Goldman Sachs 10,000 small businesses



The AI Economy Is a Small Business Economy

Goldman Sachs *10,000 Small Businesses*

October 2026

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Delorise Nettles
Delo's Heavenly House of Coffee, Gautier, Mississippi



Flora Grk
Tita Flora's, Independence, Ohio

01 INTRODUCTION

The AI Economy Is a Small Business Economy

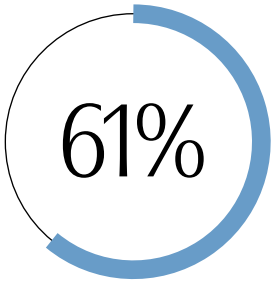
Small businesses remain the backbone of the American economy. They account for 99% of all U.S. businesses and, over the last three decades, were responsible for 61% of net new job creation.[1] Goldman Sachs *10,000 Small Businesses* graduates reflect this economic importance. Across the country, they are creating jobs, growing revenue, and serving as a leading indicator of how new technologies are being adopted and applied in the real economy. Over a 10-year period, they have added jobs at four times the rate of similarly sized U.S. businesses and graduates have generated over $32 billion in annual revenue.*

Artificial intelligence (AI) is now reshaping how businesses of all sizes operate, raising new questions about what it means to run a business in the years ahead. Small businesses are expected to play a defining role in deploying this technology across the economy, and our graduates are at the leading edge of this transformation.

THE SMALL BUSINESS ECONOMY

99%

of all U.S. businesses are small businesses



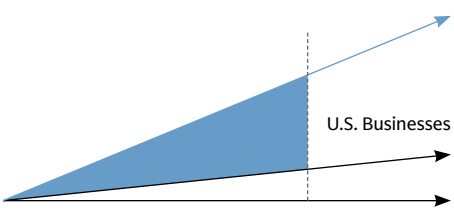
of net new jobs over the last three decades were created by small businesses

10,000 SMALL BUSINESSES GRADUATES

$32B+

in annual revenue generated by graduates

4x the job-growth rate of similarly sized U.S. businesses over 10 years



* For more information, please see the Methodology & Sources section of this report on page 24.

What This Report Tracks

How use cases are evolving
How graduates are shifting AI from marketing tasks toward finance, planning, and operations.
Section 2

How adoption has grown
Where AI use has spread fastest, and where gaps remain by geography and generation.
Section 3

The road ahead
What the graduate community's experience says about integration, training, and the next two years.
Sections 4 and 5

Adoption Alone Does Not Tell the Full Story

The initial conversation around small businesses and AI centered on a basic question: Are small businesses using AI? Among Goldman Sachs *10,000 Small Businesses* graduates, the answer is clear. Today, 86% of those surveyed report using AI in their business, up from 56% just two years ago.

But adoption is only part of the story. While AI use is now widespread, just 15% of graduates have fully integrated AI tools into their core operations, marking significant differences in how deeply our graduates are using AI.

Our data suggest that AI is increasingly transforming the work that matters most to small business owners: analyzing finances, developing strategy, making operational decisions, and delivering high-quality customer service. Our graduates' experiences also reveal a more nuanced picture of AI adoption, with some embedding it into their workflows and others using it for more discrete tasks. The gap between adoption and integration is now the defining frontier for small businesses.

86%
of graduates use AI

15%
of graduates have fully integrated AI into their core operations

This report primarily draws on a survey of 2,473 Goldman Sachs *10,000 Small Businesses* alumni, marking the third year we have tracked AI adoption across our graduate community. See the Methodology & Sources section on page 24 for details.



Ariel Pedrosa

Advanced Multi Sign Corp, Hialeah, Florida

Ariel Pedrosa, owner of Advanced Multi Sign Corp, often receives bids for sign orders in the hundreds, each of which must be reviewed against state sign codes and ADA requirements. Ariel and his team introduced AI to compress this detailed regulatory review process from days to minutes, while maintaining human oversight throughout the process. His design team also uses AI to calculate pressure and structural requirements for sign mockups under different weather, lighting, and visibility conditions before production.

"AI lets me upskill my employees while driving productivity at an individual level. Though there was some fear at first, I'm now seeing my employees encourage each other to use it more in their workday."

02 USE CASES

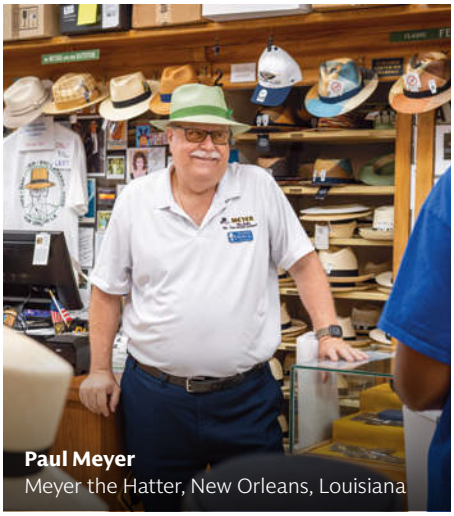
From a Content Tool to a Business Tool

In our 2024 survey, findings showed that small business owners were using AI for day-to-day business tasks including generating written marketing content and enhancing productivity.

Even as AI development has grown substantially in the last few years, our data shows the use of AI for these routine tasks are still common, but they are no longer the defining use cases. In fact, the share of graduates using AI to write marketing content has declined since 2024, from 74% to 65%. Overall, small business owners are deepening their engagement with the technology.

These shifts reflect a move from AI as a content tool to a business tool. Small business owners are increasingly using AI to support the work that is most critical to them: analyzing their finances, developing their business for growth, and informing better decisions.





