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Economy

Business Checkpoint: Fuel for concern

19 November 2026

Key takeaways

- Business owners are entering the next twelve months with greater caution, according to the 2026 Bank of America Business Owner Report. Expectations for revenue growth and expansion have weakened among both small and mid-sized firms, while profitability momentum has softened, suggesting rising costs are increasingly weighing on the business outlook.
- Oil-related payments for businesses with <$50 million in annual revenue are up more than 20% year-over-year (YoY), according to Bank of America business account data. Among those industries most exposed to gasoline as a cost, profitability remains positive in parts of agriculture and transportation and warehousing, while construction appears more pressured.
- Despite a more subdued outlook, businesses are not retreating from investment. Credit conditions remain considerably less restrictive than in 2023, according to the Senior Loan Officer Survey. Firms continue to expect financing needs for marketing, staffing, equipment and technology, suggesting businesses are balancing cost pressures with plans for future growth.

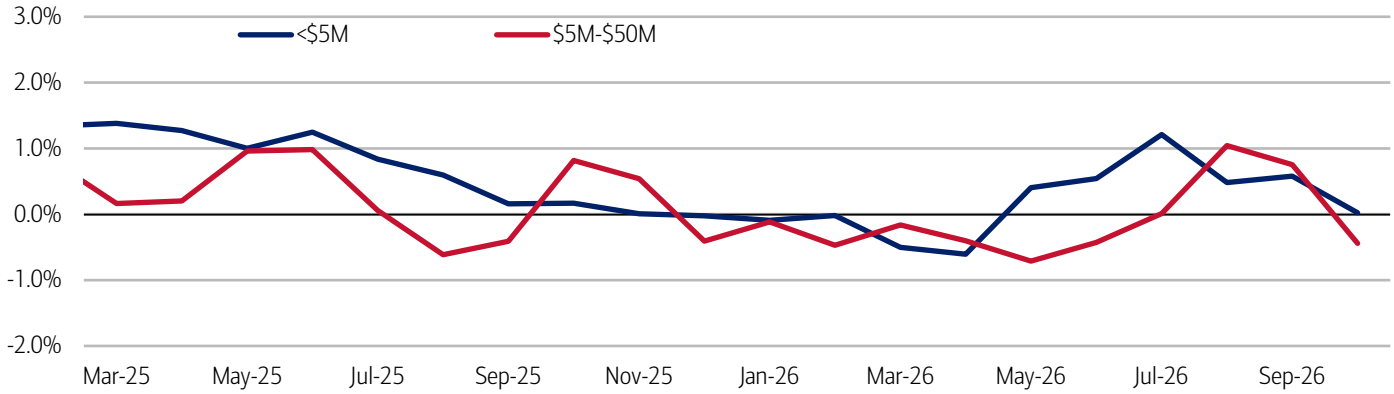
Business Checkpoint is a new, regular publication from Bank of America Institute. It provides a real-time view of the financial health, opportunities and challenges facing small and mid-sized businesses across the US economy, leveraging the depth and breadth of Bank of America's proprietary data. By analyzing activity among both small and mid-sized firms, Business Checkpoint offers timely insights into business profitability, hiring, investment and spending trends. Such data is not intended to be reflective or indicative of, and should not be relied upon as, the results of operations, financial condition or performance of Bank of America.

Mid-sized firms' profitability growth fell in October

Small and mid-sized businesses' financial performance have kicked off the fourth quarter with a tepid start. Bank of America business account data indicates profitability momentum softened in October, with growth roughly flat among small firms (<$5M in annual revenue) and turning negative among mid-sized firms ($5-$50M in annual revenue) (Exhibit 1).

While one month does not establish a broader trend, the moderation suggests businesses' concerns about higher costs may increasingly be reflected in margins as the tariff refund buffer wanes (read more on small business tariff relief in the September Business Checkpoint).

