

SMALL BUSINESS PULSE

Succession Is Coming—Readiness Is Lagging

Small business owners care deeply about legacy, but many are unprepared for ownership transition

MAY 2026

The Big Picture

Many small business owners are approaching a transition after years spent building businesses that anchor their local economies. As owners begin to think about stepping back, questions around continuity, legacy, and leadership move to the forefront. Yet for many, succession remains a future consideration rather than an active plan, creating a gap between intent and preparation that will shape outcomes for businesses, employees, and the communities they serve.

Retirement clocks are ticking

16%

of businesses that last more than 2 years make it to 20 years

40%

of owners plan to retire in the next decade

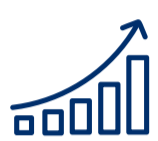


Nearly half of owners of long-lived businesses plan or hope to retire within the next decade

Owners define success as protecting people and legacy



66% preserve employees' jobs



66% maximize sale value



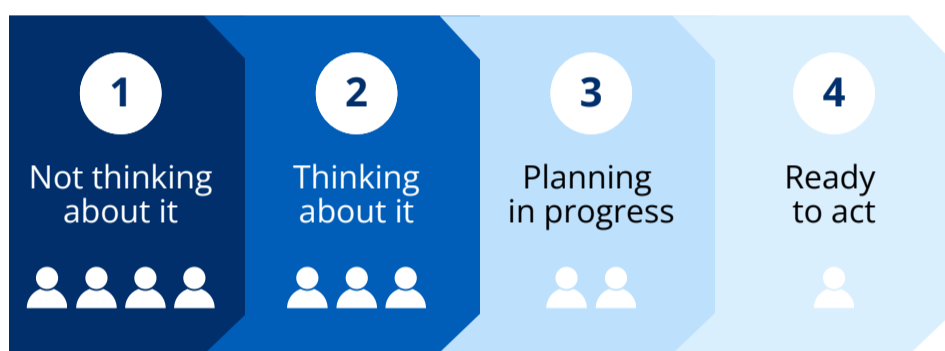
61% find the right next owner

TOP PRIORITY: Two-thirds of owners prioritize preserving jobs and maximizing sale value

Succession planning is still a 'thought exercise'

70%

of owners nearing retirement are in the earliest stages of succession readiness



Only 8% of owners report being ready to act.

Not ready because:



No tax planning



No business valuation



No identified successor

Why this matters to communities

The businesses most likely to be planning retirement are also those with employees. Likelihood of having employees:



Home services

3.1 pts

More likely to have employees



Retail

6.6 pts

More likely to have employees



Restaurants

11.5 pts

More likely to have employees

Local businesses are the backbone of our communities.

Experts move owners from 'someday' to a plan

Early in the journey



Do not have an expert



Don't know where to start



Too focused on running the business

Further along



Time and attention are the biggest barriers



Unclear next steps



No one to carry forward

Not having an expert is 4-8x more likely to be cited as a barrier at early stages

Succession stays theoretical until owners decide it's time to act.

How owners move from intention to action

Consult an expert

Establish governance

Train new leadership

When succession planning begins, it most often starts with people and structure.

Methodology: Chase surveyed approximately 1,000 small business owners across the nation in mid-March 2026. Respondents include both Chase and non-Chase customers.

A business is defined as long-lived if it has operated continuously for 20 or more years.

Keywords: small business performance, small business revenue growth, cash flow, cash flow volatility, inflation, labor market, small business hiring, impact of tariffs on small businesses, small business owner concerns, small business economic outlook, SMB Pulse report

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