

VISA



Visa U.S. Small Business Pulse

November 2024



About this report

This report is issued by Visa to provide a gauge of Small Businesses in the United States, including recent and current financial performance, future outlook, and strategic priorities. It is based on BizPulse, a periodic study conducted by The Harris Poll in partnership with Visa.

Data in this report is taken from 602 Small Business Leaders who were surveyed in July 2024. For reporting purposes, "Small Business" is defined as those businesses with fewer than 100 employees, and less than \$25M in annual revenue. Respondents are described as "Business Leaders" – this means they are at least senior decision-makers within the business, including roughly eight-in-ten who are the business' primary owner. Responses come from across the United States, and represent a mix of revenue bands, business tenure, industry, etc.

About Visa Inc.

Visa (NYSE: V) is a world leader in digital payments, facilitating payments transactions between consumers, merchants, financial institutions and government entities across more than 200 countries and territories. Our mission is to connect the world through the most innovative, convenient, reliable and secure payments network, enabling individuals, businesses and economies to thrive. We believe that economies that include everyone everywhere, uplift everyone everywhere and see access as foundational to the future of money movement. Learn more at [Visa.com](https://www.visa.com).

About The Harris Poll

The Harris Poll is a global market research and consulting firm that provides the insights and digital tools needed to build a better tomorrow. The Harris Poll helps its clients make informed decisions in a near real-time by combining proprietary software, deep industry experience, and access to the best minds in research.

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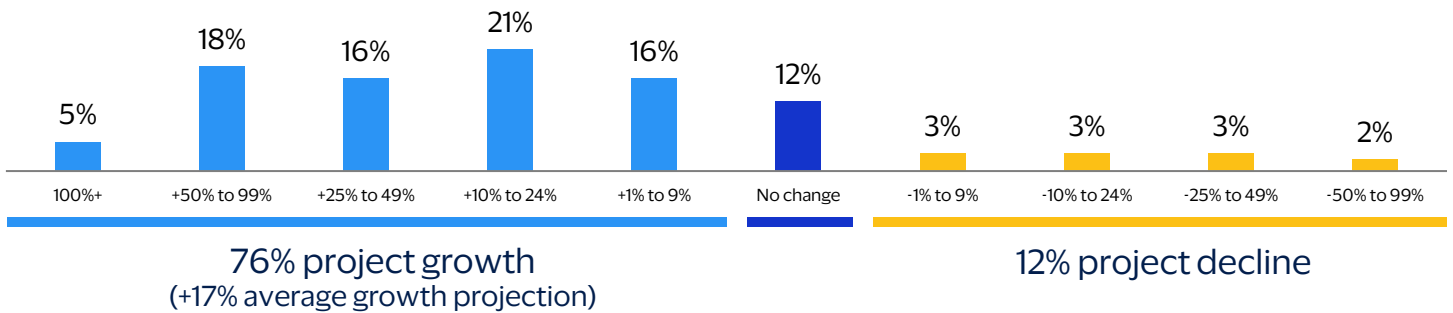
REVENUE GROWTH/PROJECTIONS

Three-quarters of Small Businesses project revenue growth for 2024

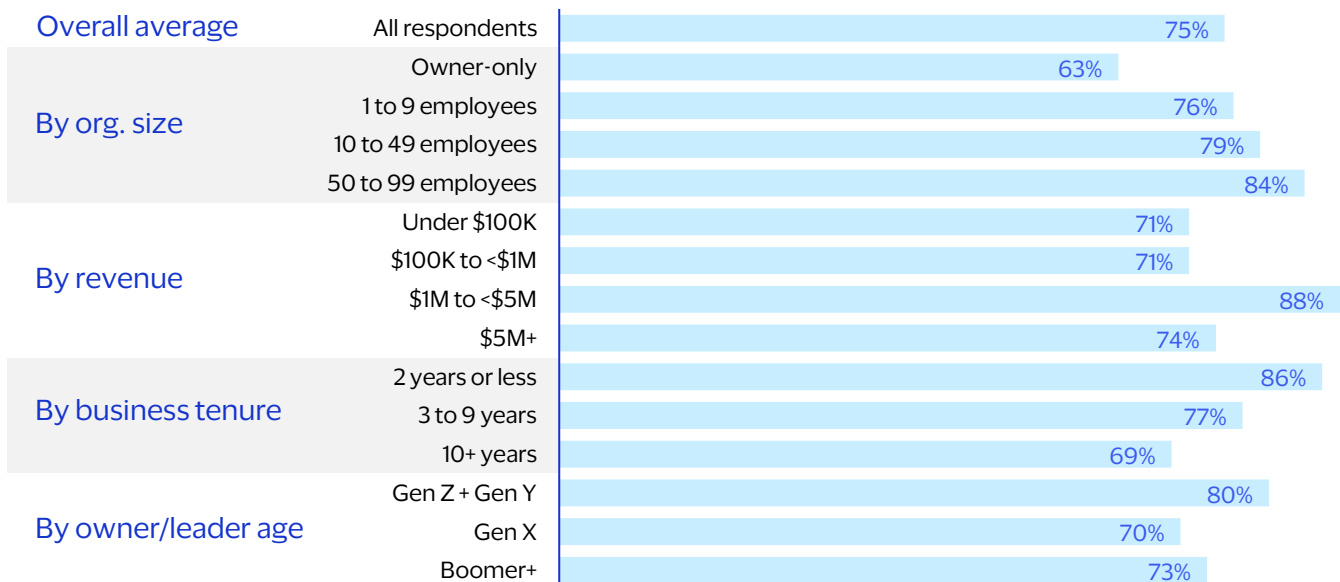
76% of Small Businesses continue to project revenue growth for 2024 vs. 2023, while just 12% project revenue to go down this year.

86% of newer businesses (less than two years in operation) and 80% of Small Businesses led by Gen Z/Millennials project growth.