Paul Meyer
Meyer the Hatter, New Orleans, Louisiana





Mark Stosich
Stosich Incorporated, Lima, Montana

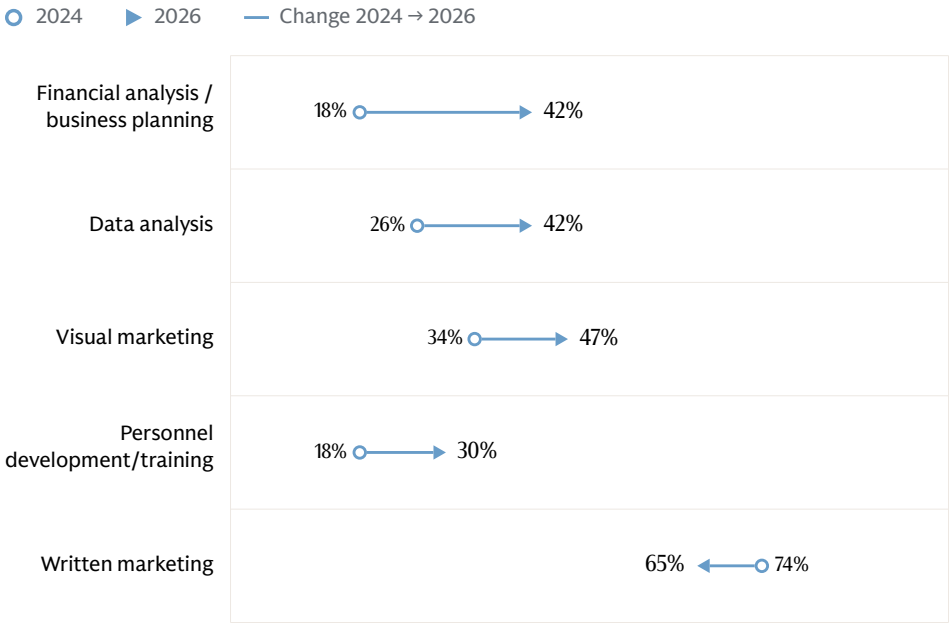


Jorge Ojeda
HAWK Construction, El Paso, Texas

Use Cases Are Shifting Toward Business Decisions

The fastest-growing use case is financial analysis and business planning, which has more than doubled over two years, from 18% of AI users in 2024 to 42% in 2026. Utilizing AI for data analysis has also grown sharply, rising from 26% to 42% over the same period.

The five biggest shifts in AI use since 2024



The five most common uses of AI in 2026

Share of graduates who use AI



"One of the most valuable applications has been using AI to connect information that traditionally exists separately—financial data, customer relationships, service operations, staffing, and growth planning—to help us make more informed business decisions."

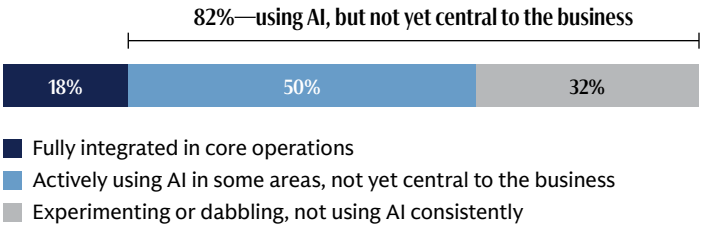
Owner of a mechanical contracting business in Ohio, 2026 *10,000 Small Businesses* graduate

Full Integration Is Still Far Off

High adoption does not mean deep integration. Even as 86% of graduates surveyed use AI, most are still in the early stages of embedding it into their businesses' operations.

How deeply graduates have integrated AI

Share of AI-using graduates

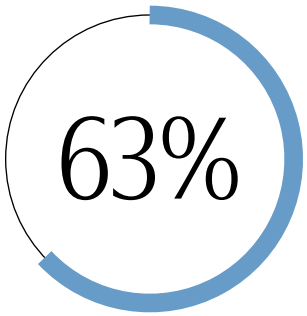




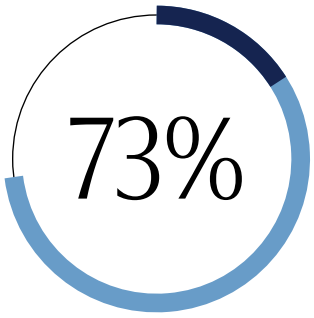
Derek DesRosier
Sun Tours, East Glacier Park, Montana

"We built AI agents that audit our medical billing every night, flag denials and underpayments, build worklists for our biller, and call insurance payers about stuck claims using an AI voice agent, [giving] a ten-person clinic the back office of a much larger group."

Medical clinic owner in Georgia, 2025 *10,000 Small Businesses* graduate



of AI users use it every day



of AI users spend less than $100 a month on AI tools, including those using only free tools

16% use only free tools

The tools graduates are employing tell a similar story. Most graduates (86%) who use AI rely on standalone generative AI chatbots (e.g., ChatGPT, Claude, or Gemini) or AI features built into existing software (54%; e.g., QuickBooks AI Agents or Microsoft 365 Copilot) as their primary interface with the technology. Only a fraction of AI-using alumni are using agentic AI (18%), coding tools (19%), or custom-built solutions (12%), which tend to require more technical investment and signal a deeper level of integration.

Even so, most small business owners who use AI do so regularly, with 63% using it daily, and at low cost—73% are either using free tools or spending less than $100 per month. AI has become an affordable, habitual part of running a small business, creating a foundation for deeper integration in the future.



Toutou Marsden

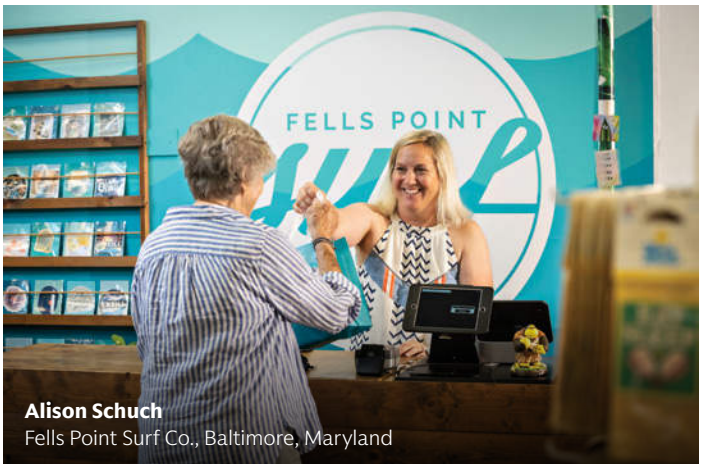
Dell Lea Weddings & Events, Chichester, New Hampshire

Toutou Marsden is the owner of Dell Lea Weddings & Events, a full-service wedding venue in New Hampshire with gourmet catering, scenic grounds, and a restored 1788 barn for events. Running a business and planning weddings requires enormous amounts of organization, creativity, and energy, so Toutou uses AI for help with idea generation and workflow management. To help with marketing, her AI agent provides a fleshed-out media calendar, complete with ideas and drafts that align with her brand voice. Toutou also uses her agent as a thought partner, using client details to suggest wedding designs and layouts that Toutou can build upon instead of starting from scratch. She also uses AI to help write formal standard operating procedures and perform market research.

