



**FLORIDA**

**SMALL BUSINESS**

**ECONOMIC TRENDS**

January 2026



## Florida Small Business Economic Trends

### Introduction

Each month, NFIB publishes the Small Business Economic Trends (SBET) report, which tracks economic activity among small businesses in the US. The survey measures changes in sales, employment, investment, financing, and economic sentiment. While this is a useful country-wide snapshot, no state can be defined by national numbers alone. Therefore, the NFIB Research Center has produced state-specific numbers in our new, semi-annual "State of the States" SBET report for some of the largest states in the US. To create statistically meaningful numbers, responses from six-monthly surveys are pooled together, creating summer (Apr-Sept) and winter (Oct-Mar) data points. These reports help signal the unique challenges and strengths of each state covered.

### Florida

As the top state for domestic tourism, Florida holds a special place in the American economy. But while tourism is iconic, real estate, professional and business services, and health care are among numerous industries that contribute larger proportions of the state's GDP. In short, Florida has a large, vibrant, and diversified economy. But how is its environment for small businesses?

### Contextual Data

GDP: \$1.82 Trillion (4th)

Per capita income: \$75,900 (17th)

Unemployment rate: 3.9% (26th)

3.5 million small businesses

3.8 million small business employees

Florida is the fourth largest economy in the US, trailing California, Texas, and New York. It ranks above the median state per capita personal income (17), but lower than the median national personal income (\$76,251). This reflects that some of the highest income states are also the largest, especially California and New York. Florida's unemployment rate is essentially the median for a state in the US, ranking 26.

### Optimism Index

Throughout the more than 50-year history of NFIB’s data collection, Florida’s Small Business Optimism Index has often been above the US average. The Index exceeded that of the US in the 80s, held a huge advantage during the real estate boom of the mid-2000s, and had a nice gap in the late 2010s (Figure 1). Currently, Florida is essentially on par with the nation as a whole, with less than a half point difference in the Index between the two geographies (Table 1).

Small Business Optimism Index Seasonally Adjusted (1986=100)			
	Current (FL)	Current (US)	*
Optimism Index	97.5	97.9	-0.4