Revenue projection changes for 2024 (vs. 2023)



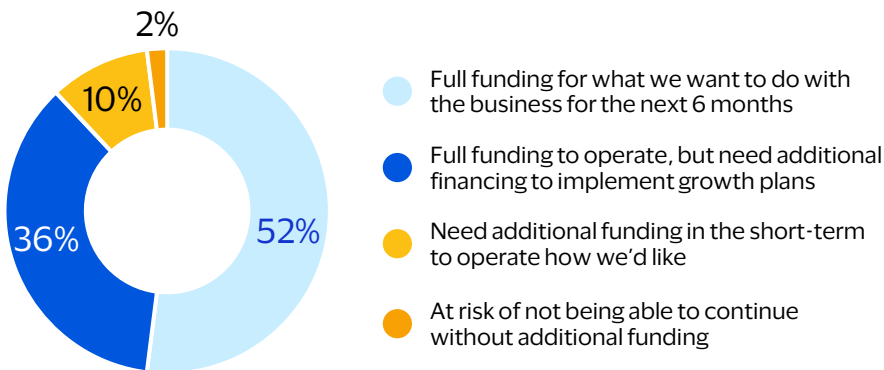
Business funding status based on firmographics



Nearly half of Small Businesses need additional financing

While 52% of Small Businesses say they have full funding for what they want to do with the business for the next 6 months, 48% also say they would like to have more funding than they currently have access to.

Business funding situation

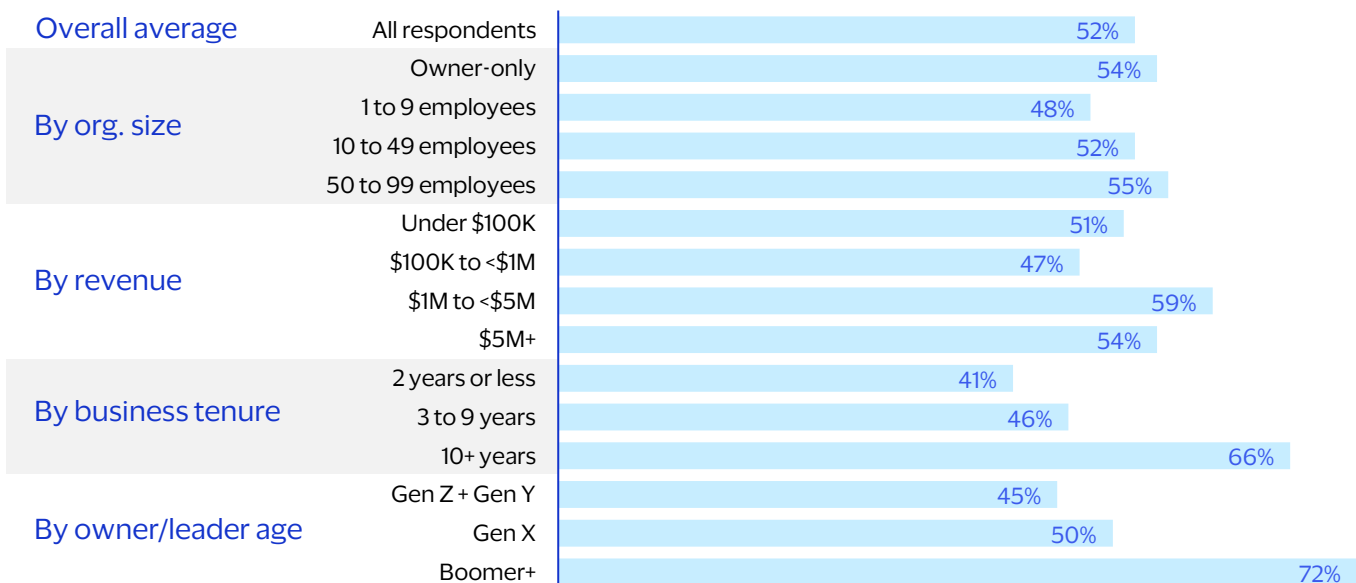


Proportion of small businesses that are fully funded – over time*

We have full funding for what we want to do with the business for the next 6 months

Q1 '22	47%
Q2 '22	55%
Q1 '23	58%
Q2 '23	50%
Q3 '23	53%
Q4 '23	47%
Q1 '24	51%
Q2 '24	52%

Business is fully funded, by firmographics



*Question was not asked every quarter

CREDIT CARD DETAILS

Eight-in-ten Small Businesses that use credit cards earn rewards or cashback; most use rewards for business.

Eight-in-ten Small Businesses use credit cards to make business payments. The majority of those (80%) earn at least some type of reward currency; 59% collect points/rewards, while 47% collect cashback (including some who collect both). The vast majority (73%) use their rewards or cashback for business purposes.



79%

of Small Businesses use credit cards (consumer or business) to make payments



73%

of Small Businesses use their rewards or cashback for business purposes



59%

Collect points/rewards



47%

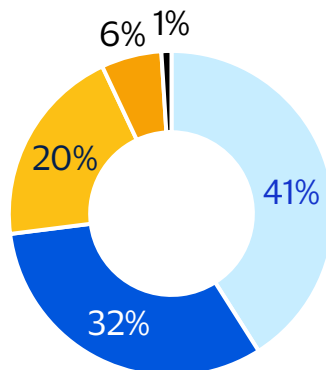
Collect cashback



20%

Have NO rewards benefits

Planned next redemption will be used for



- Redeem to pay off/down our credit card bill
- Redeem items or services for business use
- Redeem items or services for business owner's personal use
- Gift points or redemptions to employees
- Other



BUSINESS ACTIONS

Small Businesses are working hard to improve their business

Evolving market dynamics are causing many Small Businesses to make meaningful changes to the way they do business. 89% of Small Businesses identify at least one major change they have tried or implemented in the past quarter.