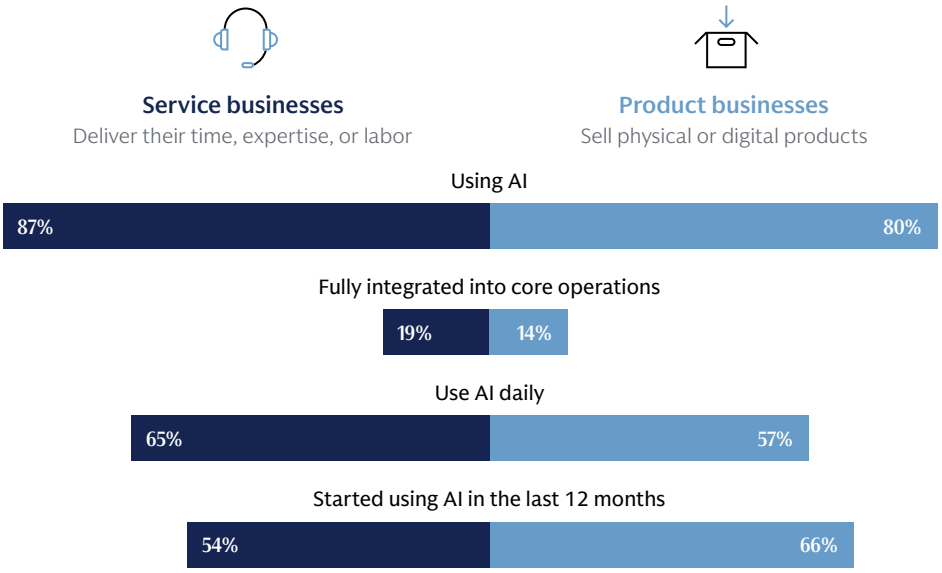
"There are days when I'm moving between running the venue, meeting with couples and thinking about how to market the business. Instead of sitting down at the end of the day with a blank page, I can use AI to get the ideas flowing and give me something to react to. It feels like having another person in the room to brainstorm with."

Industry Shapes How Small Business Owners Use AI

Service businesses, which primarily deliver their time, expertise, or labor, are further along in AI adoption and integration than product businesses, which primarily sell physical or digital products. The gap extends beyond who is using AI to how deeply they have embedded it: service businesses are more likely to describe AI as fully integrated into their core operations and report higher rates of daily use. Product businesses, by contrast, are more recent adopters, with a higher share having started to use AI in the last 12 months.



Alison Schuch
Fells Point Surf Co., Baltimore, Maryland

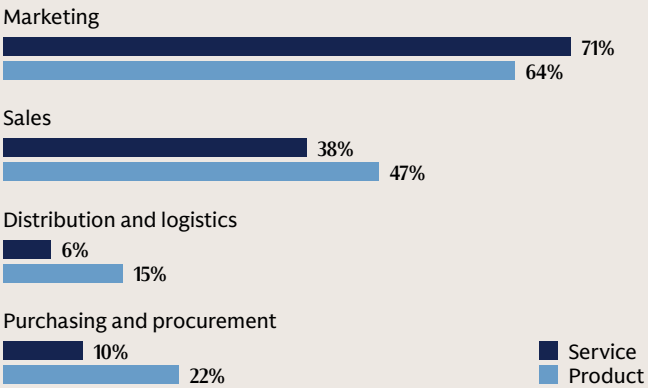


87%

of service businesses use AI, compared with 80% of product businesses. They also integrate it more deeply and use it more often.

How service and product businesses differ in their use of AI

Share using AI in each area: service businesses skew toward marketing and outreach, product businesses toward sales, logistics, and procurement



The ways these two groups use AI are also distinct and largely represent the nature of their work. Service businesses show higher AI use for marketing, reflecting the content generation and customer outreach that knowledge-based businesses depend on. Product businesses are more likely to apply AI to sales, distribution and logistics, and purchasing and procurement, reflecting the operational realities of making and moving physical products.

Overall, the data suggests that service businesses began using AI earlier and are going deeper, while product businesses are catching up and applying AI to the parts of their operations where the need is most immediate.



Kevin Clark

Shell Campground, Shell, Wyoming

Kevin Clark owns and operates Shell Campground, a campsite minutes from Bighorn National Forest with cabins, glamping tents and RV parking. To better support his customers around the clock, Kevin created a custom AI agent named "Shelly" to answer common questions and let his team focus on the things they're best at. Shelly takes customer questions over chat on their website or over the phone when customers call. Kevin has also leveraged AI to develop a custom welcome app for the TVs in the cabins, to automate expense categorization and filing in his accounting software, and to answer employee questions about their booking software.

"Eighty percent of the questions we get from guests are asking for relatively simple information. Shelly helps us to answer those questions faster for guests and around-the-clock, freeing up our staff to focus on the rest of running the campground."

