



VOICE OF MAIN STREET:

Second Quarter 2026

Rising gas prices and expenses
squeeze small businesses



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Introduction

As the current affordability crisis is compounded by increasing fuel and transportation prices, *Voice of Main Street*, a quarterly opinion poll of entrepreneurs in Small Business Majority's network, finds that 67% of small businesses report that their business expenses have risen over the past three months while half of small businesses report decreased revenue over the same period.

The poll reveals that skyrocketing gas prices pose a financial challenge to small businesses: A whopping 74% report that they are being impacted by recent increases in fuel and transportation costs. Other business expenses also continue to rise, limiting the growth potential of small businesses. Entrepreneurs report that utilities (88%), the cost of raw goods and materials (88%), healthcare premiums (89%), and commercial rent (72%) have increased this year.

Small businesses are also feeling the impact of many consumers tightening their wallets. More than half (57%) of entrepreneurs are experiencing a slowdown in customer growth, and 63% report decreased profit margins this year. Only 5% report they have seen no change in costs or business conditions. As a result, many small business owners are making difficult decisions to stay afloat. They've had to increase prices of goods or services (65%), delay business investments (43%), freeze hiring (34%) and lay off employees (11%).

More small businesses are becoming pessimistic about their business prospects as surging fuel prices and other climbing expenses strain their bottom lines. It's imperative that the administration and congressional leadership act soon to address these worsening business conditions for our nation's job creators before we see even more instability on Main Street.

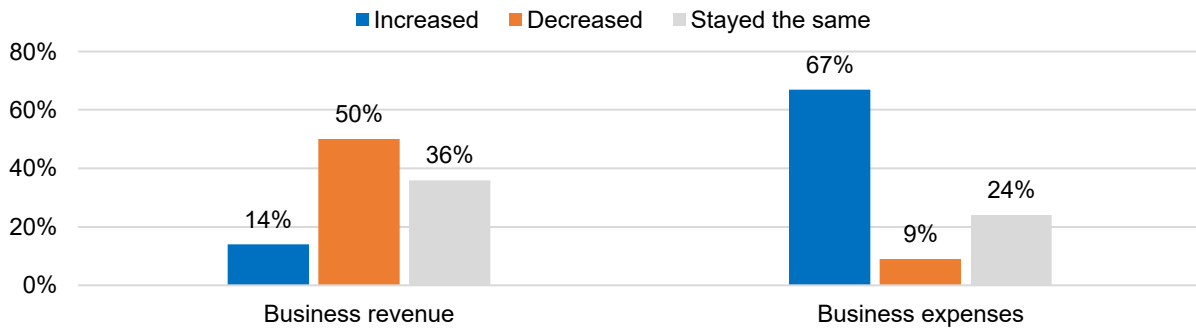
Additional key findings

- **Less than half (43%) of small businesses are optimistic about their business prospects over the next six months.**
- **Revenue has declined for half of small businesses** and increased only for 14% of small businesses.
- **Rising fuel and transportation costs have impacted 74% of small businesses.**
- About one-quarter of entrepreneurs have paid tariffs on imports for their businesses and **not a single business in our survey has received a refund through the Consolidated Administration and Processing of Entries (CAPE) portal.** The vast majority (64%) of businesses that paid tariffs had not yet applied for a refund while 7% have been denied a refund and 3% are still awaiting one.
- In the past six months, 28% of small businesses have applied for capital from a financial institution, with **11% of entrepreneurs receiving a loan.**
- **Being able to access capital shapes how small business owners feel about the future.** Among those who received a loan, 65% are optimistic about their business prospects and only 30% are pessimistic. Among those who were denied, only 32% are optimistic and 50% are pessimistic.