Table 1

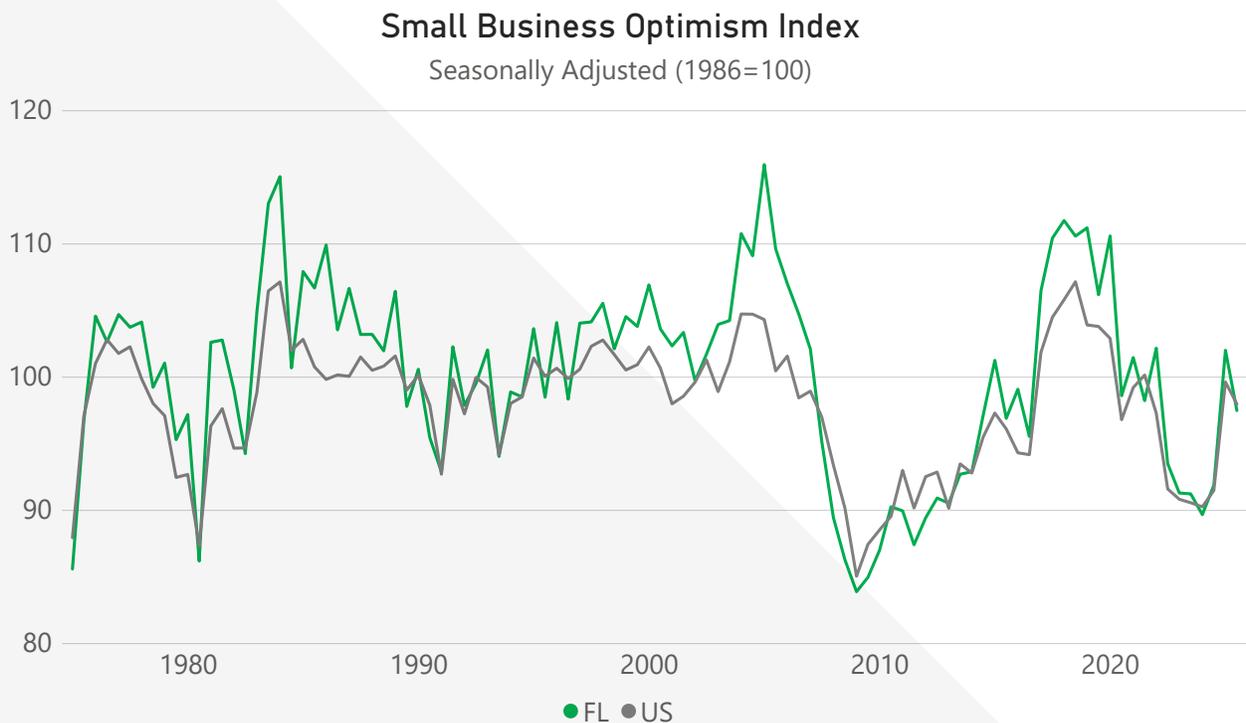


Figure 1

The current similarity has been the norm since roughly 2020. A few isolated data points saw larger gaps, such as the most recent winter (Oct-Mar, 2024-25) when Florida's Index was stronger. But given that these divergences lasted no more than one observation, it is best to see them as normal fluctuations of survey noise amidst a period of sameness. There is nothing inherently wrong with matching national numbers. While inflation contributed to pushing the Optimism Index below its historical average from 2022-2024, the Index has since bounced back up to healthy levels near its historic average. So, the headline result on Optimism Index is essentially neutral.

Under the hood, the data reveals more going on. The Optimism Index is calculated as a function of ten different components, making it a comprehensive, overall reading of the state of the small business economy. Table 2 breaks out those ten components. Most of the discrepancies are small enough to be seen as noise, but there are several components that seem to be meaningfully different between Florida and the US overall.

Optimism Index Components			
Component (Seasonally Adjusted)	Current (FL)	Current (US)	*
Current Inventory (Too Low)	-2%	-4%	2
Current Job Openings	30%	33%	-3
Earnings Trends	-25%	-21%	-4
Expect Economy to Improve	30%	25%	5
Expect Real Sales Higher	3%	5%	-2
Expected Credit Conditions	-3%	-5%	2
Now a Good Time to Expand	10%	12%	-2
Plans to Increase Employment	9%	14%	-5
Plans to Increase Inventories	1%	0%	1
Plans to Make Capital Outlays	13%	13%	0

Table 2

Florida small business owners were more optimistic about the future, with 5 percentage points more (net) expecting the economy to improve. However, owners are more hesitant about employment investment, with plans to increase employment coming in 5 points lower for Florida compared to the US. That parallels the 3-point lower reading for current job openings. The other notable difference was a 4-point gap between Florida and the US in earnings trends. The gap is small, but something to monitor as a weaker signal for the state.

### Business Health

In 2025, NFIB introduced a new question that asks respondents to directly rate the health of their business. This is more concrete and point in time than the comprehensive and forward-looking Optimism Index, making it a complementary secondary measure of the small business environment.

The business health ratings confirm the story of Florida: Small businesses are faring similarly to small businesses in the rest of the country. While the Florida Optimism Index was slightly below the US, the business health data is slightly above—but the numbers are so similar that they are best read as essentially the same (Table 3).

Overall Health of Business - FL			
Rating	Current (FL)	Current (US)	*
Excellent	14%	11%	3
Good	53%	54%	-1
Fair	29%	29%	0
Poor	3%	5%	-2

Table 3

### Single Most Important Problem

Looking only at overall business health results might signal that the small business environment in Florida is the same as it is in the rest of the country overall. However, Florida has one particular unique challenge that afflicts its businesses much worse than those elsewhere: insurance. The cost/availability of insurance is the number one issue in Florida, with 20% of small businesses identifying it as their biggest problem (Table 4). Compare that to the rest of the country, where just 9% rank it first. Its standing as the number one issue in Florida is a recent phenomenon. Cost/availability of insurance is a more significant issue in Florida than in other states, but the current high level is new. No other issue ranks substantially worse in Florida.