Changes / actions taken in the past quarter

Worked to reduce or cut back on costs in certain areas of the business	58%
Increased the price on at least one of our products/services	57%
Introduced a new product/service to our offering	51%
Increased our budget for digital marketing	50%
Hired new employee(s)	48%
Worked to rein in our use of debt	43%
Increased our budget for traditional marketing	43%
Put expansion on hold until our financial situation is more favourable	36%
Obtained financing from a new source	35%
Switched a major vendor/supplier to a new supplier	31%
Removed a product/service from our offering	30%
Fired or exited employee(s)	27%



Action most on the rise
quarter-over-quarter

+6%

Obtained financing from a new source



Action most on the decline
quarter-over-quarter

-5%

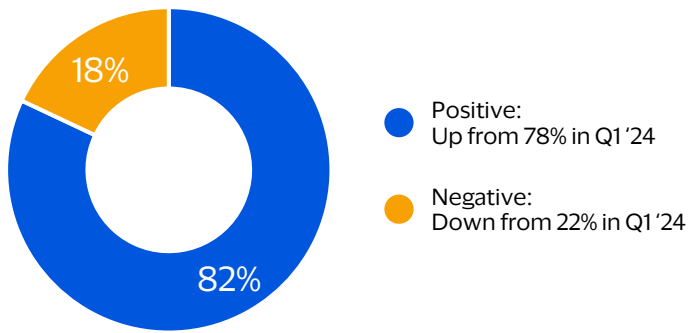
Worked to reduce or cut back on costs in certain areas of the business

POSITIVITY

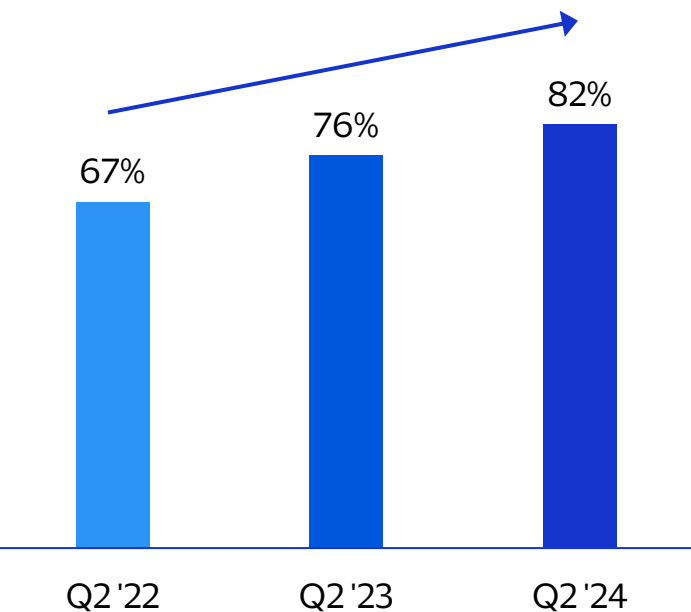
Small Business leaders feel more positive than at any time since COVID

When asked to identify what they are feeling these days, 82% of the emotions selected were positive; led by feelings of optimism (59%), happiness (49%), and excitement (45%) – the highest positivity rate seen since testing began in 2022.

Positive and negative feelings



Positive general sentiment, over time*



*Question was not asked every quarter

Feelings among small biz leaders

Feeling	Percentage	QoQ change
Optimistic	59%	+4%
Happy	49%	+8%
Excited	45%	0%
Fortunate	44%	+2%
Safe	30%	0%
Trusting	28%	+4%
Courageous	27%	+3%
Calm	25%	-3%
Anxious	24%	-1%
Free	22%	-1%
Curious	19%	-1%
Empathetic	17%	+4%
Frustrated	15%	+8%
Edgy	14%	0%
Sad	4%	+2%
Isolated	4%	0%
Afraid	4%	+4%
Angry	3%	+3%
Upset	3%	-3%
Hopeless	3%	-1%
Bored	2%	-1%
Helpless	2%	-1%

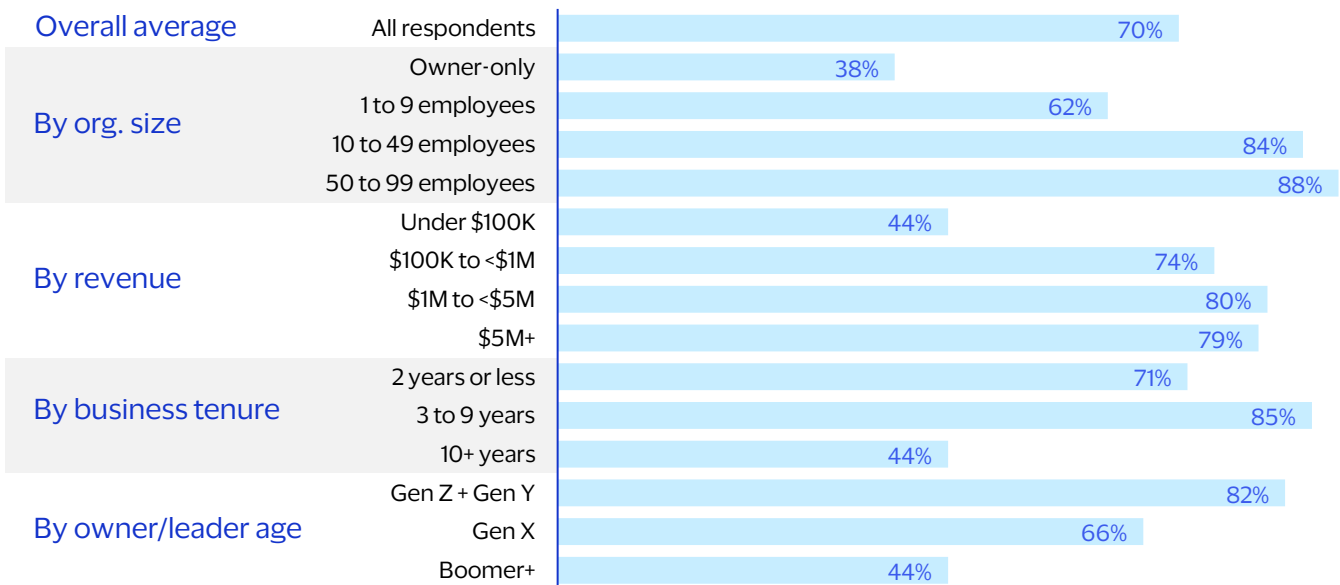
● Positive ● Negative

ARTIFICIAL INTELLIGENCE

AI usage has skyrocketed among Small Businesses in the past year

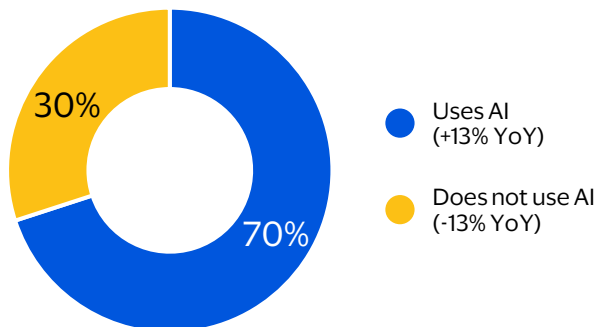
Seven-in-ten Small Businesses say they use AI (for personal or business purposes), up 13 points from last year. In addition, 51% say they use Generative AI tools for business purposes, up from just 34% last year.