The Employee Gap

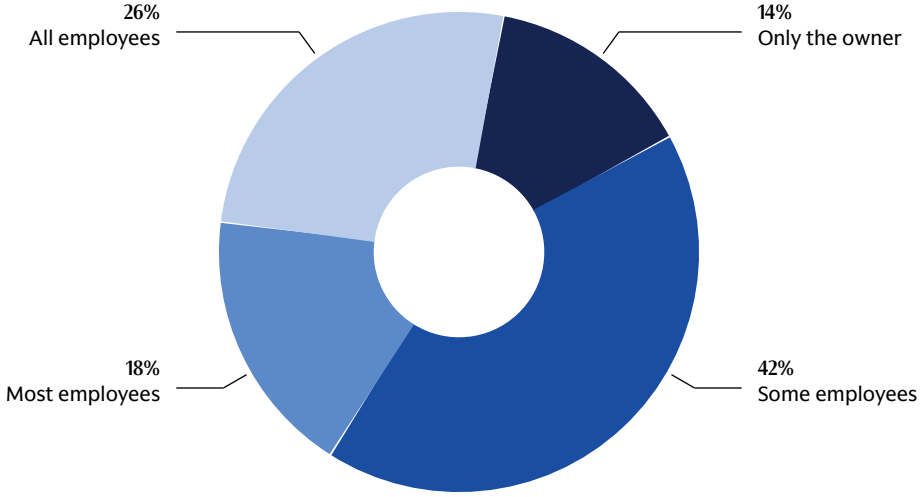
While business owner adoption of AI is becoming more widespread, they report lower employee adoption rates and limited organizational structures around AI use: 74% of business owners who use AI have no formal policy governing how their employees use it.

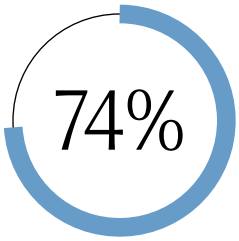
Among businesses that are using AI, reported employee adoption rates vary widely.



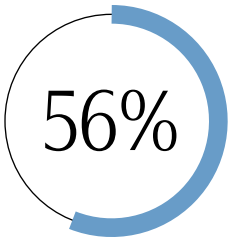
Casey Bevan
Ferreus Industries, Bluffdale, Utah

Employee AI use
among AI-using businesses



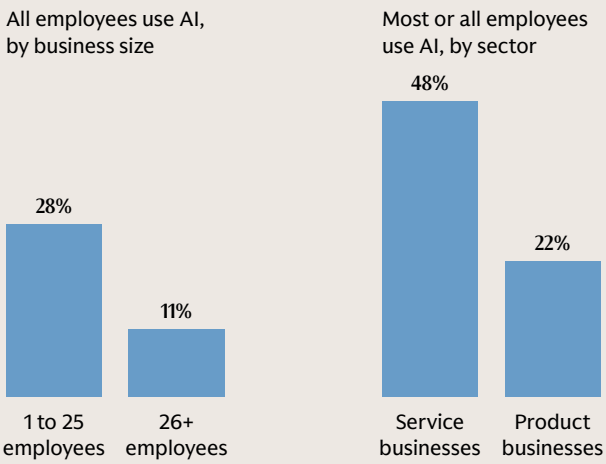


have no formal policy for how employees use AI



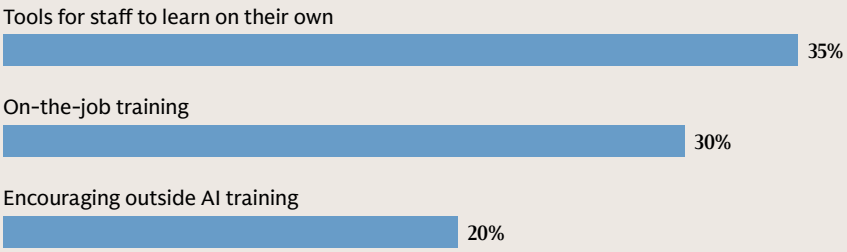
are actively upskilling staff

Where employee use runs deepest
Share of AI-using businesses, by business size and sector



Employee adoption is further shaped by both business size and sector. Smaller businesses show more widespread employee use: 28% of businesses with 1 to 25 employees report that all employees use AI, compared to just 11% of businesses with 26 or more employees. Similarly, service businesses are further along than product businesses, with 48% reporting most or all employees using AI, compared to 22% for product businesses.

How graduates are upskilling staff for AI



Despite varied uptake among employees, more than half (56%) of alumni surveyed are working on AI upskilling for their staff. The most common approaches are: providing AI tools for staff to learn on their own (35%), offering on-the-job training (30%), and encouraging staff to take outside AI training (20%).

AI has spread quickly among small business owners, but that adoption has not yet fully permeated their organizations—especially among larger, product-based businesses. Small businesses are now moving toward the next challenge: making AI an organizational capability. Building a structure, including formal policies and employee upskilling, will take AI from an owner's tool to a business-wide asset.



Bob McClure

McClure's Pickles, Detroit, Michigan

Bob McClure, co-owner of McClure's Pickles, layered AI over his company's digital records to create a central location where his staff can go to find detailed answers on operations, quality control, KPIs on maintenance, sanitization, and product recall traceability without missing a beat. Now, his employees can track and store their daily production notes in a centralized location, run mock recalls to ensure quality control, and build out production forecasts in minutes, giving each of his employees more ownership over their work and letting Bob focus on the big picture at his company.

"When data is in multiple places, it adds inefficiencies to your system. AI is able to digest that information in a democratized way."