Exhibit 1: For mid-sized firms, profitability growth fell in October, and, for small firms, growth was flat
Profitability growth by business size (monthly, three-month moving average, YoY%)



Source: Bank of America internal data

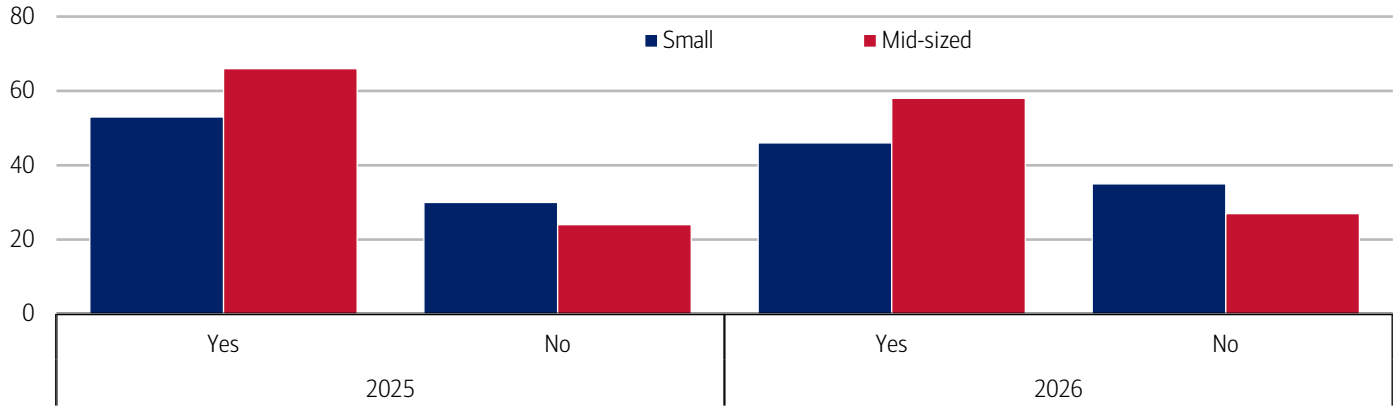
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Businesses temper expectations for the year ahead

This could be why business owners are entering the next 12 months with muted expectations. Just 58% expect revenue to increase, down from 74% in 2025, while fewer small and mid-sized firms plan to expand their businesses over the coming year, according to the Bank of America 2026 Business Owner Report (Exhibit 2).

The pullback appears particularly notable among small businesses, where revenue expectations have deteriorated more than among mid-sized firms. This reflects their greater sensitivity to changes in operating costs and financing conditions, in our view.

Exhibit 2: Fewer small and mid-sized businesses plan to expand their business over the next 12 months compared to last year
Share of respondents who plan to expand over the next 12 months by business size (%, annual)



Source: 2026 Bank of America Business Owner Report

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Concerns about commodity prices are top of mind

What has changed most over the past year is the growing anxiety around commodity costs. The share of business owners citing oil, gas and other commodity prices as concerns jumped from 55% in 2025 to 71% of respondents in 2026, the largest increase and second most common concern among the issues surveyed (Exhibit 3).

By contrast, worry around tariff policy declined modestly, suggesting attention may increasingly be shifting from policy uncertainty toward the costs businesses are facing.

Exhibit 3: Inflation remains the top concern, but commodity prices saw the greatest increase in ranking from the prior year
Concerns for small and mid-sized business owners in the next 12 months, ranked (% of respondents)

	2025	2026
Inflation	70%	75%
Commodity prices such as oil and gas	55%	71%
U.S. political environment	64%	67%
Health care costs	56%	66%
Interest rates	58%	63%
Recession	57%	63%
Tariff policy	64%	60%
Consumer spending	53%	59%
Strength of the U.S. dollar	54%	58%
Supply chains	50%	51%

Source: Bank of America Institute data

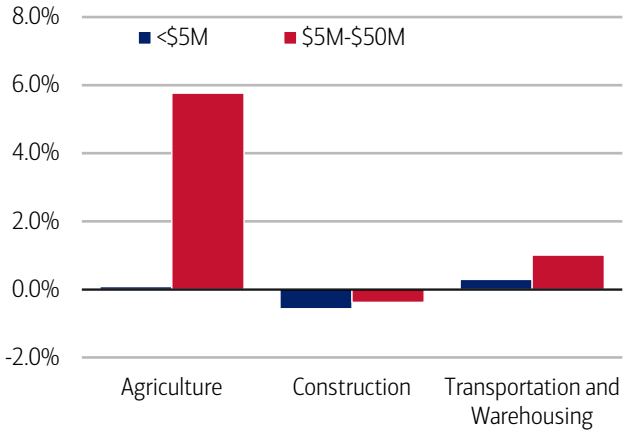
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Oil-related costs surged in October

While oil-related costs rose sharply last month, not every industry is feeling the impact. Costs linked to the price of oil jumped more than 20% for firms with less than $50 million in revenue (Exhibit 5), but profitability remained positive in agriculture and transportation and warehousing in October, particularly among mid-sized firms (Exhibit 4).