NET: Uses AI for at least one purpose

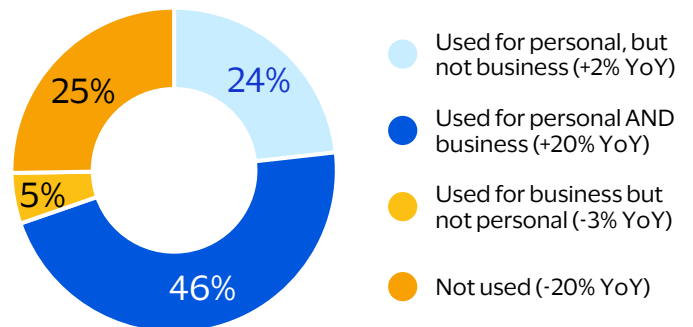


AI usage

Do you use ChatGPT / generative AI tools?

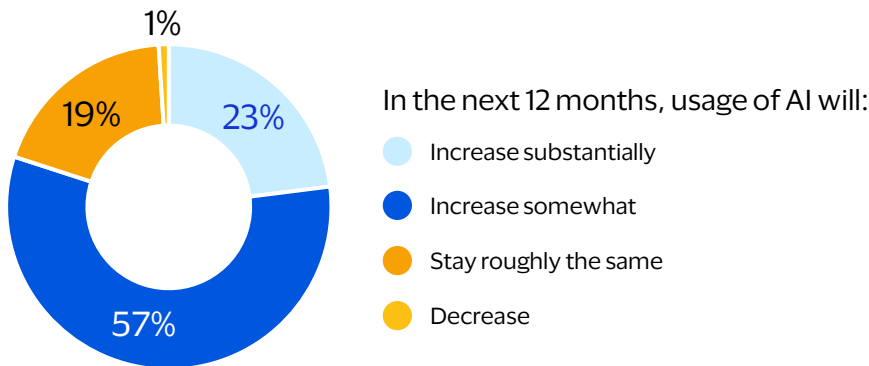


For what purposes is AI used?

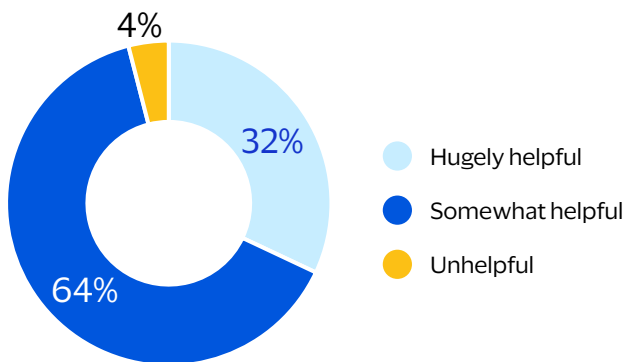


Artificial Intelligence Cont.

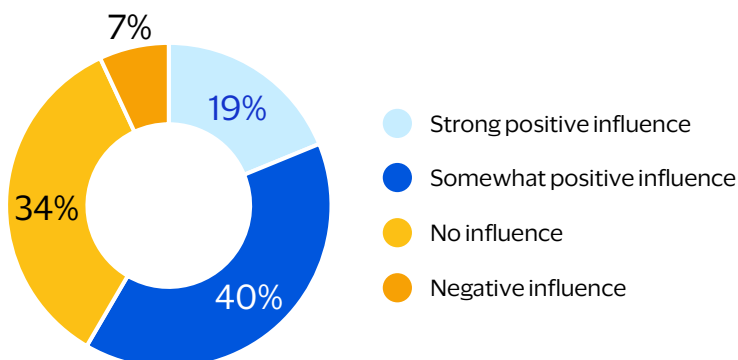
Anticipated change in AI usage over the next year



Impact / helpfulness of AI on business



Impact of AI usage on supplier decisions



59%

Of small businesses say, if they know a supplier is using AI, it has a positive influence on their opinions of that supplier (just 7% say using AI give them a negative impression of that supplier)

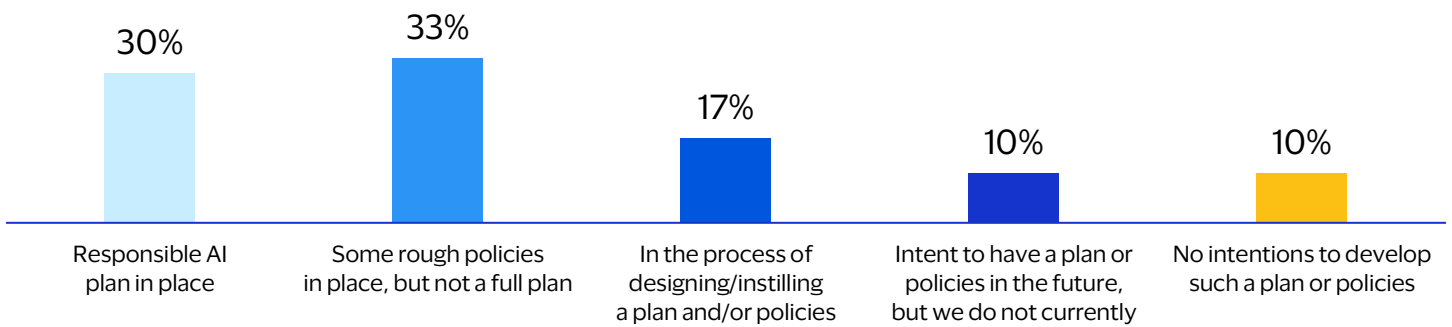


RESPONSIBLE USE OF AI

Despite skyrocketing AI usage, just 30% of Small Businesses have a Responsible AI Plan*