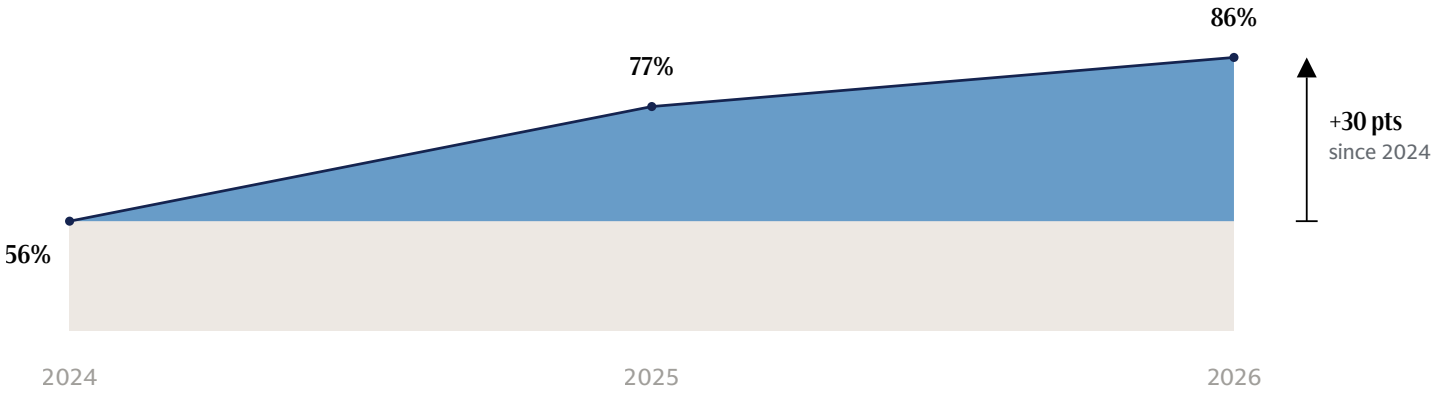
Mathew Wong
Tea and Milk, New York, New York

03 ADOPTION

AI Adoption Has Grown Rapidly But Unevenly

In July 2024, just over half (56%) of *10,000 Small Businesses* graduates surveyed were using AI in their businesses. By 2025, that figure had risen to 77%, and today it stands at 86%—an overwhelming majority. In just two years, the technology has become the norm for small business owners in the *10,000 Small Businesses* community, outpacing the average U.S. small business owner.[2]

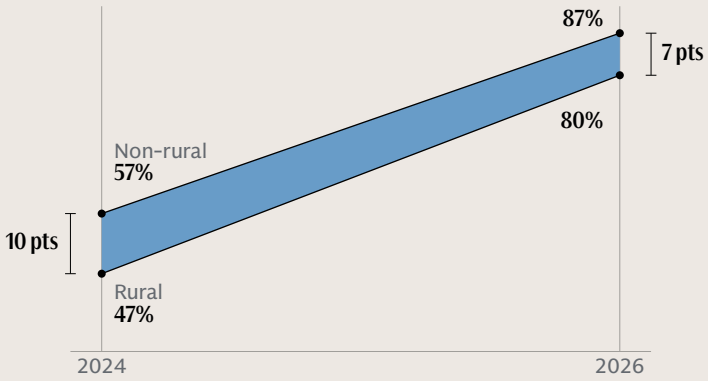
86% of graduates surveyed use AI in their business, up from 56% two years ago



Adoption Is Uneven

While the overall adoption rate of AI is striking, there are significant differences in how small business owners are using AI across age and demographic groups. Seven points now separate rural and non-rural graduates in AI adoption, down from a 10-point gap in 2024.

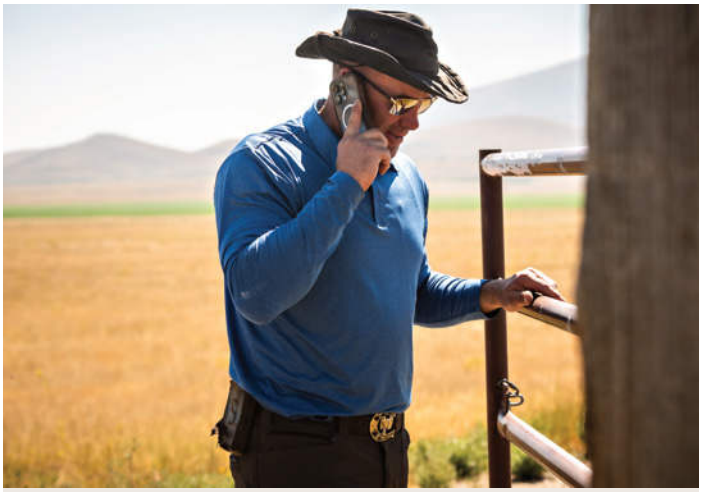




The Rural/Urban Divide Persists, but Is Closing

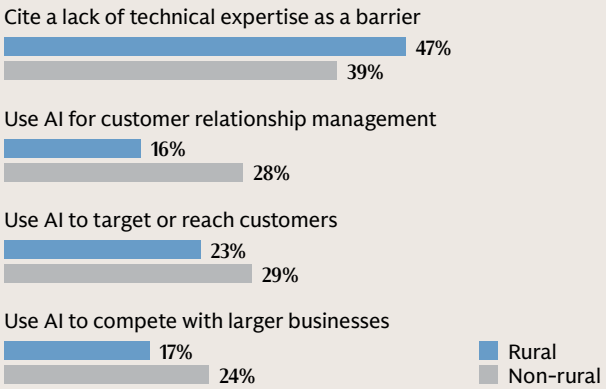
In 2024, there was a clear AI adoption gap between rural graduates and their non-rural counterparts: 47% (rural) versus 57% (non-rural), a 10-point difference. Just two years later, both groups have grown their AI usage substantially and the gap has narrowed to 7 points: 80% of rural alumni now use AI, compared to 87% of non-rural alumni. Despite this evolution, AI-using rural graduates are still more likely to cite a lack of technical expertise as a barrier to deeper AI integration compared to non-rural graduates (47% vs. 39%). Access to education remains critical to helping rural small business owners fully realize the benefits of AI.

Among alumni who use AI, rural small business owners are less likely than their non-rural counterparts to use it for customer relationship management (16% vs. 28%) even as other use cases are equally common between rural and non-rural alumni. Further, rural graduates are less focused on using AI to target or reach customers (23% vs. 29%) or compete with larger businesses (17% vs. 24%) compared to their non-rural counterparts. Taken together, this data suggests a pattern of AI use that is consistent with how rural small business owners have historically operated: trusted by their local communities because of their high-touch approach to customer service.