Gas prices and rising business expenses drive declining optimism among small business owners

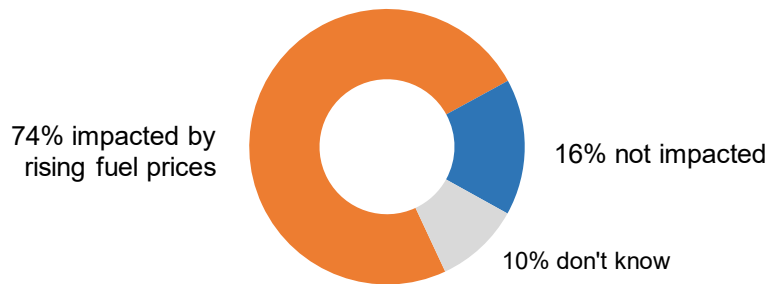
As challenging business conditions persist, small business owners are becoming increasingly negative on their business' outlook. Less than half (43%) of small business owners are optimistic about their business prospects over the next six months, which is a four percentage point decline from the previous *Voice of Main Street* poll. Meanwhile, nearly 4 in 10 (39%) are pessimistic. This sentiment comes as business revenue has declined for half of small businesses over the past three months. Revenue has stayed the same for 36% of small businesses and increased for only 14% of small businesses.

In the past three months, businesses saw decrease in revenue while expenses increased



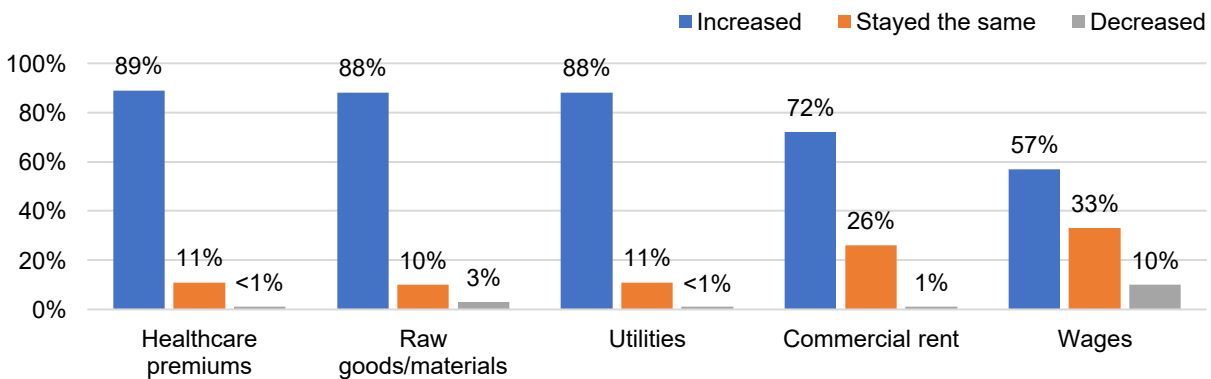
Furthermore, employee headcount has stayed the same for around two-thirds (65%) of small businesses, but it has decreased (27%) for more than triple the amount of small business than it has increased (8%). Additionally, 67% of small businesses report that their business expenses have risen over the past three months, and only 9% say they have decreased. The war in Iran led to rapidly increasing gas prices, and the overwhelming majority (74%) of small business owners say that they are being impacted by recent increases in fuel and transportation costs.

Fuel and transportation costs take a toll on small businesses



Entrepreneurs also can't catch a break from other rising business expenses: they say that utilities (88%), the cost of raw goods and materials (88%), healthcare premiums (89%), and commercial rent (72%) have increased this year. In response to increasing expenses and economic conditions, a majority of small businesses have increased prices of their goods or services (65%), experienced a decreasing profit margin (63%) and experienced slowed customer growth (57%) this calendar year. Other small businesses have delayed business investments (43%) and frozen hiring (34%) while only 5% say there has been a change in their costs or business conditions this year.