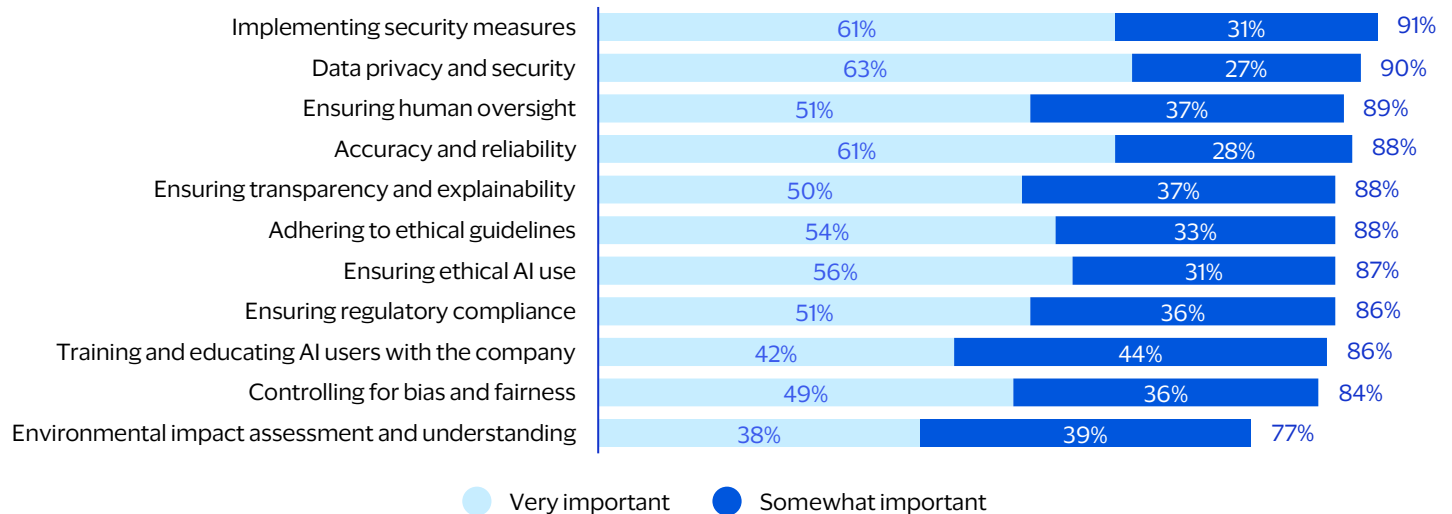
While the vast majority of Small Businesses (90%) acknowledge the benefits of Responsible AI Plans/Policies, just three-in-ten say they have a proper plan in place. An additional 33% have some rough policies, while 17% are in the process of designing/instilling plans and/or policies to ensure AI is used in safe and understandable ways throughout their organization.

Responsible AI policy



Importance of elements in business use of AI

Small Business leaders acknowledge the importance of safety measures, data privacy and security, human oversight, and a wide variety of other factors when using AI.



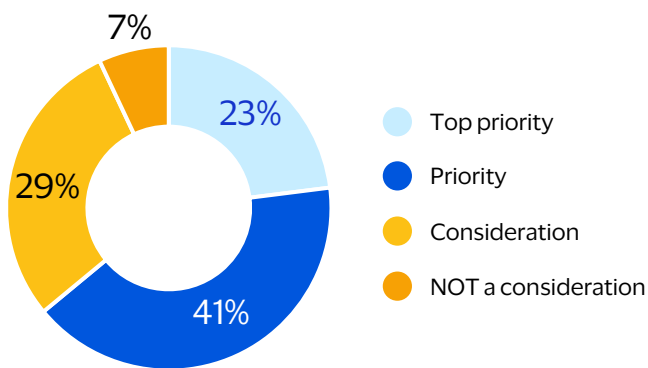
*Responsible AI Plan is defined as a set of principles and practices that guide the development, use, and deployment of AI systems to ensure they are ethical, transparent, and accountable.

SUSTAINABILITY

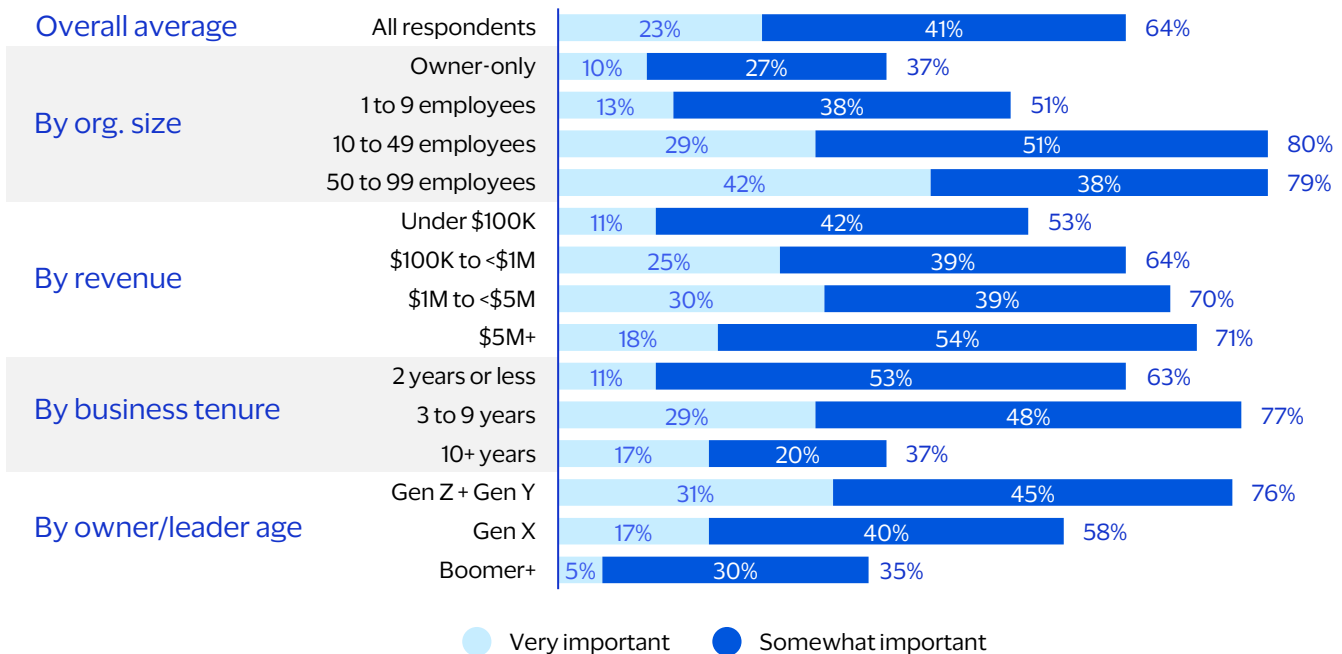
Nearly two-thirds of Small Businesses prioritize sustainability