Construction stands out as a potential pressure point, with profitability declining for both small and mid-sized businesses, suggesting firms' ability to absorb or pass through higher energy costs may vary by industry.

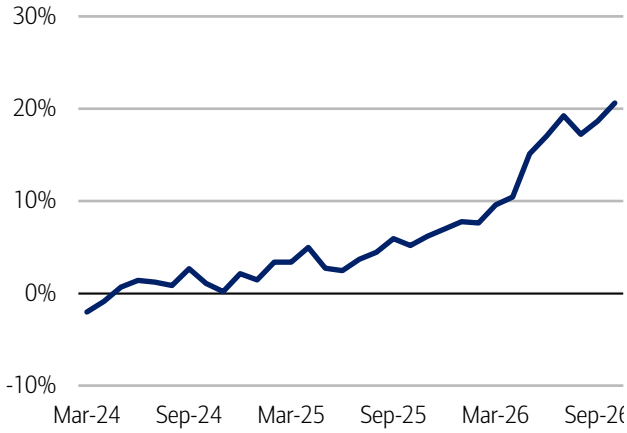
Exhibit 4: Mid-sized agriculture firms' profitability growth was up nearly 6%, whereas construction was down overall in October
Profitability growth by industry and business size in October (YoY%, three-month moving average)



Source: Bank of America internal data

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Exhibit 5: For firms with <$50M, oil-related payments grew more than 20% YoY in October
Oil-related payments per client (YoY%, monthly, three-month moving average)



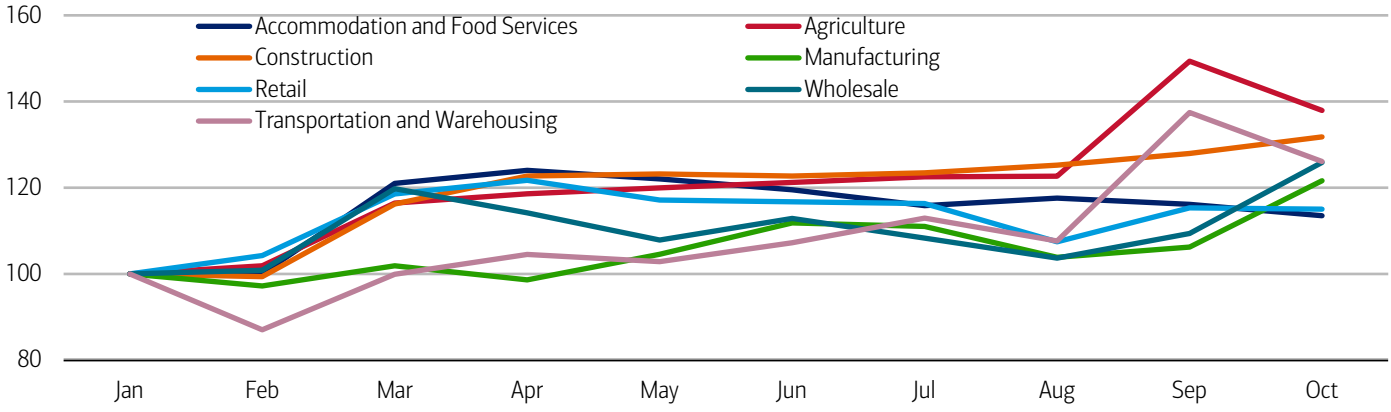
Source: Bank of America internal data
Note: Oil-related payments consist of transactions related to gasoline, trucking, airlines, and travel centers.

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Agriculture, construction as well as transportation and warehousing feel the pinch

The path of these costs also differs across industries. Oil-related payments eased in October from September peaks for agriculture and transportation and warehousing, while construction costs continued to climb (Exhibit 6).