Florida small businesses are faring a bit better on a couple of metrics. Fewer owners reported taxes as their top problem (6 points lower) than the US in the latest data, and labor quality was 4 points lower. Overall, though, the biggest story by far is the huge, 11-point gap in the cost/availability of insurance.

Single Most Important Problem - FL			
Single Most Important Problem	Current (FL)	Current (US)	*
Taxes	11%	17%	-6
Quality of Labor	15%	19%	-4
Poor Sales	13%	10%	3
Inflation	11%	13%	-2
Gov. Regulation	10%	8%	2
Fin. & Interest Rates	2%	4%	-2
Cost/Avail. of Insurance	20%	9%	11
Cost of Labor	7%	9%	-2
Comp. from Large Bus.	8%	6%	2

Table 4

Table 5 shows how each of the nine categories has changed from Summer 2024 to the most recent data from Summer 2025. The two big movers are inflation and insurance, with inflation improving 13 points from 24% to 11% and insurance worsening from 8% to 20%. Other issues also saw movement, with labor quality improving from 22% to 15% and government regulation worsening from 5% to 10%. Two others saw modest 4-point movements, with competition from large business and poor sales both getting worse.

Single Most Important Problem - FL			
Single Most Important Problem	Current	One Year Ago	*
Taxes	11%	9%	2
Quality of Labor	15%	22%	-7
Poor Sales	13%	9%	4
Inflation	11%	24%	-13
Gov. Regulation	10%	5%	5
Fin. & Interest Rates	2%	4%	-2
Cost/Avail. of Insurance	20%	8%	12
Cost of Labor	7%	10%	-3
Comp. from Large Bus.	8%	4%	4

Table 5

The 50-plus years of history of this data series adds additional color to the picture of business difficulties in Florida. Because graphing all nine issues for all years in one graph makes a figure far too crowded to read, we split the issues out into three figures of three issues, starting with the trio of inflation, financing costs, and cost/availability of insurance.

The historical data for these issues reveals a few insights. On insurance, it shows that the current high levels have developed recently. That said, the historical numbers do tend to be higher for Florida than for the US overall. Inflation and financing costs have spent most of history as relatively unimportant background issues, with a few notable exceptions. Inflation was an extremely significant issue in the late 1970s and early 1980s, before the Federal Reserve massively hiked interest rates to stop inflation. That worked, but at the cost of a recession and the lone period where financing costs were far and away the top issue. Neither series has hit the levels from that era again, though inflation did, of course, become a significant issue during the post-COVID recovery.