64% of Small Businesses say sustainability is a priority, and only 7% say it is not at least a consideration. Sustainability is a particular priority among Small Businesses with 10+ employees (80%), those in operation for 3-9 years (77%), and those with GenZ/Millennial leaders (76%). Three-quarters (77%) consider themselves sustainable, although only half (49%) have a sustainability plan in place.

Whether sustainability is a priority

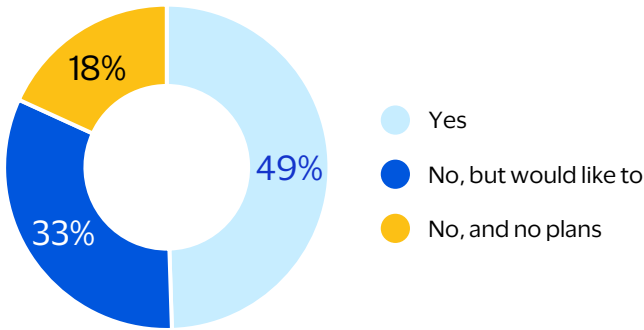


64%
of Small Businesses say sustainability is a priority



Sustainability Cont.

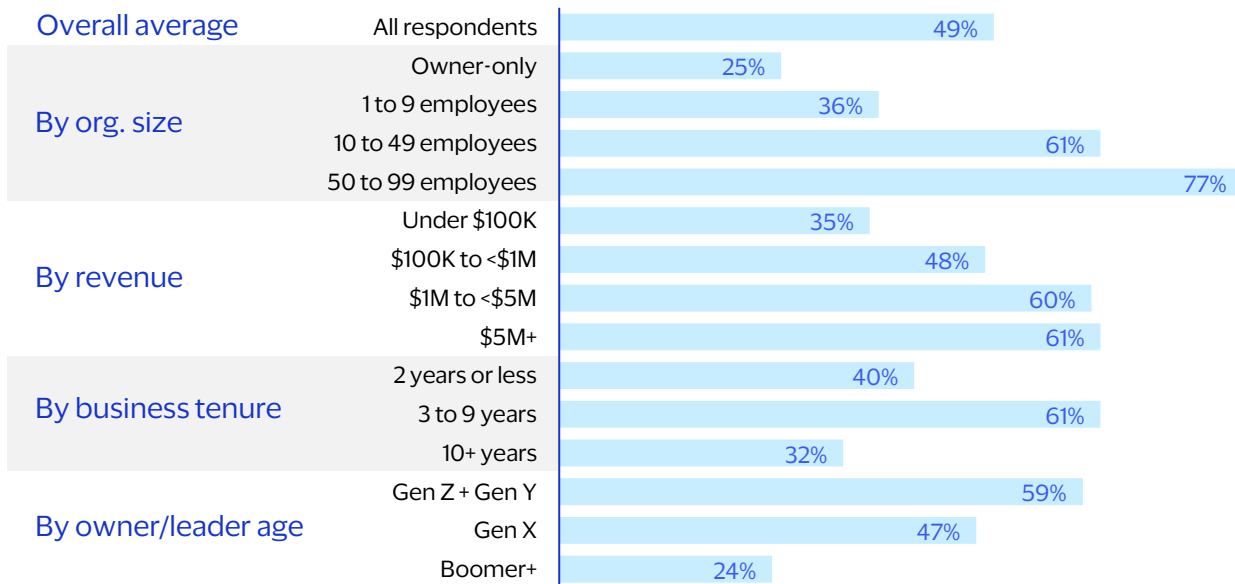
Has a sustainability strategy/plan



49%

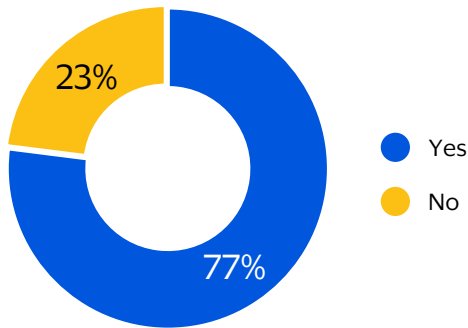
have a sustainability plan in place

Percent answering "yes"

