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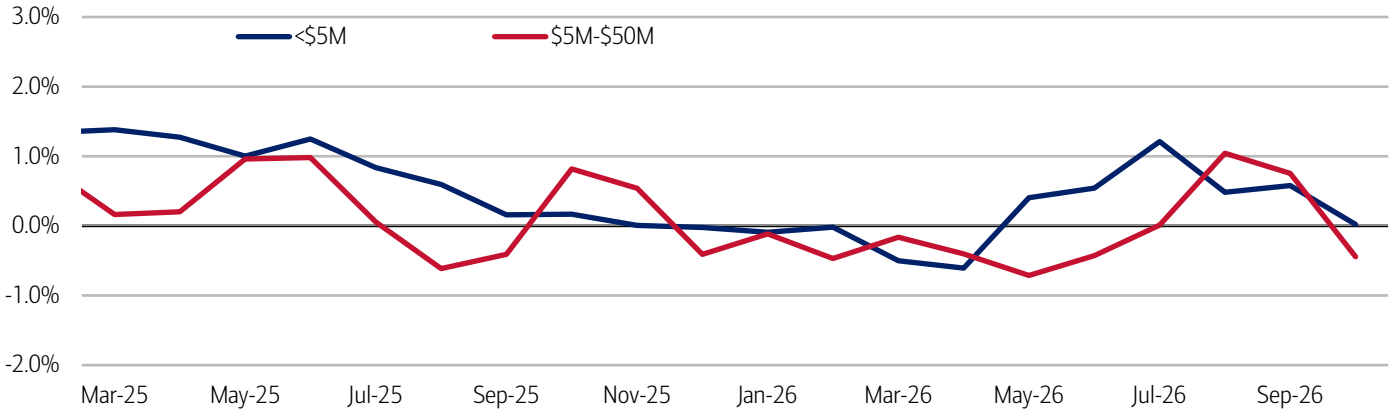
BANK OF AMERICA

Daily Insights

Mid-sized firms' profitability growth fell in October

19 November 2026

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 are tempering expectations for the year ahead, as inflation and commodity prices are top of mind, according to the 2026 Bank of America Business Owner Report. And in Bank of America business account data, profitability momentum softened in October, with growth roughly flat among small firms and turning negative among mid-sized firms.

This moderation suggests businesses' concerns about higher costs may increasingly be reflected in margins as the tariff refund buffer wanes. Notably, oil-related costs were up more than 20% year-over-year (YoY) for small and mid-sized firms in October, with agriculture, construction as well as transportation and warehousing feeling the greatest pinch.

Read more on small and mid-sized firms' business outlook in Business Checkpoint: Fuel for concern.

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.

Supply chain-related spending is comprised of payments to logistics, freight, distribution, inventory, delivery service, and trucking companies. These are identified from merchant names and MCC codes.

BofA Global Research's trucking indicators are a bi-weekly diffusion-style survey of shipper demand expectations over the next 0–3 months, built from responses from surveyed shippers.

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.

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

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Disclosures

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