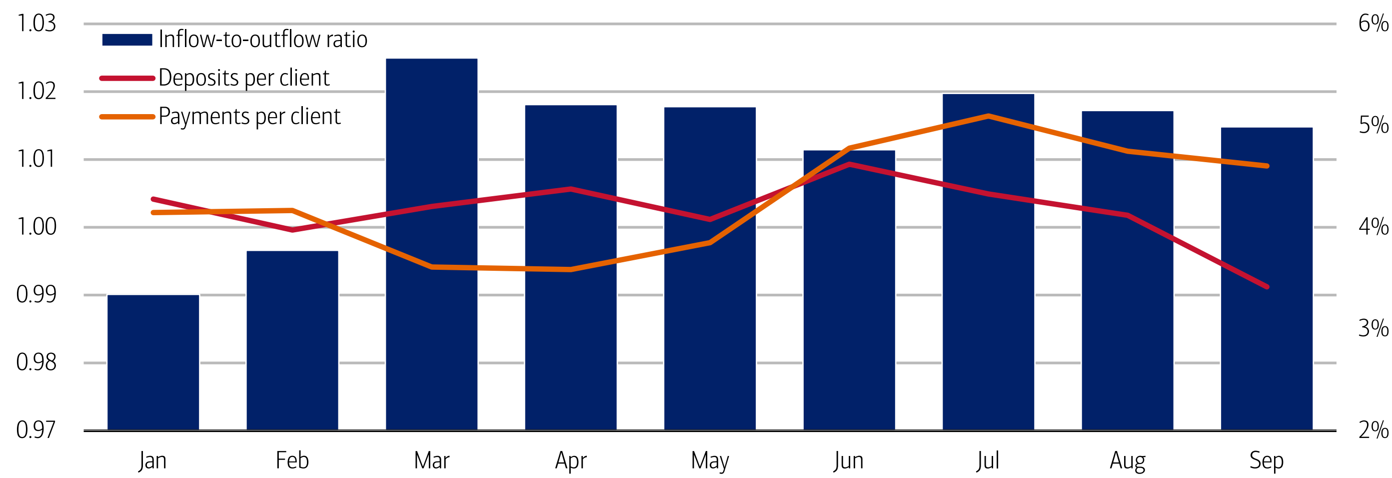
Daily Insights

Small business profits still up in September

16 October 2025

Small business profitability remains positive, although payments growth now outpaces deposits growth per small business client
Inflow-to-outflow ratio for small businesses, based on Bank of America internal data (monthly, ratio less than 1 means inflow less than outflow, 3-month moving average (mma), left-hand side (lhs)) and deposits per small business client (monthly, 3-mma, year-over-year (YoY) %, right-hand side (rhs)) and payments per small business client (monthly, 3-mma, YoY%, rhs)



Source: Bank of America internal data
Note: A ratio less than 1 means inflow was less than outflow.

BANK OF AMERICA INSTITUTE

According to Bank of America data from over 4 million small business checking accounts, profits remained positive in September. Our data underscores that small businesses have largely navigated increased economic uncertainty so far, despite operating on thinner profit margins.

But what's driving the underlying trend for positive profits – fewer costs or higher revenue? Bank of America deposit growth per small business client suggests the answer is the latter. However, revenues are beginning to trend downwards, which might suggest weaker growth for small firms going forward.

Read more in our latest publication, Small Business Checkpoint: Profits growing, jobs slowing.

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.

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

Contributors

Liz Everett Krisberg

Head of Bank of America Institute

David Michael Tinsley

Senior Economist, Bank of America Institute

Disclosures