



# **SMALL BUSINESS ENERGY SURVEY**

February 2026

# SMALL BUSINESS ENERGY SURVEY

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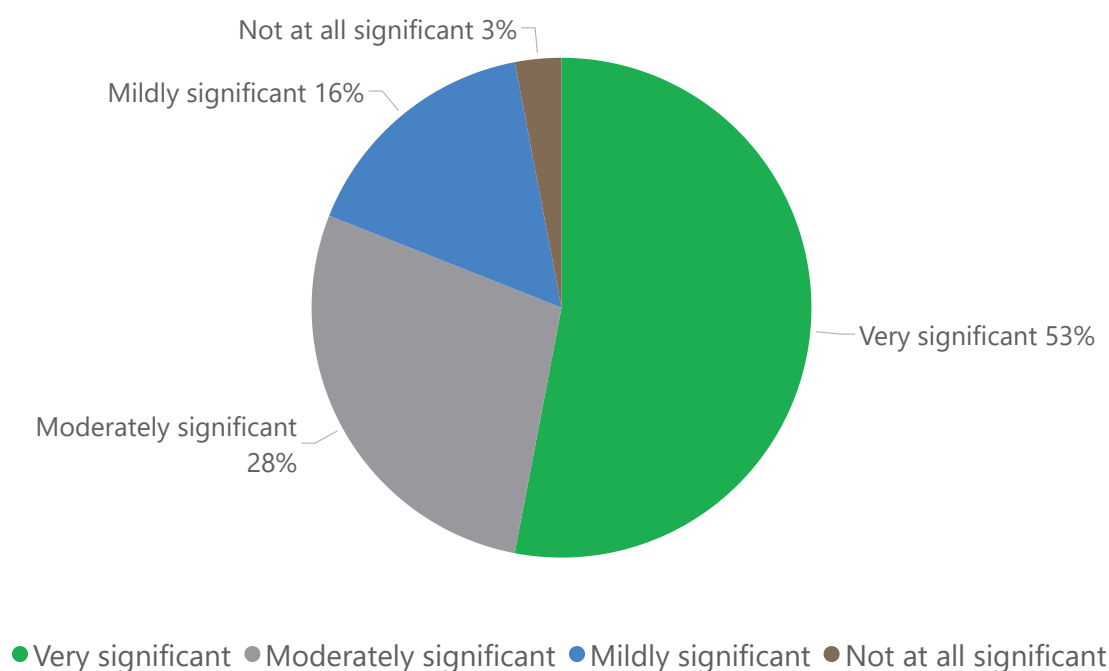
Energy costs play a critical and growing role in the operation of small businesses. They are often one of the largest costs for owners in operating their business. Energy prices also tend to be more volatile, making it difficult for small business owners to estimate future costs. To better understand how energy prices impact small business operations, this new National Federation of Independent Business survey collected responses from 775 small business owners across a wide range of industries and across the country.

While the survey results reflect the general population of small business owners, the type of energy used by small businesses varies significantly based on the industry sector. But regardless of industry and energy source, owners consistently face significant costs that they must struggle to manage. Small businesses are highly exposed to energy cost increases, have limited flexibility to reduce costs, and experience direct operational and financial impacts as a result.

## KEY TAKEAWAYS

Energy costs are a major operational concern for most small business owners. Energy prices materially affect business operations and pricing of their goods and services. Across all major energy sources, about 80% of small business owners reported that energy costs significantly (very or moderately) impact the business.

