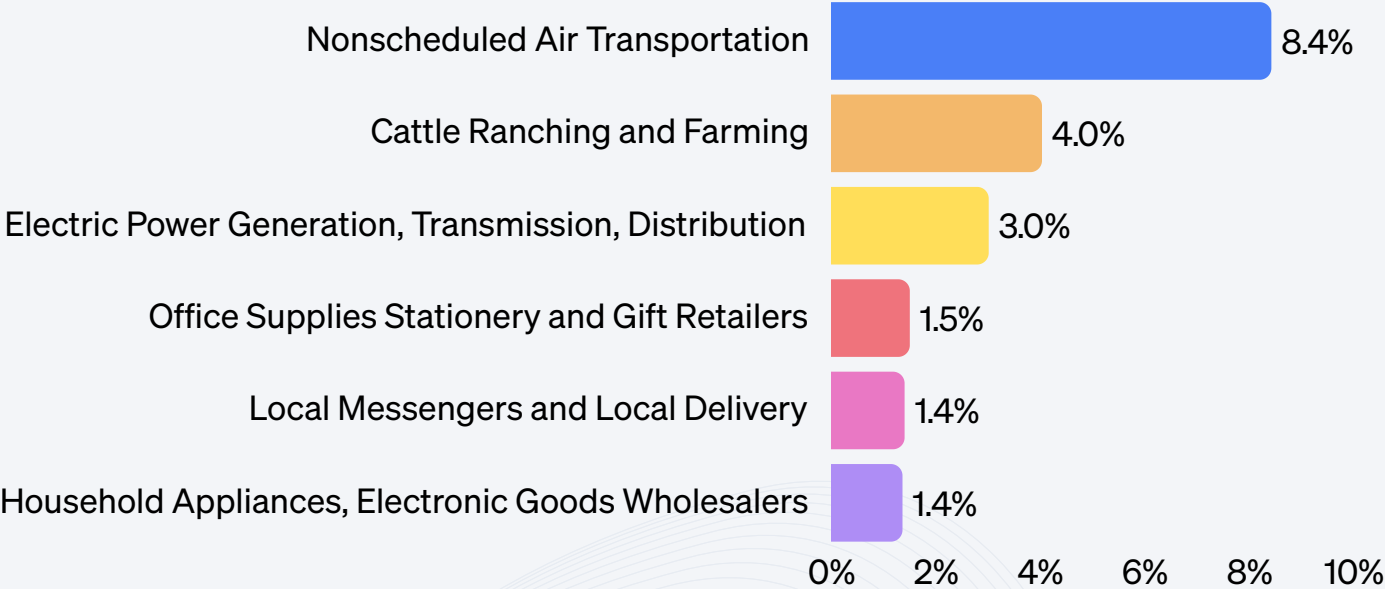
Payroll expansion tilts toward summer travel, local delivery, and grid readiness

Payroll expansion in May became more selective across industries, but several categories posting meaningful gains in the net share of businesses expanding payroll y/y. The largest m/m movers among businesses expanding payroll y/y include:

- **Nonscheduled Air Transportation** — points to a ramp in charter and on-demand flying as summer travel gets underway
- **Cattle Ranching and Farming and Fruit and Tree Nut Farming** — reflects seasonal labor needs as field activity accelerates into early summer
- **Electric Power Generation, Transmission and Distribution** — consistent with pre-summer grid readiness work and steady maintenance cycles.
- **Office Supplies, Stationery and Gift Retailers** – hinting at mid-year restocking tied to office operations and business purchasing cycles
- **Local Messengers and Local Delivery** — suggests last-mile demand remains firm as convenience and faster fulfillment continue to matter
- **Household Appliances and Electrical and Electronic Goods Merchant Wholesalers** – suggesting wholesaler staffing is firming as channels prepare for summer demand and project-driven purchasing

Labor demand accelerates m/m for Grid Resilience and On-demand Travel and Goods

M/M change (%) in Net Share of Businesses Expanding Payroll, y/y (%)



Source: Chase business deposit account data

Solopreneurs scale further—especially million-dollar, one-person businesses

Solopreneurs—single-person businesses—are a clear signal of how entrepreneurship is changing, and we see it directly in the Chase customer base. About 46% of Chase businesses are solopreneurs, reflecting how common it has become to build and run a company without adding payroll.