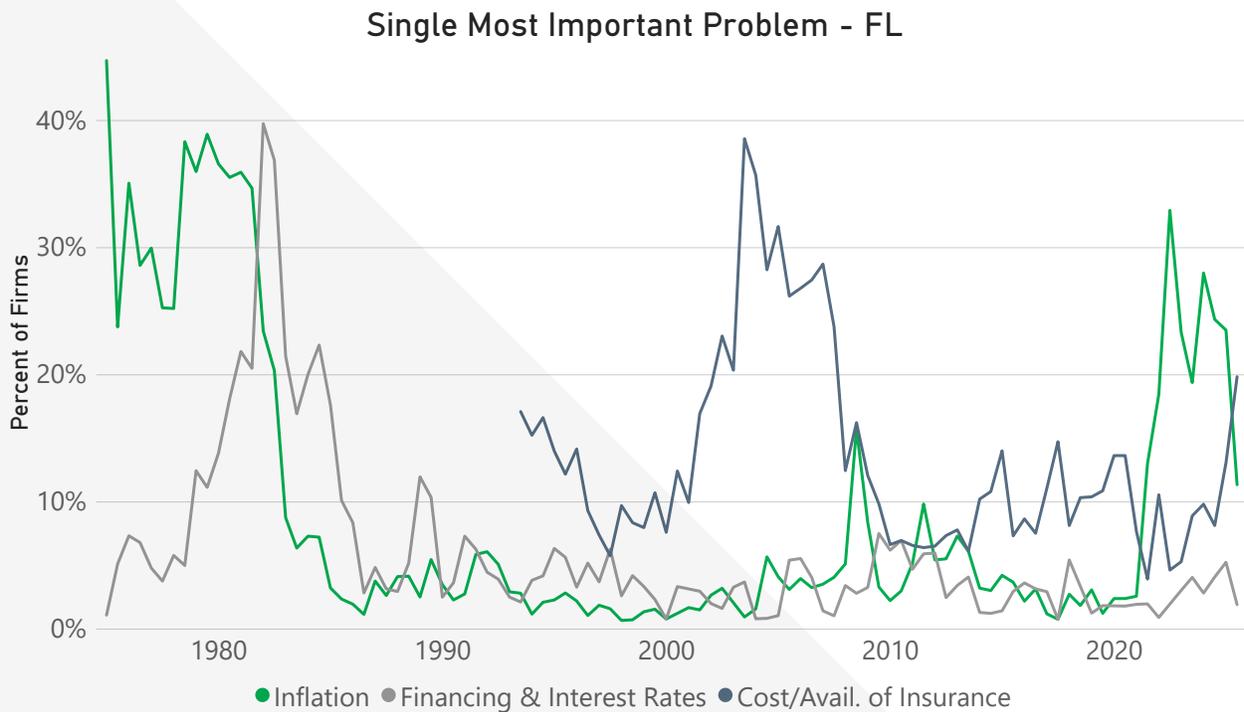


Figure 2

In contrast to inflation, financing costs, and insurance costs, the next trio of issues are generally consistent. Taxes, government regulation, and competition from big business evolve, but much more slowly than the other issues. The graph (Figure 3) looks noisy at first, but note that the scale peaks out lower for this trio than the other trios. The bottom line is that these issues stay in a narrower band than the other ones.

One factor that makes Florida a little different is the balance between regulation and taxes. Nationally, taxes rank consistently ahead of government regulation as the top issue, but in Florida, they tend to track at a similar level. This likely reflects both taxes ranking on average lower in Florida and regulations ranking on average higher.