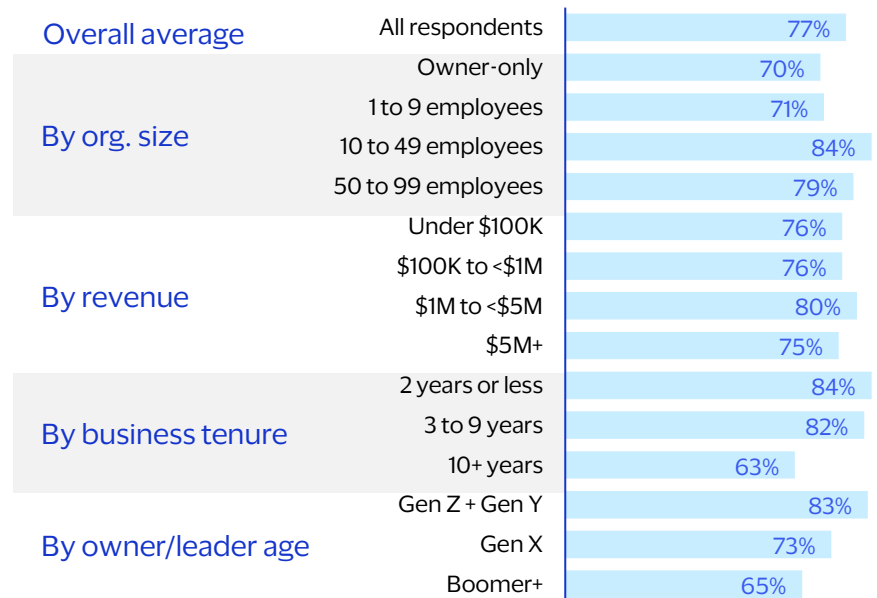


Sustainability Cont.

Is your business sustainable?



Percent answering "yes"



Top five sustainability challenges

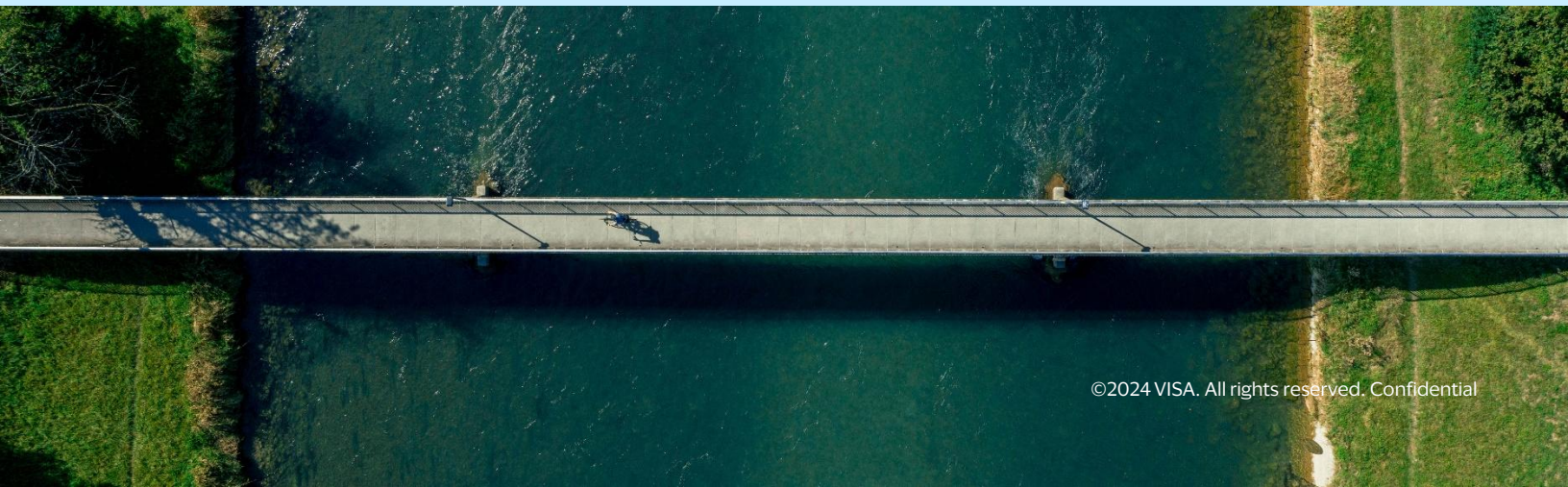
47%
Knowing where/
how to start

40%
Inability to create
value from
sustainability efforts

36%
Changing regulations

36%
Lack of budget

35%
Lack of personnel
to lead a meaningful
strategy

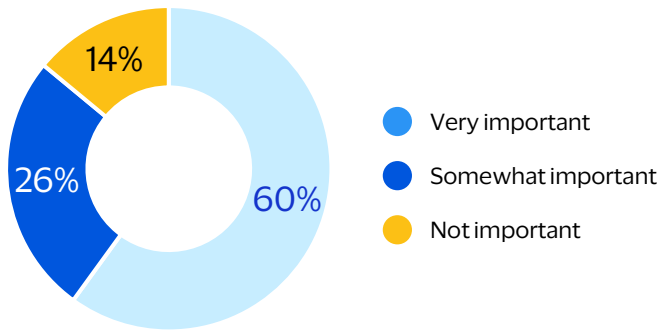


ONLINE REVIEWS

Six-in-ten Small Businesses say online reviews are very important to their business

Online reviews help Small Businesses understand and improve operations and broadcast positive word of mouth to prospective customers. Six-in-ten say reviews are very important to their business, with Google, Facebook and Amazon being the most important platforms.

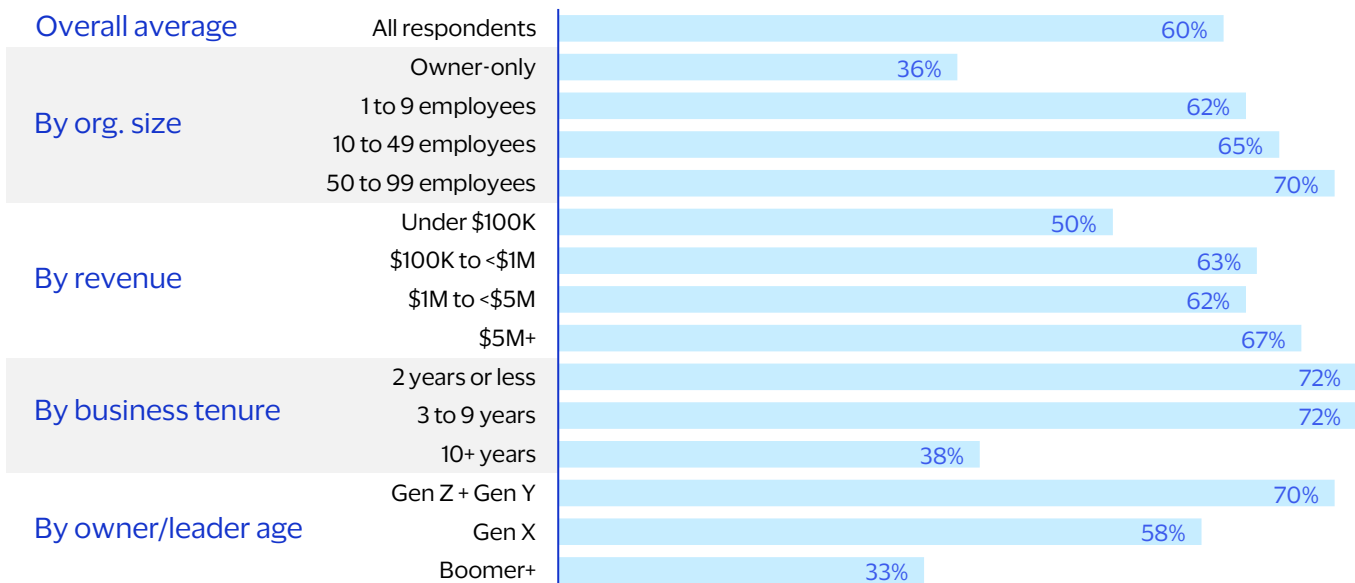
Importance of online reviews to business