What's notable is how often these solo operators reach real scale. Roughly 1 in 30 solopreneurs has crossed \$1 million in annual revenue, underscoring that a business can be lean and still high-performing. In fact, million-dollar solopreneurs aren't rare exceptions: more than 1 in 10 million-dollar businesses are run by a single person. That momentum is also visible in the growth of these solopreneurs. From 2021 to 2026, the number of solopreneurs grew 44%, while the number of solopreneur businesses surpassing \$1 million in annual revenue grew 39%.

The opportunity for solopreneurs to reach \$1 million shows up most strongly in high-income markets that have dense networks and a strong demand for labor-light goods and services. The highest shares are concentrated in — Boston (5.2%), Bridgeport/Stamford (5.1%), New York (5.1%), Salt Lake City (4.8%), and San Jose (4.5%)— highlighting these as local ecosystems where solo operators can scale efficiently.

Million-dollar solopreneurs show up across an array of industries, ranging from high-value professional services, to scale-based services, to business models that are relatively easy to build with the support of outside contractors and vendors. Among non-employer businesses, million-dollar solopreneurs are relatively highly concentrated in: Automobile Dealers (15%), Legal Services (11%), Restaurants (9%), Activities Related to Real Estate (6%), and Residential Building Construction (6%).

Solopreneurs: lean at scale

1 in 30

Solopreneur businesses have revenues > \$1M

1 in 10

Businesses that have revenues > \$1M are solopreneurs

**solpreneurs are businesses that report no employees and have never had a payroll transaction in Chase data*

Top industries for million-dollar solopreneurs



Auto Dealers (15%)

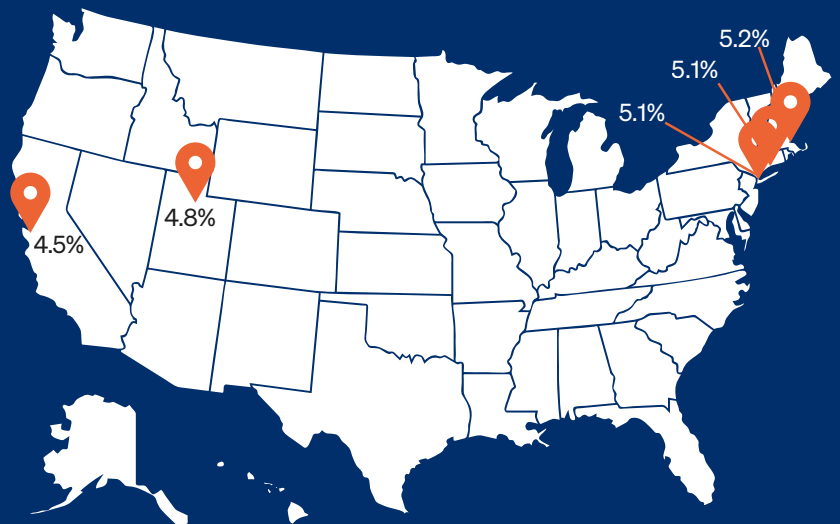


Legal Services (11%)



Restaurants (9%)

Highest city concentrations of million-dollar solopreneurs





Why This Matters

Attenuated momentum...

Profitability dipped m/m but stayed strong y/y, signaling small businesses are still improving versus last year despite cooler near-term momentum.

...Mirrored in hiring trends

Hiring appetite is easing but intact: fewer firms are expanding payrolls y/y, yet growth remains above year-ago levels—pointing to uneven, not collapsing, labor demand.

As labor-lean companies drive economic value

Nearly half of Chase businesses are solo-run (~46%), and about 1 in 30 reaches \$1M—showing lean models can deliver meaningful upside.

Methodology:

Chase surveyed approximately 1000 small business owners across the nation in mid-June 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 excludes businesses that have fewer than \$500 in inflows or fewer than 10 total transactions over the last 12 months. Y/y comparisons require two years' worth of data.

Keywords:

small business performance, small business revenue growth, cash flow, cash flow volatility, inflation, labor market, small business hiring, small business owner concerns, small business economic outlook, SMB Pulse report

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