Where rural AI use differs

Behaviors among graduates who use AI, rural vs. non-rural



Generational Gaps

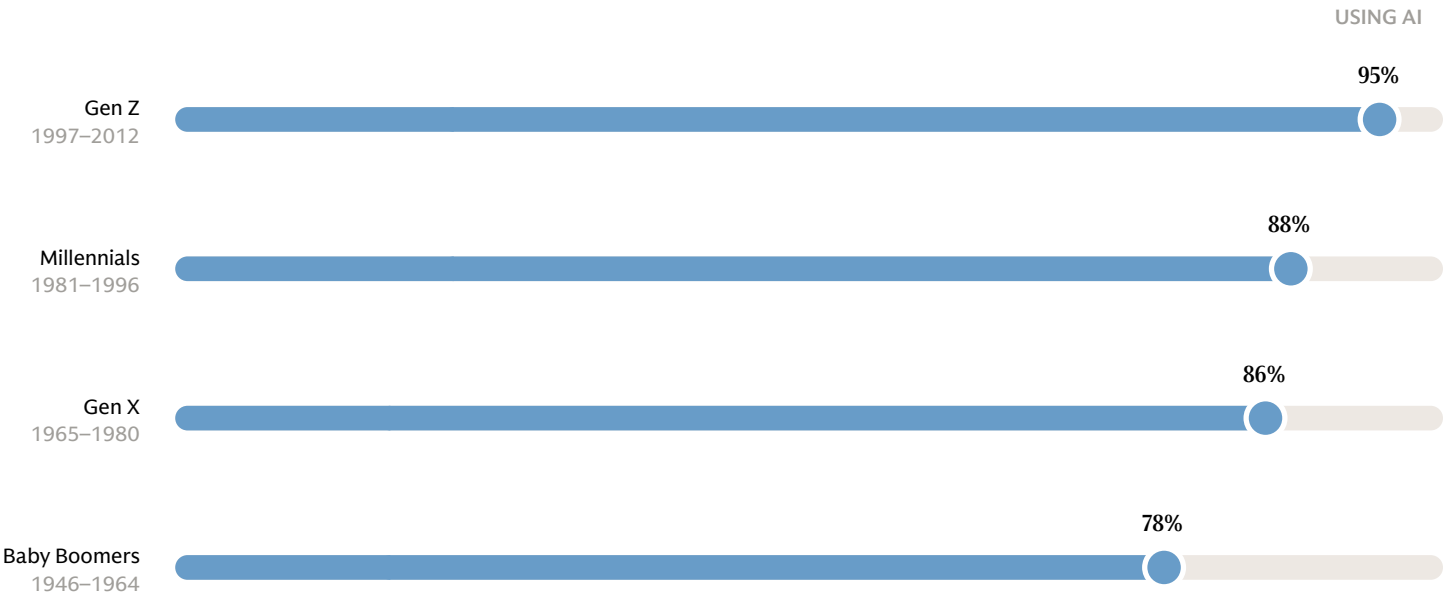
AI adoption among small business owners is also closely tied to owner age: younger business owners have adopted AI at significantly higher rates.

The generational difference extends beyond who uses AI to how they use it. Younger (Gen Z and Millennial) owners are integrating AI across more areas of their business—particularly management, operations, finance, customer service, and logistics—and are more likely to have AI fully integrated into their core operations than their older (Gen X and Baby Boomer) counterparts (21% of younger owners fully integrate AI into their business compared to 16% of older owners). Meanwhile, younger owners show lower use of AI for visual marketing content than older owners (42% vs. 50%) and are less likely to cite a lack of technical expertise as a barrier to further AI integration (34% vs. 43%). This data suggests diverging trajectories: Younger owners are moving toward more complex, business-wide AI use while older owners are more likely to stick with more straightforward applications.



AI adoption by generation

Share of graduates who use AI, by generation



04 PROGRAM IMPACT

The 10KSB Effect

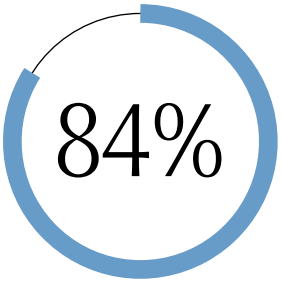
Graduates are using AI in ways that track closely with the *10,000 Small Businesses* program curriculum. Many of the leading AI use cases, including financial analysis, strategy development, and research and development, map directly onto the core competencies of the program: understanding financials, developing a growth plan, and thinking strategically about the future of the business. Graduates build skills in the program that shape not just how they run their businesses, but how they engage with new tools like AI.

10KSB at a Glance

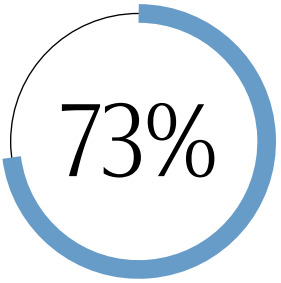
19,300+ graduates since the program's founding, in all 50 states and D.C.

$32B+ in total annual revenue

355,000+ people employed by graduates' businesses



of alumni do business with other graduates



mentor other small business owners





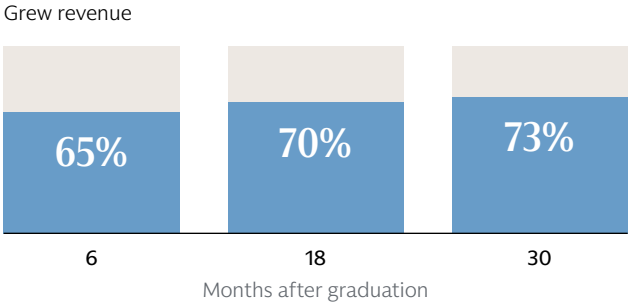
Sonya Brazeal
Amazing Window Cleaners, Houston, Texas

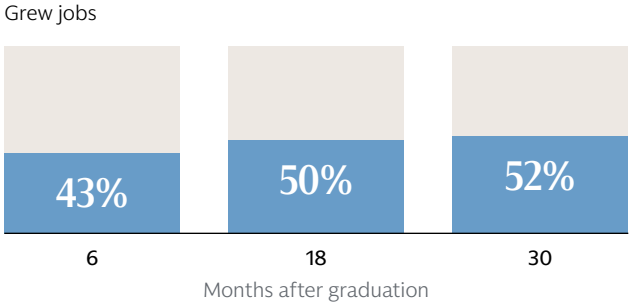
Data on *10,000 Small Businesses* alumni were drawn from a series of surveys collected longitudinally from program participants. See Methodology & Sources on page 24 for details.