Exhibit 6: Compared to the start of the year, small and mid-sized firms in agriculture, construction and transportation have seen the greatest increase in oil-related costs, up more than 26-37%
Oil-related payments per business client by industry (monthly, indexed, January 2026 = 100)



Source: Bank of America internal data

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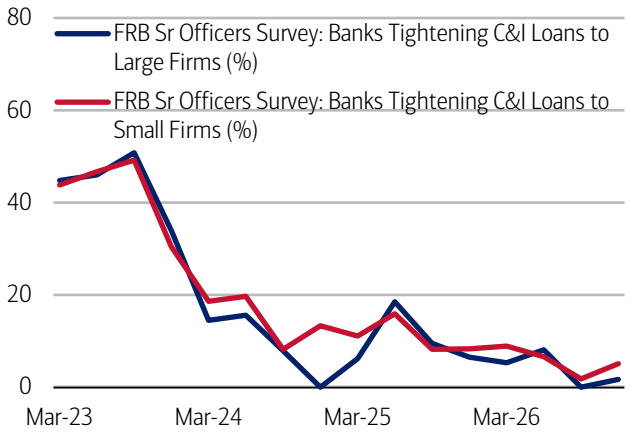
Credit conditions appear alright for now

Despite increased concern around costs, credit conditions do not appear to be adding substantially to the pressure for now. The net share of banks reporting tighter C&I lending standards remains well below the levels seen in 2023 for both small and large firms, according to the Federal Reserve Board's Senior Loan Officer Survey (Exhibit 7).

Plus, average small business credit card utilization rates were up slightly above 2% from the 2024 average in October, indicating there is still appetite for credit, according to Bank of America small business credit card data (Exhibit 8). This suggests access to credit may help businesses manage rising costs, although high interest rates could make borrowing less attractive.

Still, there are signs that small business debt pressure may be building. In October, a net 13% of owners reported paying a higher interest rate on their most recent loan – the highest level since August 2024 – according to the October National Federation of Independent Business Report.

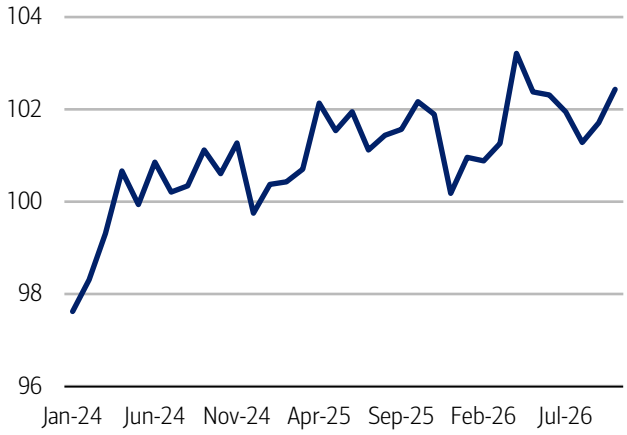
Exhibit 7: The net share of banks reporting tighter C&I lending standards remained well below the levels seen in 2023 for both small and large firms in the fourth quarter of 2026
Federal Reserve Board (FRB) Senior Loan Officers Survey net percentage balance (tightened minus eased) by firm size (%, quarterly)



Source: Haver Analytics

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Exhibit 8: Average small business credit card utilization was up just above 2% from the 2024 average in October
Bank of America small business credit card average utilization rate (monthly, indexed, 2024 average = 100, three-month moving average)