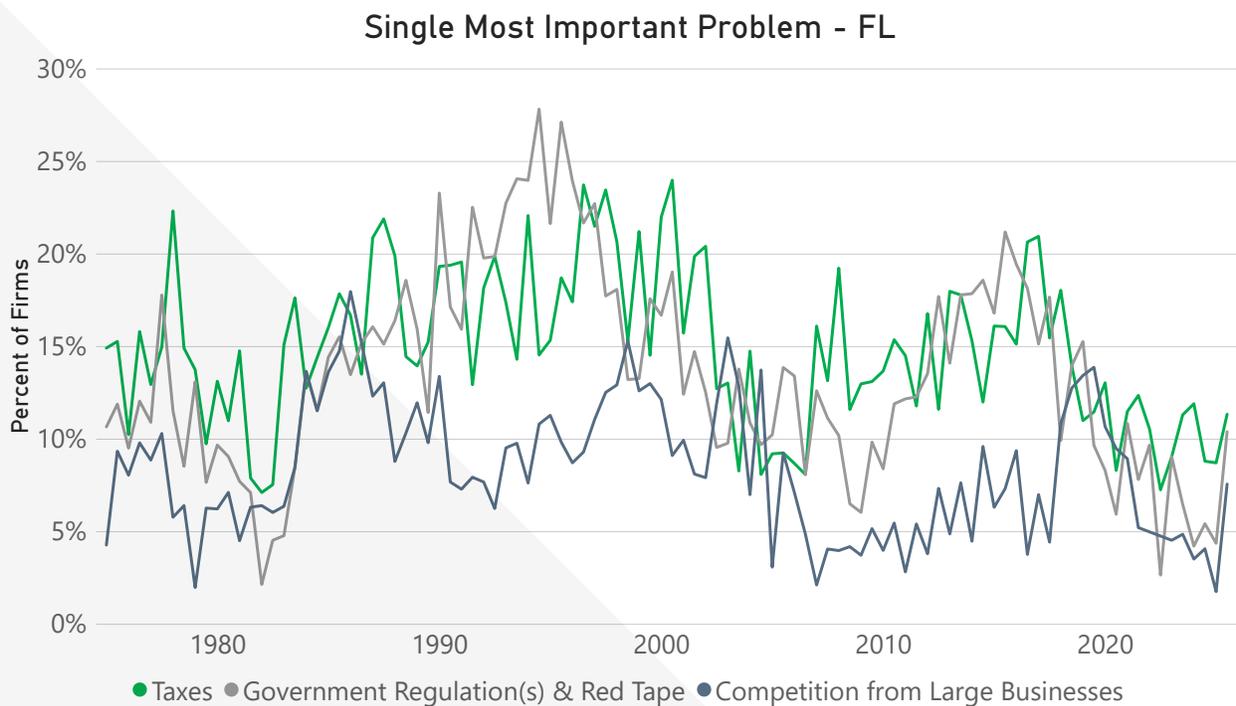


Figure 3

The final trio of issues includes the ones most affected by the business cycle (the booms and busts of the economy). Labor issues and poor sales tend to move in reverse of each other, with poor sales peaking during recessions when labor issues fade. Labor issues come to the forefront during economic expansions where sales issues fade. A notable example is the 2008-09 Great Recession, when poor sales spiked to nearly 50%, the highest level of any issue in data history (Figure 4). In that period, labor issues were almost non-existent. Then, as the economy recovered, poor sales faded and labor quality climbed, becoming the regular top issue for several years. Labor cost tends to be a secondary issue to quality, remaining lower and fluctuating less. That has been especially true in Florida.