### How significant are energy costs (electricity, natural gas, gasoline, fuel oil, etc.) in operating your business?

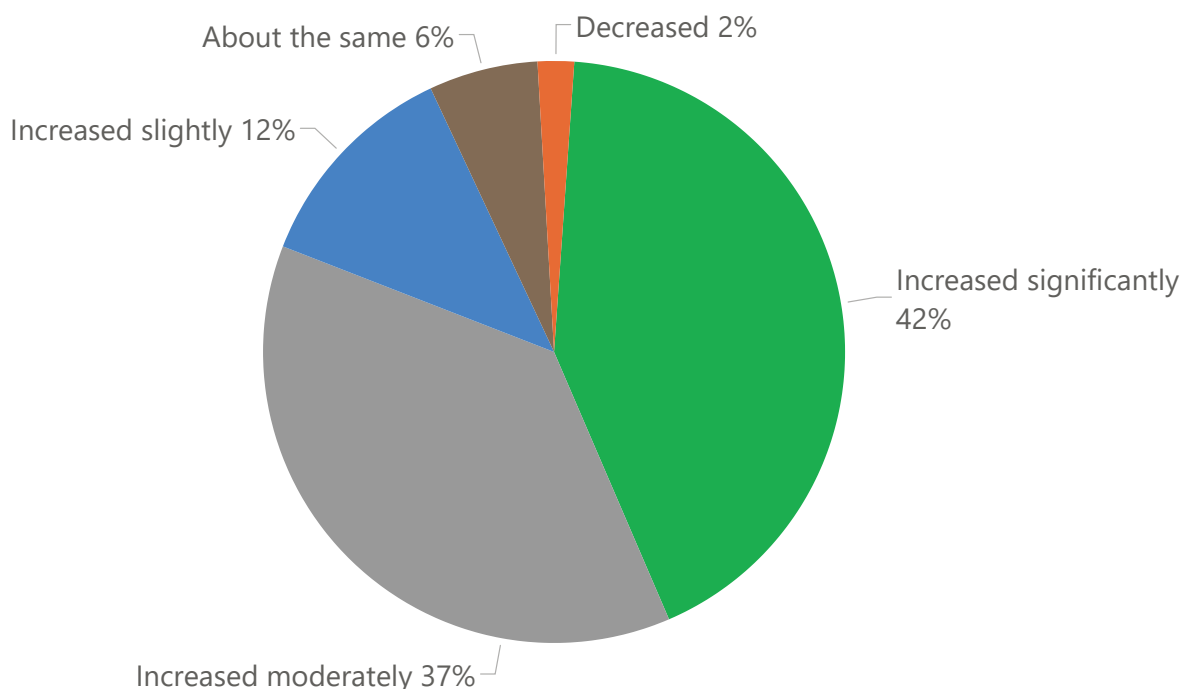




# SMALL BUSINESS ENERGY SURVEY

Energy costs have risen sharply in recent years for most small business owners, adding to overall cost pressures in operating their business. Again, about 80% of owners report that energy costs have increased significantly or moderately over the last three years.

## How have your energy costs changed over the last three years?



● Increased significantly ● Increased moderately ● Increased slightly ● About the same ● Decreased

Small business owners absorb higher energy costs in a variety of ways that affect growth and consumers. Lower profits (58%) and higher prices (52%) are the most common ways small business owners are absorbing increased energy prices. However, most owners use a combination of tactics to absorb higher costs. Of those few owners who have not experienced increased energy costs, about half of them report either using more energy efficient products or using less energy overall.

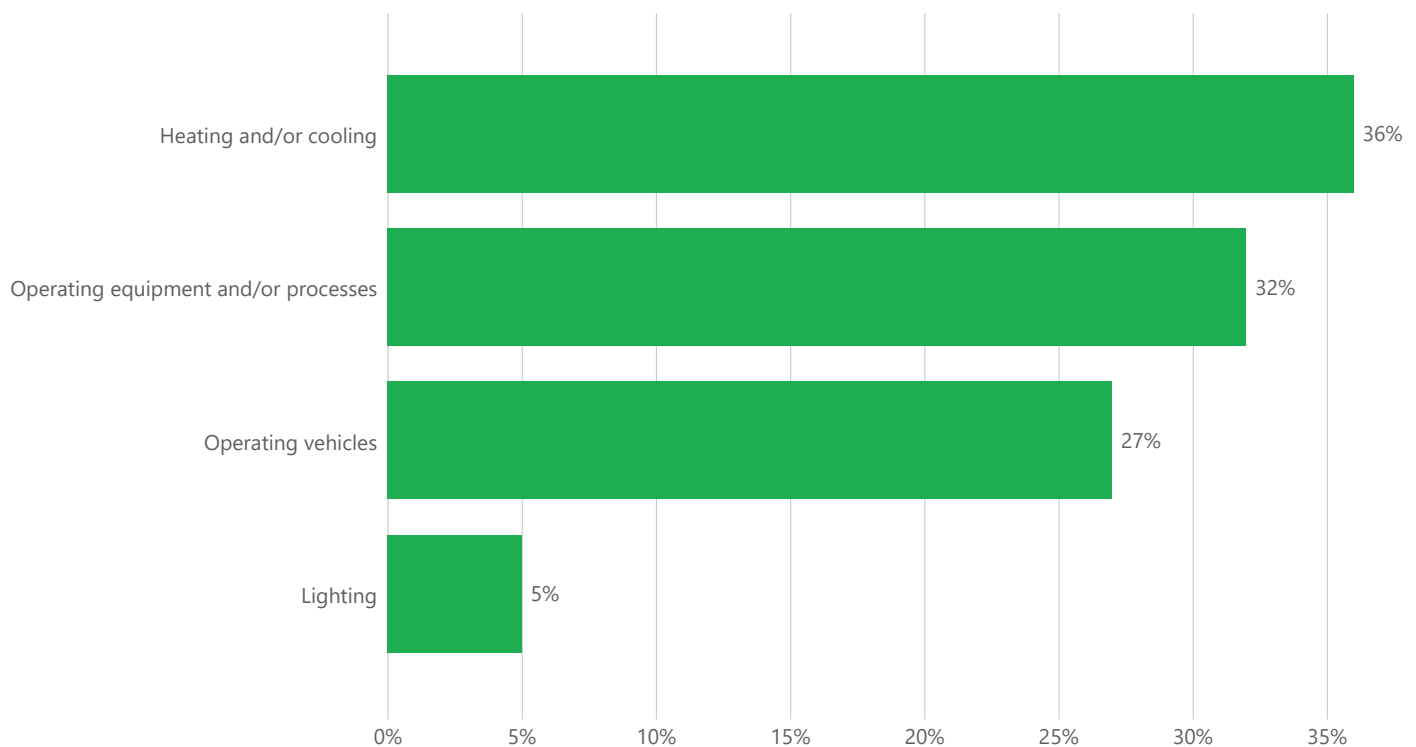
- ▶ **26% reduced overall energy use**
- ▶ **23% upgraded to more efficient equipment or lighting**
- ▶ **38% said costs stabilized because prices did not increase further**
- ▶ **Only 8% switched to less expensive energy sources**

