

# The pulse of the middle market



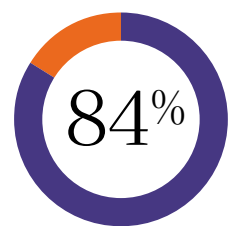
The Year-end 2025 Middle Market Indicator study captures real-time insights from C-suite leaders at U.S. companies with \$10M to <\$1B in revenue. It tracks key metrics — growth, performance, economic confidence, and outlook — offering a clear view into what financial decision makers are thinking and planning. The survey is conducted by RTi Research on behalf of the National Center for the Middle Market with funding support from Wells Fargo, Chubb, and Visa.

## Year-end 2025 Middle Market Indicator

### Revenue growth and expectations

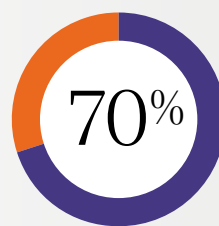
Revenue growth mostly steady YOY; more significant growth was driven by larger firms

YOY revenue growth



On average, 84% of middle market businesses indicated they had experienced growth in revenue between YE 2024 and YE 2025.

Revenue growth expectations

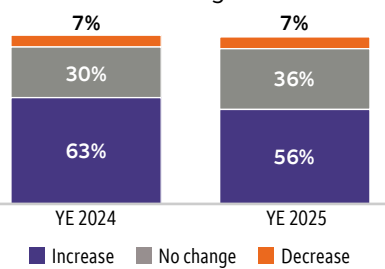


On average, 70% of middle market businesses expect continued revenue growth in 2026.

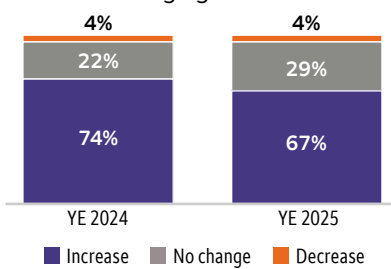
### Workforce size, wages, and talent

Employment reflects moderate growth in the second half of 2025 with little evidence of broad workforce reductions

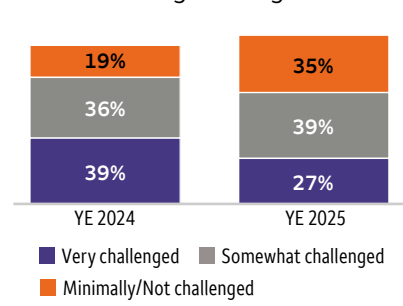
Workforce growth



Wage growth



Hiring challenge

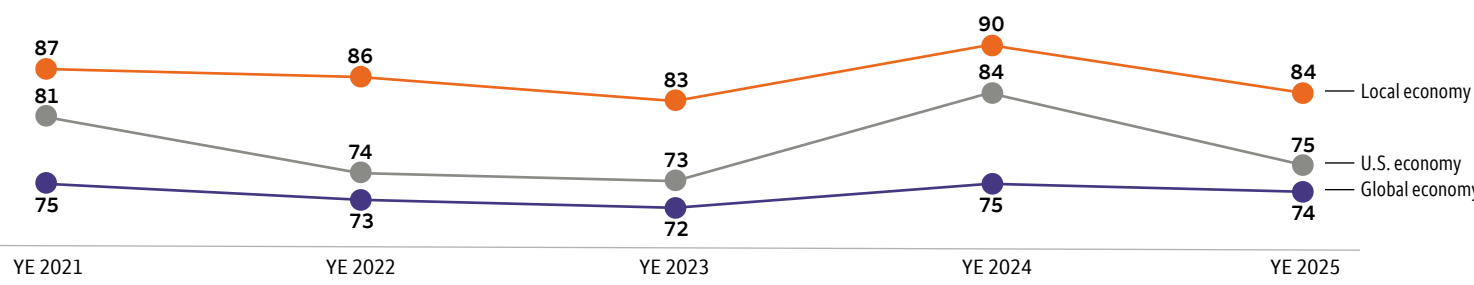


Leaders report workforce and workforce wages rose year over year, though more substantial growth occurred within larger firms. Of significance, the challenge of hiring talent to match available positions decreased in 2025.

### Economic confidence measured 2021–2025

Confidence in local economies and the U.S. economy dipped significantly from YE 2024 to YE 2025 with U.S. economic confidence dropping by 9%. Economic confidence remained fairly flat in 2025, and more closely paralleled post-pandemic levels.

