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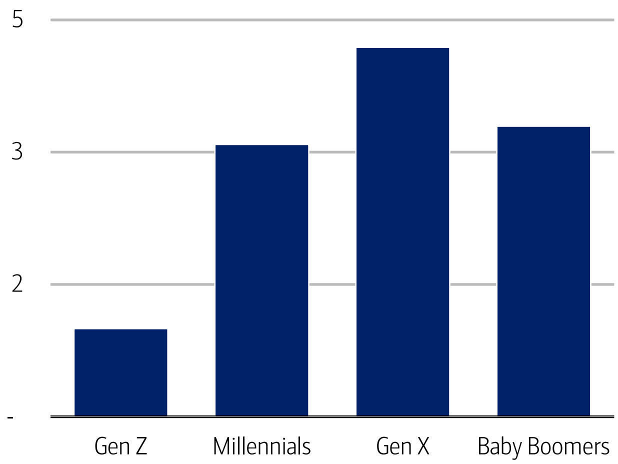
Daily Insights

Gen X entrepreneurs outnumber Gen Z four-to-one

21 July 2026

There are over four Gen X founders for every one Gen Z founder…
Share of business applications by generation (rolling twelve month sum to June 2026, Gen Z average = 1)



Source: Bank of America internal data

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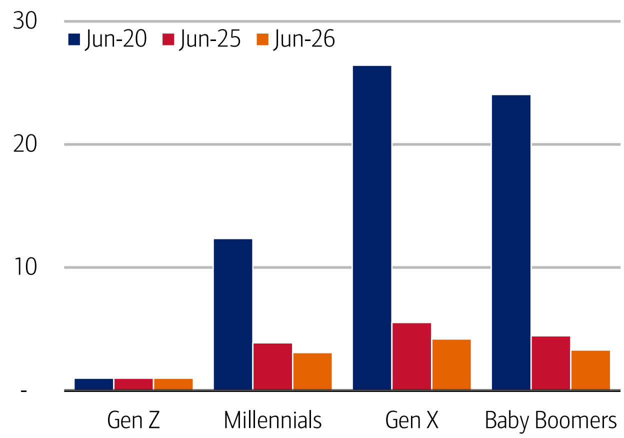
…but this is a significant improvement from June 2020, when there were 26 Gen X founders for every one Gen Z-led new business
Share of business applications by generation (rolling twelve month sum, Gen Z average every year = 1)



Source: Bank of America internal data

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New business formation has reached new heights over the past few years, driving productivity and signaling a strong business economy. Who's driving this? According to Bank of America payments data, there are nearly four Gen X founders for every Gen Z one. But while entrepreneurs still skew older, that gap is six times smaller than it was in 2020, and Gen Z new business applications grew over 60% from last year.

What role is AI playing in business creation? Find out in our latest publication: A new generation of business formation.

Corrected 23 July 2026.

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.

The number of new business formations is proxied using aggregated and anonymized Bank of America payments data based on household debit and credit card data, small business credit card data and check data. Potential business formation activity is identified through customer payments to Secretary of State offices and other entities related to business formation activities (e.g., "Division of Corporations") associated with LLC registration activity during the month. This measure is intended to serve as a proxy for business formation activity and would not necessarily capture all business types or legal structures. This would also not capture any third-party payments towards a new business formation.

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.

The 2026 Small Business Credit Survey was fielded from September 3 to November 14, 2025. It yielded 6,525 responses from a nationwide convenience sample of small employer firms with 1–499 full- or part-time employees across all 50 states and the District of Columbia. This report includes findings about the performance, challenges, and credit-seeking experiences of businesses across the United States.

Generations, if discussed, are defined as follows: Gen Z, born after 1995; Younger Millennials: born between 1989-1995; Older Millennials: born between 1978-1988; Gen Xers: born between 1965-1977; Baby Boomer: 1946-1964; Traditionalists: pre-1946.

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

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Disclosures