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## Energy Use and Cost Drivers

Energy costs related to heating and cooling are the most common primary energy cost, followed by operating equipment and/or processes, and in third place, vehicles. All three were the primary source of energy costs for a significant portion of small businesses, illustrating the variety of small business operational realities.

### Are your business's energy costs linked primarily to:?



## Vehicles and Transportation Costs

The survey also asked a few follow-up questions specifically related to vehicles. Energy efficiency is an important consideration when replacing vehicles, with about two-thirds of small business owners reporting that energy efficiency is at least somewhat important. However, adoption of electric and hybrid vehicles remains very limited. In addition to owners purchasing more fuel-efficient vehicles, many also adjust business operations to curb fuel costs including utilizing fewer vehicles (or less frequently), rescheduling/changing driving routes, more frequent maintenance, and negotiating with fuel suppliers. However, most small business owners faced with fuel cost pressures have not implemented cost saving measures, likely due to limited viable options.

# SMALL BUSINESS **ENERGY SURVEY**

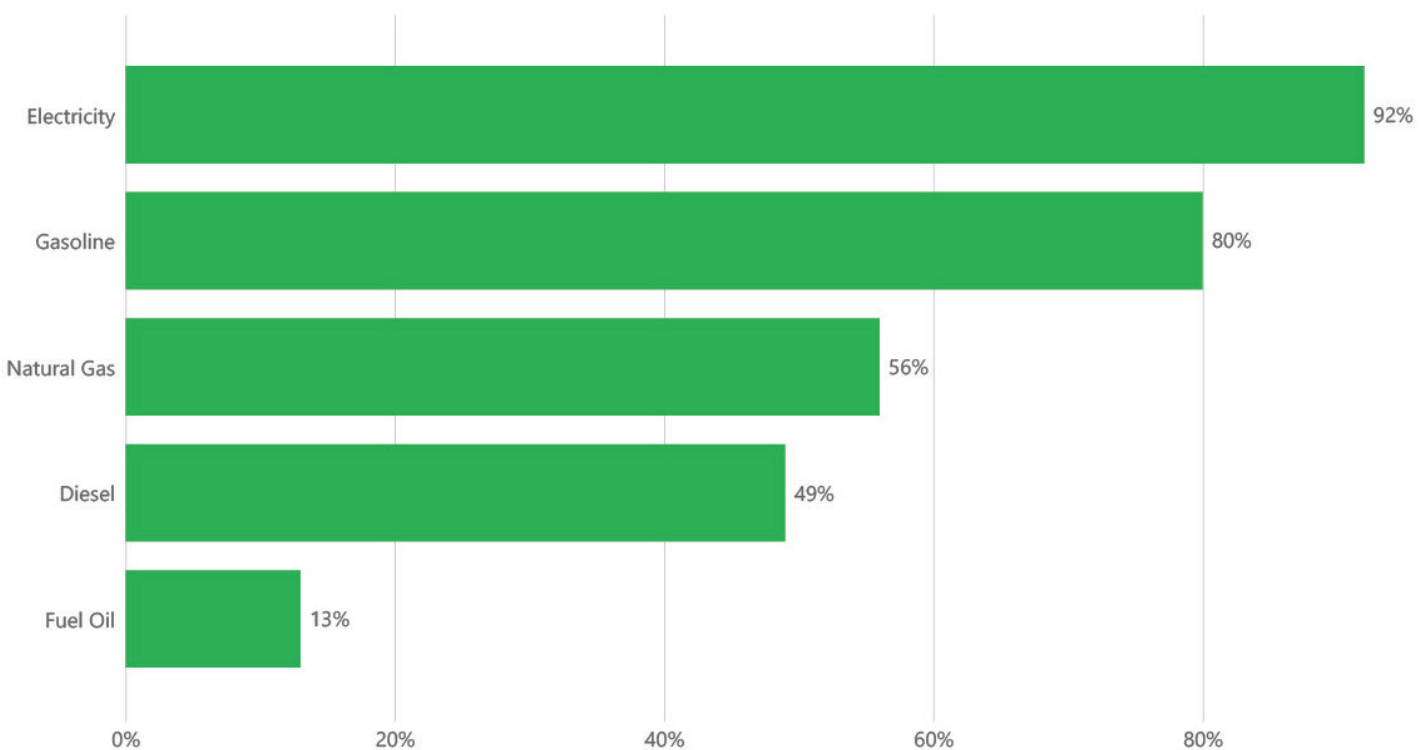
## Electricity and Grid Reliability

With regard to electricity, cost is not the only issue small business owners face in operating their business. Two-thirds of businesses experienced a power outage in the last year, most often due to equipment failure rather than weather events (55% vs. 15%; 28% were unsure of cause). Clearly, grid reliability is a significant operational risk for small businesses. The survey also asked about the impact of data centers in their area and if they are contributing to higher electricity costs. The data show little clear impact. Just 5% of owners reported that their electricity costs were impacted by nearby data centers against 42% saying they were not. The remainder—53% of respondents, a slim majority—said they were not sure.

## Energy Mix and Cost Management

However, most small business owners report that they use multiple sources of energy in operating their business, all contributing to high operating costs.

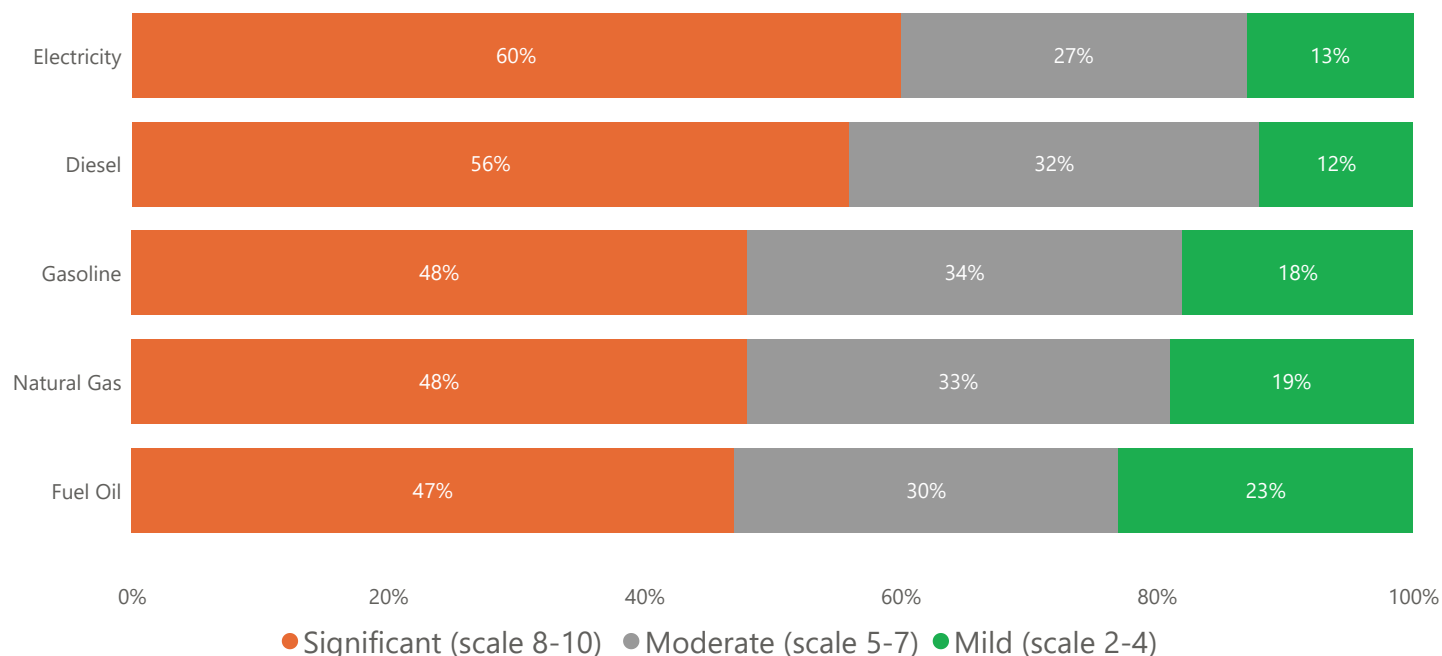
Percent of owners impacted by the following energy source costs:



