

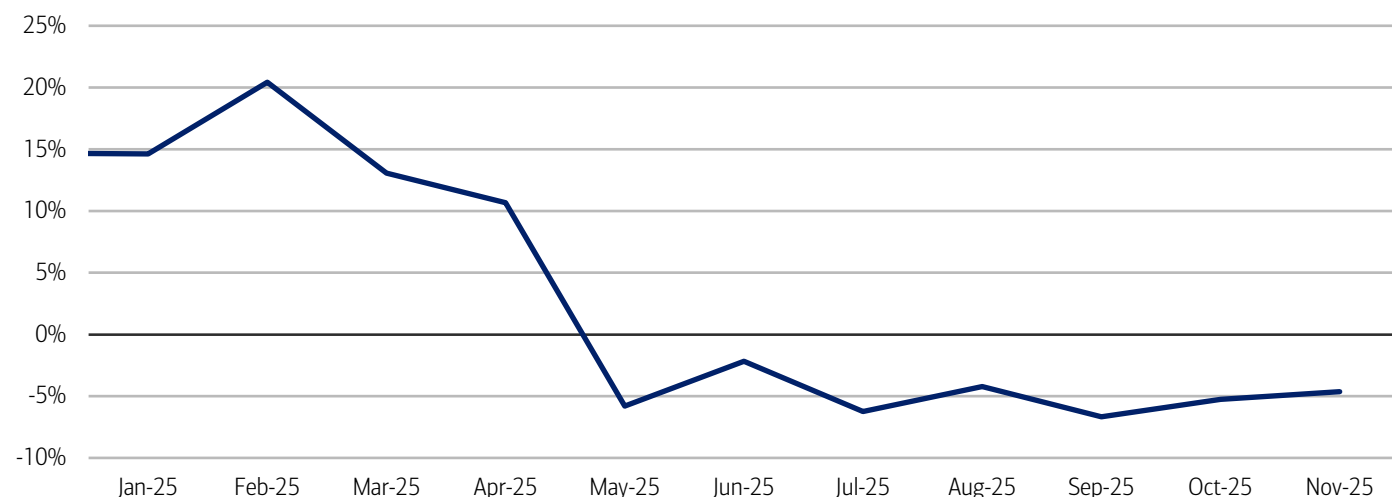
Daily Insights

Small business hiring down in the second half of the year

16 December 2025

Hiring demand has been weak for smaller firms in the second half of the year

Small business payments to hiring firms per small business client (monthly, YoY%, three-month moving average)



Source: Bank of America internal data

BANK OF AMERICA INSTITUTE

Bank of America data suggests that small business hiring is cooling, but not collapsing. In November, small business payments to hiring firms fell 4.6% year-over-year (YoY) on a three-month moving average basis – confirming a weaker small business labor market. But not all small businesses are on a hiring freeze or cutting headcount. Sectors like construction and restaurants – where staffing shortages persist – posted stronger payroll growth than last year.

Published today. Read our [December Small Business Checkpoint](#).

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 **Small Business** payments data represents aggregate spend from Small Business 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 Small Business client data represents activity spending from active Small 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.

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 small business clients to small business-focused hiring firms which include both direct deposits through Automated Clearing House (ACH) and payments via credit and debit cards.

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 2025 Bank of America Business Owner Report survey online between September 11 and September 23, 2025, using a pre-recruited online sample of business owners. Ipsos contacted a national sample of 819 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 253 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 (small and medium-sized) business owner 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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Disclosures

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