Economic confidence of middle-market business leaders



### Top strategic priorities at YE 2025

Growth and profitability remain top priorities, but digital transformation is rising in importance

- Growing revenue/increasing sales
- Improving profitability/margins
- Expanding customer base
- Reducing operational costs
- Investing in technology
- Digital transformation (AI, automation, cybersecurity)



Digital transformation showed the most significant change during 2025, reflecting 7% increase

### Top business challenges at YE 2025

Cost pressures and economic uncertainty remain the most significant challenges, with technology adoption/integration challenges significantly rising in importance

Priority of challenges

% change YE 2024 to YE 2025

- Inflation and rising costs (materials, services, inputs) → ↑ 4%
- Economic uncertainty → No change
- Impact of tariffs and trade policy → ↓ 2%
- Attracting and hiring qualified talent → ↓ 5%
- Adopting/integrating new technology → ↑ 7%

### Capital investment, business expansion, and risks

Leaders are more inclined to invest extra capital in the business than save it as of YE 2025

#### Capital investment

36% will save

64% will spend

Saving priorities

22% Save for financial investment  
14% Hold more cash

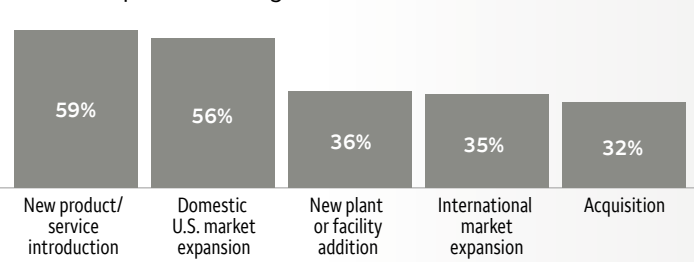
Spending priorities

18% AI Transformation  
11% Information Technology  
11% Real Estate/Plant/Equipment

#### Business expansion

Though approaching with more caution than at YE 2024, business leaders have plans for expansion in 2026

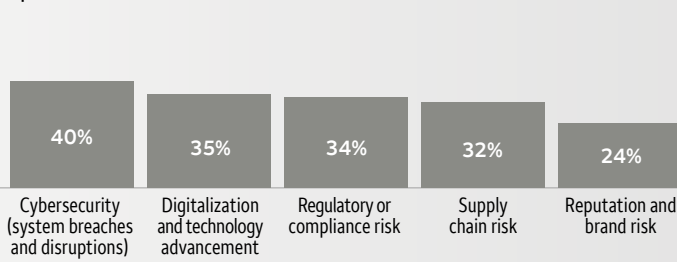
Business expansion during 2026



#### Business risks

Concerns are shifting more toward cybersecurity and technology while softening on supply chain

Top business risks as of YE 2025



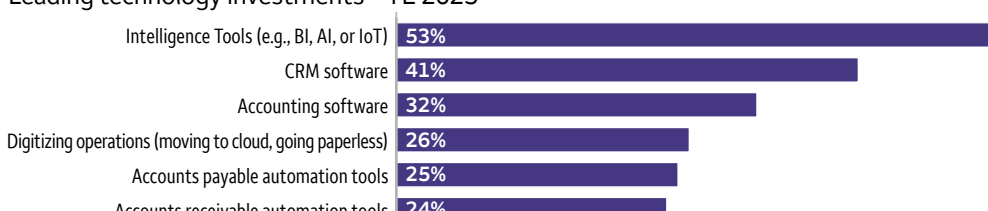
### Technology

The theme of technology, including digitization and artificial intelligence, permeated through business leader responses across most business categories. Planned tech investments in 2026 and beyond are prioritized heavily toward intelligence and AI-enabled tools

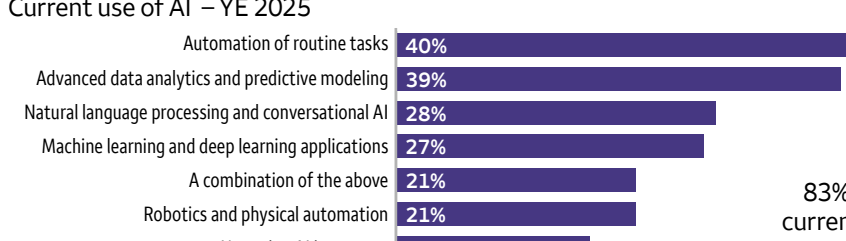
Expected benefits from technology investments include:

- Improved productivity (62%)
- Time savings (57%)
- Cost savings (56%)
- Improved customer experience satisfaction (43%)

Leading technology investments – YE 2025



Current use of AI – YE 2025



83% of firms are currently using AI in some manner

Click here to read the full report.

Contact us to discuss Wells Fargo's comprehensive financial solutions to keep your business moving forward.