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Looking at the cost impact among those who actually use each fuel type shows that if a small business uses a fuel source, its cost is probably at least a moderate problem for the owner. The survey data shows that all energy sources are a moderate to significant problem for most respondents.

On a scale of 1 to 10, (1 being not a problem, 10 being a critical problem) please evaluate the following energy related costs impacting your business:



*Note: Percentages are among those impacted by the costs of each fuel type*

## Recycling and Sustainability Practices

Lastly, recycling is common practice among most small business owners and mostly a voluntary effort, not regulatory-driven. Paper, cardboard, metal, and glass are the primary waste materials that are typically recycled at small businesses.

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## **Conclusion**

NFIB's new survey data shows that small businesses are deeply impacted by energy use and its costs. Small business owners use a variety of energy sources in operating their business, all of which tend to present at least moderate challenges for owners to manage. In addition, the data highlights the difficulties in the form of recent cost increases and reliability issues for electricity, the most common energy source. As owners scramble to absorb high energy costs in their business, the end results are limited investments, lower profits, and higher prices for consumers.

## **Methodology**

This survey was conducted with a random sample of 20,000 NFIB members from NFIB's membership database of around 300,000 small business owners. The survey was conducted by email from Nov. 3 – Nov. 14, 2025. NFIB collected 775 responses.

# SMALL BUSINESS **ENERGY SURVEY**

## **Q1. How significant are energy costs (electricity, natural gas, gasoline, fuel oil, etc.) in operating your business?**

775 responses

Very significant	53%
Moderately significant	28%
Mildly significant	16%
Not at all significant	3%

## **Q2. How have your energy costs changed over the last 3 years?**

772 responses

Increased significantly	42%
Increased moderately	37%
Increased slightly	12%
About the same	6%
Decreased	2%

## **Q3. How have you managed energy cost increases over the last 3 years? (Check all that apply)**

Lower profits	58%
Increased prices	52%
Become more energy efficient	37%
Cancel/delay capital investments	15%
Suspend/delay bonuses or raises	13%
Cancel/delay hiring plans	11%
Decreased hours of operation	7%
Other	7%
Changed business model	5%
Outsourced energy-intensive activities	2%



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## **Q4. How have you stabilized or lowered your energy costs over the last 3 years? (Check all that apply)**

63 responses

Using more energy efficient equipment, lighting, etc.	23%
Using less energy overall	26%
Cost of energy per unit hasn't increased	38%
Using less expensive energy sources	8%
Other	25%

\*Responded "about the same" or "decreased" in Q2

## **Q5. Are your business's energy costs linked primarily to:**

720 responses

Operating vehicles	27%
Heating and/or cooling	36%
Lighting	5%
Operating equipment and/or processes	32%

## **Q6a. Percent of owners impacted by the following energy source costs.**

Gasoline	80%
Diesel	49%
Fuel Oil	13%
Electricity	92%
Natural Gas	56%

## **Q6b. On a scale of 1 to 10 (1 being not a problem, 10 being a critical problem), please evaluate the following energy related costs impacting your business.**

	Gasoline	Diesel	Fuel Oil	Electricity	Natural Gas
Mild (scale 2-4)	18%	12%	23%	13%	19%
Moderate (scale 5-7)	34%	32%	30%	27%	33%
Significant (scale 8-10)	48%	56%	47%	60%	48%