Source: Bank of America internal data

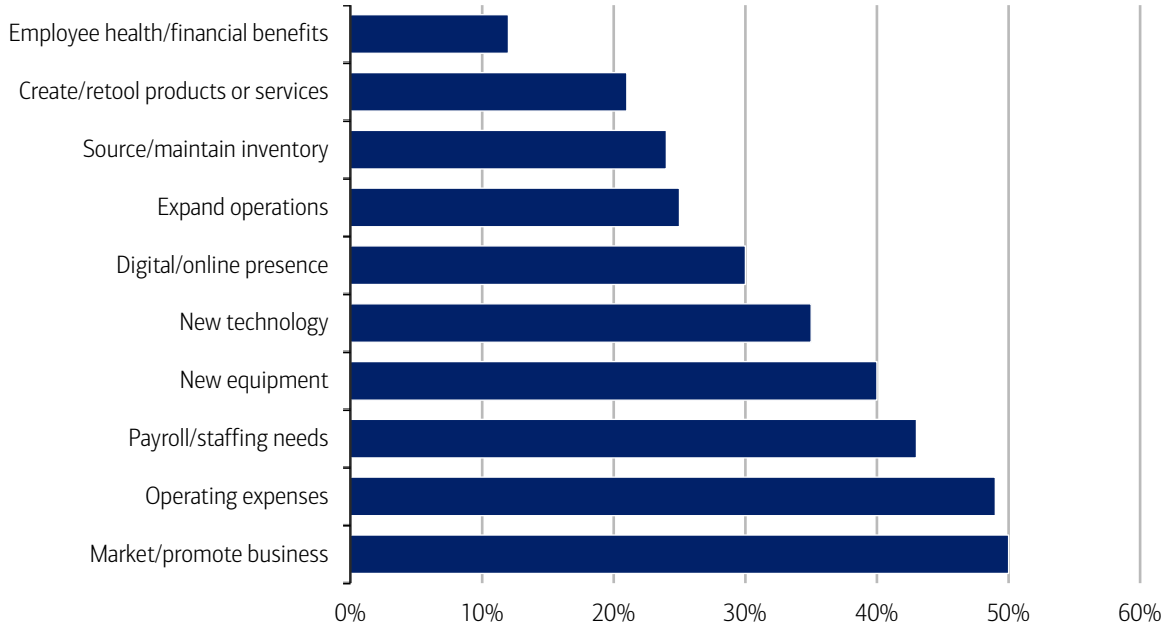
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Marketing and operating expenses drive business borrowing

Financing intentions nevertheless remain relatively strong, according to the 2026 Bank of America Business Owner Report. More than half of owners say they have applied for a loan or line of credit during the past two years, and 85% plan to obtain financing over the next 12 months. This combination of strong financing intentions and continued sensitivity to interest rates suggests businesses still see reasons to invest, but may be increasingly selective about when, where and how they borrow.

Importantly, businesses are not seeking financing solely to manage near-term cash flow. Operating expenses remain a leading use of planned funding yet roughly half of owners expect to use the money on marketing and promotion. A substantial share also cite staffing, equipment and technology (Exhibit 9). This mix indicates firms are balancing needs with investments aimed at supporting future growth, even as they remain cautious on expectations for revenue and expansion.

Exhibit 9: While operating expenses remain a leading use of planned funding, roughly half of owners plan to use financing for marketing and promotion
How do you plan to use the funding from that loan or line of credit? (% of respondents)



Source: Bank of America Institute data

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Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Any **Business** payments data represents aggregate spend from Small Business and/or Business Banking clients with a deposit account or a Small Business credit card. Payroll payments data include channels such as ACH (automated clearing house), bill pay, checks and wire. Bank of America per Business client data represents activity spending from active Business clients with a deposit account or a Small Business credit card and at least one transaction in each month. Small businesses in this report include business clients within Bank of America and are generally defined as under $5mm in annual sales revenue. Mid-sized businesses in this report include business clients within Bank of America and are generally defined as $5mm-$50mm in annual sales revenue.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

Revenue tiers are determined by the combination of following factors: 1) stated revenue on small businesses credit applications, 2) actual account inflow into Bank of America Deposit Accounts, and 3) third party revenue estimation.

The alternative hiring indicator consists of payments from Bank of America business clients to business-focused hiring firms which include both direct deposits through Automated Clearing House (ACH) and payments via credit and debit cards.

Oil-related spending is comprised of payments to gasoline, trucking, airlines, and travel center companies. These are identified from merchant names and MCC codes.

Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

Ipsos conducted the 2026 Bank of America Business Owner Report survey online between August 7 and August 20, 2026, using a pre-recruited online sample of business owners. Ipsos contacted a national sample of 849 small business owners in the United States with annual revenue between $100,000 and $4,999,999 and employing between two and 99 employees. Ipsos also interviewed a national sample of 250 medium-sized business owners in the United States with annual revenue between $5,000,000 and $49,999,999 and employing between two and 499 employees. The final results for the national small, medium-sized, and combined samples were weighted to their respective national benchmark standards for size, revenue and region.

Additional information about the methodology used to aggregate the data is available upon request.

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2026 Bank of America Business Owner Report

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