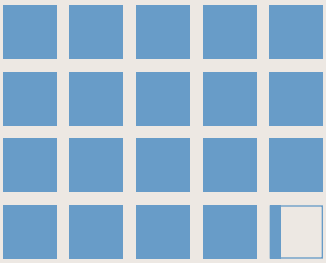
A Track Record of Growth

Share of graduates reporting revenue and job growth, by months since graduation



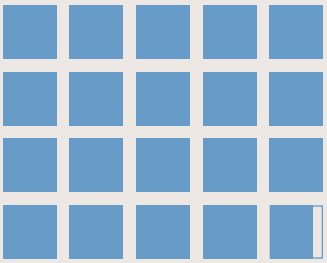


Program Performance



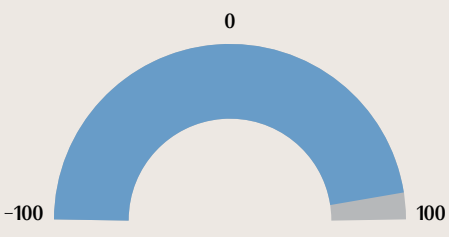
96%

of participants complete the program



99%

are likely to recommend 10KSB to a friend or family member



+90.2

Net Promoter Score

Personal Financial Well-Being

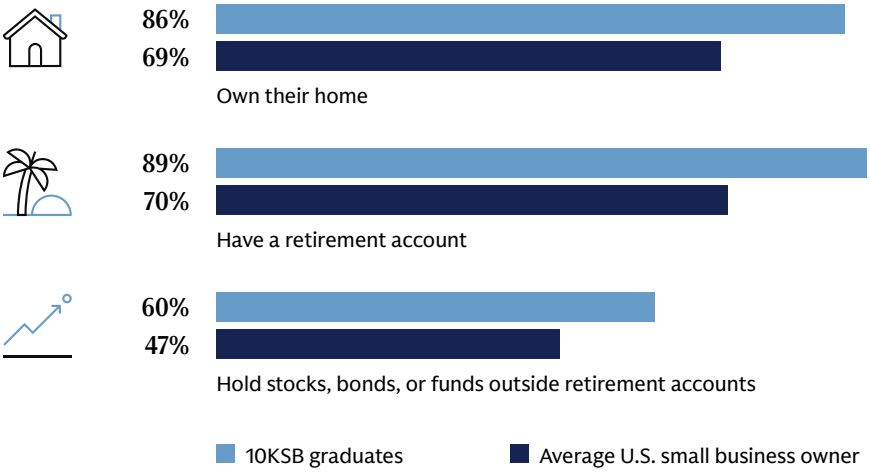
Graduates' success extends beyond their businesses. Across a range of personal financial indicators, our graduates surpass the average small business owner.[3]


Jessica Dehn
Dino Drop-In, Bozeman, Montana



Graduates vs. the average small business owner

Share who have each, 10KSB graduates and U.S. small business owners



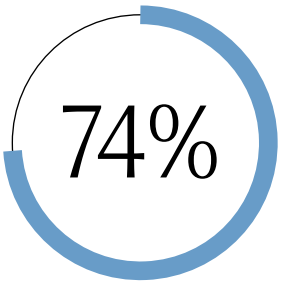
Running a small business is challenging and has always demanded resourcefulness. The 2026 data shows that, across financial resilience, growth, and AI adoption, our graduates are adapting, making decisions, and finding opportunity where others see obstacles.


Aisha Akpabio
Diamond Smiles Dentistry, Detroit, Michigan

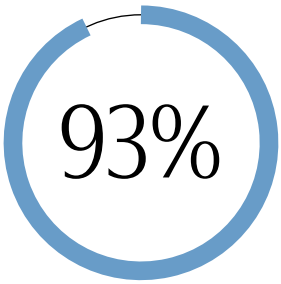
05 THE ROAD AHEAD

The AI Opportunity

10,000 Small Businesses graduates we surveyed broadly believe in the benefits of AI for their businesses. Seventy-four percent say they are predominantly optimistic or cautiously optimistic. Among the 86% who are already using AI, 93% say it has had a positive impact on their business.



feel optimistic or cautiously optimistic about AI



of AI users say it has had a positive impact on their business

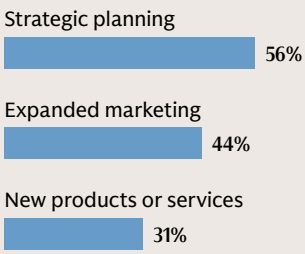
For the majority of graduates, AI has not come at the expense of jobs: 84% of the business owners using AI report no workforce change, 5% have added positions, and 6% report a reduction in employees because of AI, with the remaining business owners unsure. Most small business owners are embracing AI to shift how they spend their time. Among those using AI, 74% cite increased efficiency and time savings as a primary benefit. Graduates are using that time to focus on the work that most directly drives growth: strategic planning (56%), expanded marketing efforts (44%), and developing new products or services (31%). That is, working on their business rather than in it.

74%

of AI users say efficiency and time savings are a primary benefit

Working on the business, not in it

What AI users do with the time they save



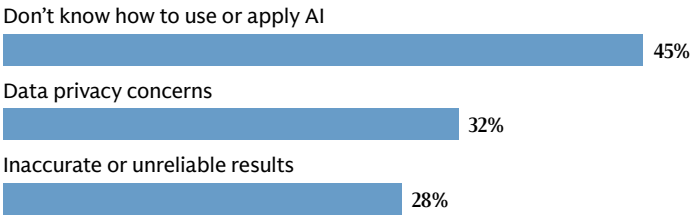


Barriers and the Appetite for Support

Among the 14% of graduates who are not yet using AI, the primary barrier is uncertainty. Forty-five percent of non-users say they do not know how to use or apply AI in their business. Thirty-two percent cite data privacy concerns, and 28% worry about inaccurate or unreliable results. These are solvable challenges that training, peer exchange, and trusted guidance can address.