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## **Q7. In the last 3 years, have you had to replace any vehicles or equipment due to changes in government energy standards?**

729 responses

Yes, vehicles	7%
Yes, equipment	6%
I haven't replace anything due to changes in government energy standards.	89%

## **Q8. Considering all factors that influence your decision when you replace your business vehicles, is energy efficiency of the vehicle you buy a:**

700 responses

Very important consideration	14%
Somewhat important consideration	53%
Not too important consideration	21%
Not at all important consideration	12%

## **Q9. Which best describes how you have adjusted operations of your business vehicles to compensate for higher gas and diesel prices? (Check all that apply)**

Haven't change much of anything	
Used fewer vehicles or vehicles less frequently	55%
Rescheduled or changed driving routes	19%
More frequent vehicle maintenance	14%
Purchased/leased more fuel-efficient gasoline/diesel vehicles	10%
Purchased/leased electric vehicles	7%
Purchased/leased hybrid vehicles	1%
Negotiated a bulk fuel deal with a supplier	2%
Other	8%

## **Q10. Are there electric vehicle charging stations on the premises of your business location or nearby the location of your business?**

705 responses

On premise	3%
Nearby	14%
Neither	68%
Don't know	15%

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## **Q11. Which best describes the immediate area where your business is located?**

717 responses

Industrial	14%
Commercial	40%
Residential	20%
Isolated/Rural	25%

## **Q12. In what type of building or facility is your primary business located?**

716 responses

Residence or associated building, such as a garage or a barn	12%
Mixed use commercial and residential building	9%
One story commercial building	46%
Low-rise commercial building (2 to 4 stories)	9%
Warehousing/hanger-type facility	7%
Industrial building	17%

## **Q13. Does your business occupy the entire building?**

717 responses

Yes	68%
No	32%

## **Q14. Do you own or lease the building in which your business is primarily located?**

717 responses

Own	61%
Lease/Rent	39%

## **Q15. Does your business location include a parking lot that you own or pay for in your lease?**

718 responses

Own	45%
Lease	17%
I don't pay for parking	38%

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## **Q16. Do you pay the heating and/or cooling bill for your business directly or is that cost rolled into the rent or lease payment?**

273 responses

Pay bill directly	85%
Rolled into rent	14%
Other	2%

\*Responded "Lease/Rent" to Q14

## **Q17. Do you directly pay the bill for electricity to light your business, or is the electricity bill rolled into the rent or lease payment?**

275 responses

Pay bill directly	85%
Rolled into rent	14%
Other	1%

\*Responded "lease/rent" to Q14

## **Q18. Which type of lighting is generally used in your business?**

712 responses

Fluorescent lamps	30%
Compact fluorescent bulbs	11%
Incandescent lights	5%
Halogen lights	4%
Unsure	10%
Other	40%

\*Responded "lease/rent" to Q14

## **Q19. Do you use equipment in your business that requires large amounts of energy to operate?**

713 responses

Yes	49%
No	51%

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## **Q20. Has your business experienced a power outage in the last 12 months?**

713 responses

Yes	66%
No	29%
Unsure	5%

## **Q21. What was the cause of the loss of power?**

466 responses

Natural disaster (flood, wildfire, tornado, etc.)	15%
Extreme temperatures	1%
Equipment failure (power line, transformer, etc.)	55%
Wildlife incident (squirrels, birds, etc.)	1%
Unsure	28%

\*Responded "Yes" to Q20

## **Q22. Does your business lease space to other businesses or individuals?**

711 responses

Yes	11%
No	89%

\*Responded "yes" to Q20

## **Q23. Does your business recycle waste products?**

710 responses

Yes	64%
No	36%

## **Q24. What type of waste do you recycle?**

Paper/cardboard	66%
Glass	27%
Metal	61%
Fabric	2%
Electronics	24%
Other	34%



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## **Q25. Is your recycling required by a government entity (local, state, federal)?**

708 responses

Yes	14%
No	86%

## **Q26. Are your business's energy costs impacted by nearby data centers?**

712 responses

Yes	5%
No	42%
Don't know	53%

## **Q27. Which industry best describes your primary business activity?**

775 responses

Agriculture	10%
Construction	15%
Finance	2%
Manufacturing	11%
Services	21%
Retail	18%
Transportation	4%
Wholesale	2%
Other	17%