Business expenses are on the rise across all major expense categories



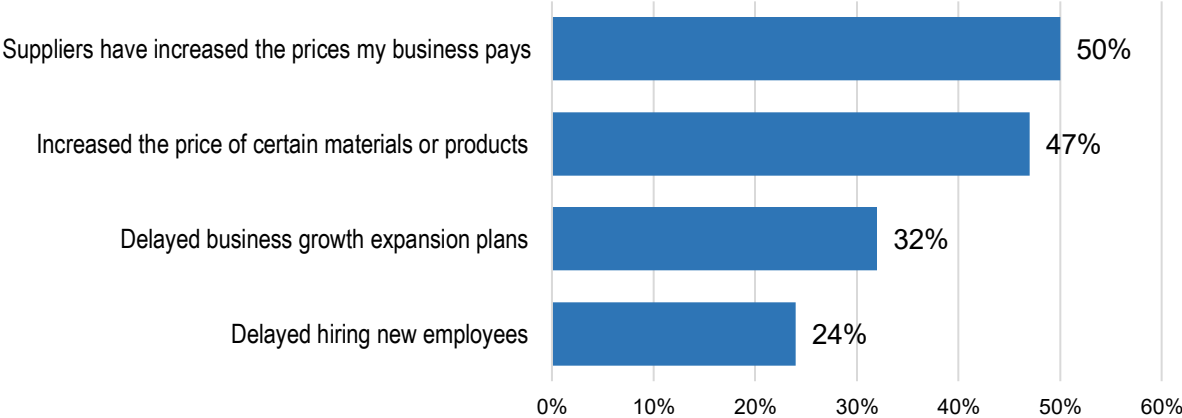
Additionally, entrepreneurs need capital in order to start, run and grow their businesses. Over the past six months, 28% of small businesses applied for business financing from a financial institution. Of those businesses, 39% received a loan while 47% were denied. Being able to access capital shapes not only what businesses can do, but how their owners feel about the future. Among those who received a loan, 65% are optimistic about their business prospects and only 30% are pessimistic. Among those who were denied, only 32% are optimistic and 50% are pessimistic.

It's not surprising that small businesses are facing a variety of financial challenges. Nearly 9 in 10 (87%) say that reduced consumer spending is a challenge, with 64% saying that it is a major challenge. The overwhelming majority (85%) also say that the increased costs of supplies/inventory are a challenge, and it is a major challenge for 62% of small businesses. Difficulty making payroll and/or paying business expenses (76%) and difficulty accessing capital (72%) are also challenging for small businesses. Additionally, many small businesses are facing operating challenges like attracting new customers and clients (89%), attracting and hiring qualified workers (66%) and attracting potential business partners and/or suppliers (65%).

As tariffs keep disrupting operations, refunds remain out of reach for most small business owners

Entrepreneurs are grappling with shifting tariff policies, facing many of the same challenges they encountered in the first quarter of 2026. Half of small business owners report that suppliers have increased the prices their business pays and nearly half (47%) of small businesses have increased the price of certain materials or products. They've delayed business growth expansion plans (32%), hiring new employees (24%) and importing materials or goods (22%). As a result of tariffs, some entrepreneurs have changed their business model and/or product offerings (11%), laid off workers and/or reduced their hours (9%), sought suppliers within the United States to reduce tariff impact (7%) and sought suppliers in other countries where there is less tariff impact (6%). Notably, 2% of small business owners had to close their business due to tariffs. Only 19% say that tariffs haven't impacted their business.

Most of small business owners report some form of negative impact from tariffs



About 1 in 4 (26%) entrepreneurs have directly paid tariffs on imports for their businesses. Recently, the U.S. Customs and Border Protection launched the Consolidated Administration and Processing of Entries (CAPE) portal, which allows eligible importers to apply for a refund for tariffs paid under the International Emergency Economic Powers Act (IEEPA) over the past year. Nearly two-thirds (64%) of businesses that paid tariffs have not applied for a refund while 7% have been denied a refund and 3% are still awaiting one. Not a single business in our survey has received a refund.

Conclusion

Rapidly increasing gas prices and other rising business expenses are straining small businesses, and many entrepreneurs have had to increase prices as customer growth slows. They continue to face financial challenges as uncertain economic conditions persist. Additionally, small businesses have paid tariffs on imports, but no respondents have received a refund. As federal decision makers consider new policies, it's crucial that they listen to the concerns of small businesses and prioritize legislation and executive actions that foster an environment in which entrepreneurs can thrive.

Methodology

This Voice of Main Street survey is a poll of 237 small business owners in Small Business Majority's national network during the second quarter of 2026. It was conducted between May 15 and June 8, 2026. The margin of error is +/- 6% at a 95% confidence level.

View full toplines on our website: <https://smallbusinessmajority.org/our-research/voice-of-main-street>