86%

View online reviews as having some importance to their business

Conducts CSAT measurement

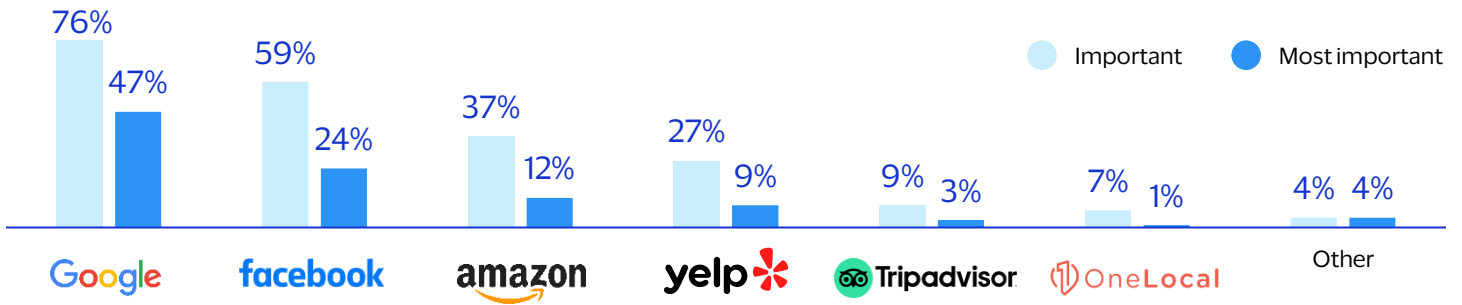


ONLINE REVIEWS

Online Reviews Cont.

Review platforms that are important to small businesses

(Among those for whom reviews are important)



17%

of Small Businesses monitor their reviews daily or more

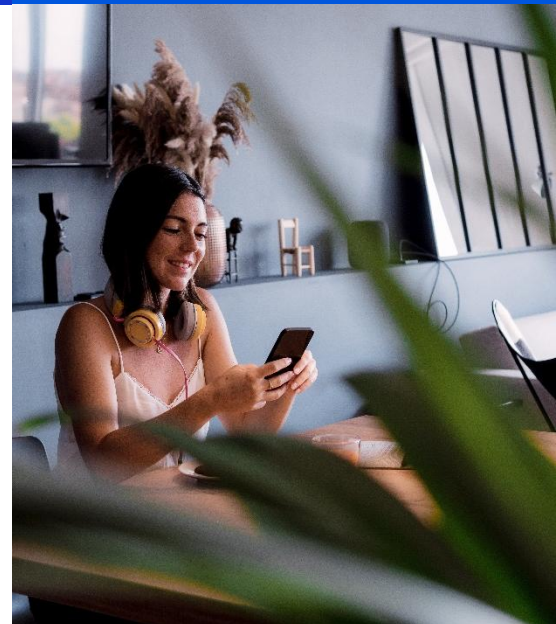
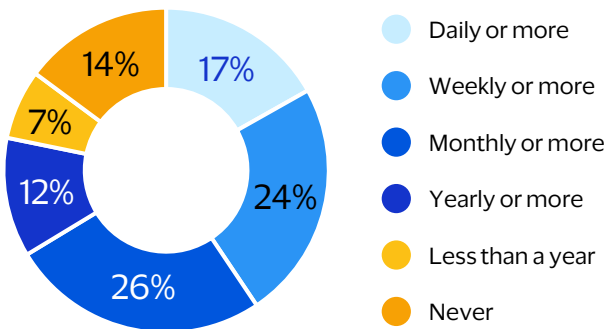
41%

monitor reviews weekly or more (includes the number to the left)

67%

monitor reviews monthly or more (includes the number to the left)

Frequency of monitoring online reviews

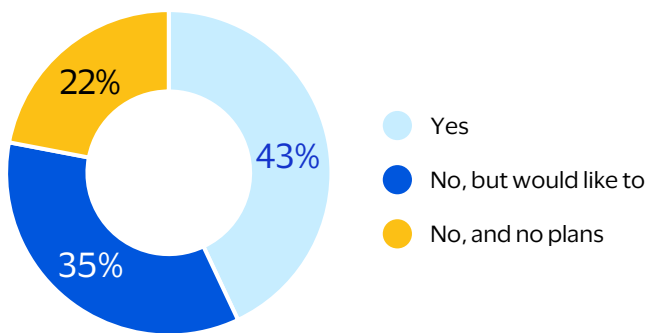


ONLINE REVIEWS

Online Reviews Cont.

Despite the importance of reviews to so many Small Businesses, only around four-in-ten (43%) have a specific strategy/approach for monitoring and managing online reviews. Most other companies would like to have such a strategy.

Whether has specific strategy/approach for monitoring and managing online reviews



43%

have a specific strategy/ approach for monitoring and managing online reviews

Percent answering "yes"