What holds non-users back

Reasons cited by the 14% of graduates who are not yet using AI



That appetite for support extends across our small business owner community. Seventy-seven percent of our graduates—users and non-users alike—say they would benefit from additional AI training and resources. Today, most graduates turn to self-directed experimentation and online communities for AI guidance, including the *10,000 Small Businesses* community.



Barry Selland
Selland Trucking
Woonsocket, South Dakota

77%

of graduates, users and non-users alike, say they would benefit from additional AI training and resources.



LaTeasha Gaither-Davis

Therapeutic Focus, Marion, Arkansas

Dr. LaTeasha Gaither-Davis is the founder of Therapeutic Focus, an Arkansas-based pediatric therapy practice. She initially just used AI to manage her inbox and calendar before taking on the challenge of integrating AI into her business. Dr. Gaither-Davis now uses AI to clarify employee manuals, build spreadsheets, and complete competitive analyses for a brand refresh and website redesign, all work that she didn't have the time to handle before.

"I see so much potential for using AI in my business. I've just started and already I have hours back that let me focus more on growing my business and delivering high-quality care to my patients."



06 CONCLUSION

Looking Ahead

The challenge for small businesses is no longer whether to adopt AI. It is how to adopt AI. That means thinking about AI strategically, thoughtfully deploying it in their organizations, and focusing on applications that produce real and lasting results. *10,000 Small Businesses* graduates are already leading the way. Continuing to support our alumni, and the millions of small business owners across the U.S., is the work ahead.

"The most meaningful impact AI has had on my business is increasing my capacity as a small business owner. Like many entrepreneurs, I wear multiple hats, and historically, many ideas remained on my to-do list simply because I did not have the time or resources to execute them. AI has helped me bridge that gap . . . Most importantly, AI has helped me spend less time simply working in my business and more time thinking and operating like a CEO."

Hair salon owner in Alabama, 2024 *10,000 Small Businesses* graduate



Rhys Powell
Red Rabbit, New York, New York

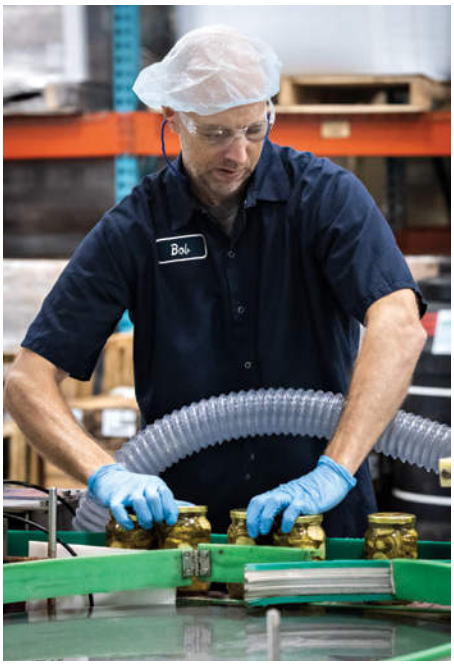




Victoria Thomas
JourneyFit, Dallas, Texas



Jay Covitz
Ron's Ice Cream & Bowling, Hyde Park, Massachusetts





Anna Huthmaker
Huthmaker Violins, Atlanta, Georgia

APPENDIX

Methodology & Sources

2026 Alumni Survey. This report is based primarily on responses from 2,473 Goldman Sachs *10,000 Small Businesses* alumni who participated in the 2026 Alumni Survey, conducted by Babson College from August 10–24, 2026. The survey was sent to 14,967 alumni and received a 16.5% response rate, with an 85.6% completion rate (2,117 complete responses, 356 partial). Businesses were classified as goods- or service-producing using U.S. Bureau of Labor Statistics definitions, with NAICS sectors 11–33 classified as goods-producing and sectors 42–81 as service-producing; sector 92 was also included as service-producing. Longitudinal comparisons draw on responses to the Goldman Sachs *10,000 Small Businesses* 2024 and 2025 Alumni Surveys. Figures reported are based on surveyed alumni responses and may not be representative of all program alumni. The surveys provide year-over-year comparisons of respondent groups and do not necessarily track the same businesses over time.

Measurement Surveys. Data on *10,000 Small Businesses* alumni were also drawn from a series of surveys conducted by Babson College, with data current as of September 18, 2026. The surveys are collected longitudinally from program participants and administered at "baseline" (i.e., prior to entering the program), graduation, 6 months after graduation, 18 months after graduation, and 30 months after graduation. These data are used to report program outcomes and longitudinal measures of business performance, including revenue growth, job growth, and other alumni outcome metrics presented throughout this report.

Comparative job-growth analysis. A comparative analysis between *10,000 Small Businesses* graduates and other small businesses in the U.S. offers evidence that *10,000 Small Businesses* graduates have, on average, outperformed similarly sized U.S. businesses in job growth over a ten-year period. The comparative analysis defined two groups as quasi "treatment" and "control" groups where the treatment group represents the *10,000 Small Businesses* set of graduate firms and the control group represents similarly sized national firms from the same time period. Control group data come from the Bureau of Labor Statistics and their Quarterly Census of Employment and Wages (QCEW) between 2014–2024. During that time, the average annual job growth rate among the treatment group was 6.6%, which exceeded the control group growth of 1.5% by more than four times. Due to data constraints, the findings do not account for differences between *10,000 Small Businesses* graduates and the broader U.S. comparison group, including differences in when employment data are collected, industry composition, geographic distribution, and other firm characteristics.

Sources

1 U.S. Small Business Administration Office of Advocacy, Frequently Asked Questions About Small Business, February 2026.

2 U.S. Census Bureau, Business Trends and Outlook Survey, BTOS – 1-25 Data.

3 Consumer Financial Protection Bureau (CFPB), Making Ends Meet Survey Public Use File, Sample 6, Wave 1 (2026). Small business owner subsample.

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