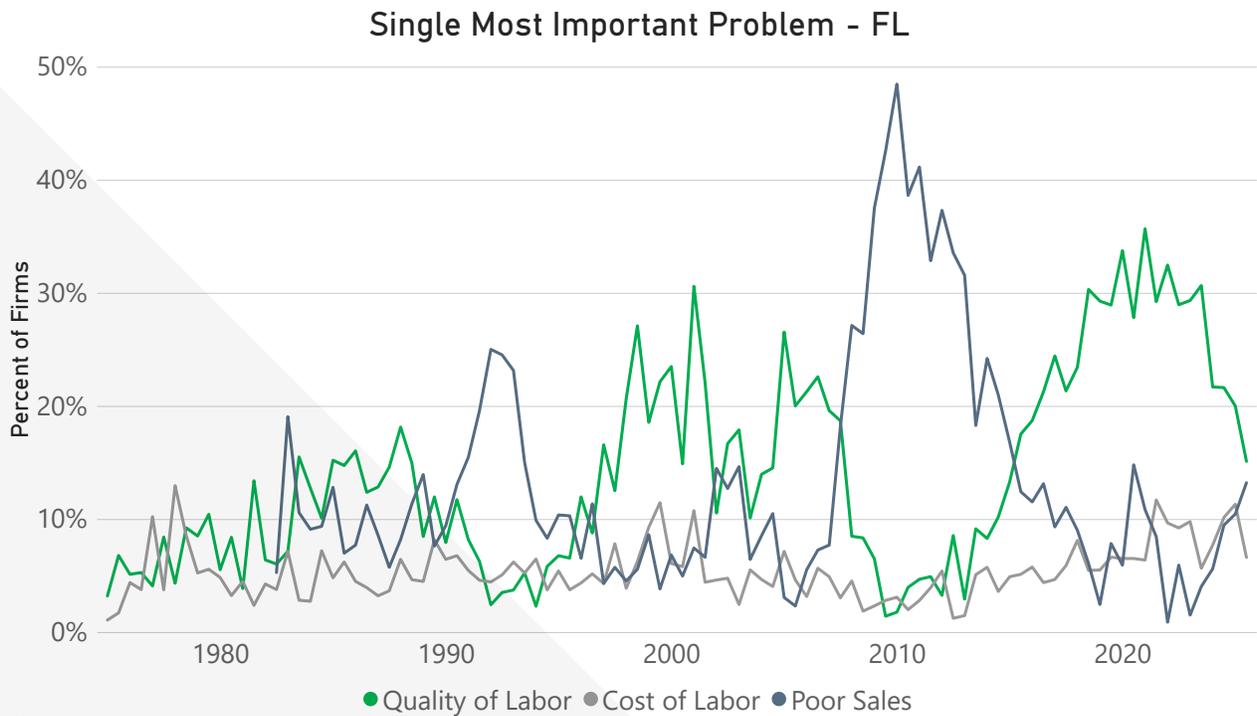


Figure 4

### Uncertainty Index

One final data point for Florida is uncertainty. Business investment is a product of optimism and confidence, which is why NFIB constructed the Uncertainty Index. This index is a function of the proportion of small business owners responding “Don’t know” or “Uncertain” to six questions. As such, it is more of a true midpoint between bad and good than the volatility indexes often described as “uncertainty” elsewhere.

From April through September, the NFIB Uncertainty Index shows that uncertainty was a major problem both in Florida and nationally. Both series are at record highs, with Florida scoring even higher than the US overall (Figure 5). Florida uncertainty was lower than national uncertainty in the preceding period, so it is too early to read into Florida’s current higher number. With no clear regional difference, the key conclusion is that uncertainty is a major national issue.

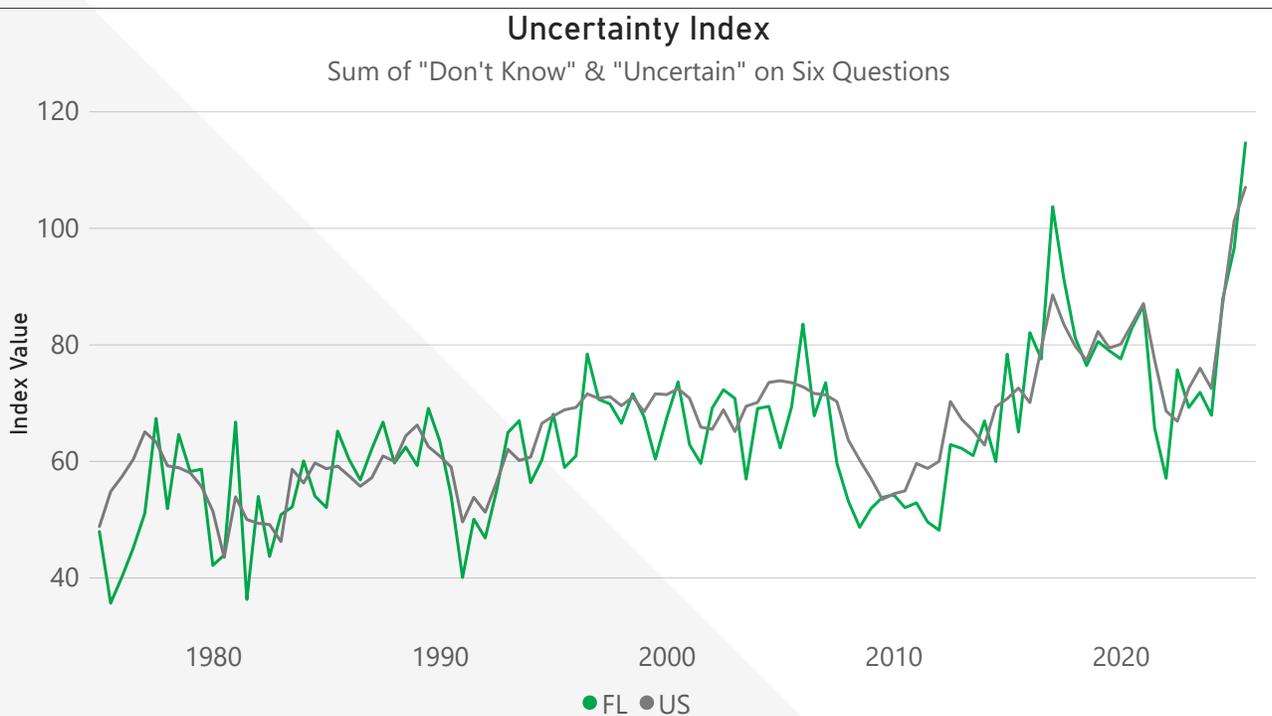


Figure 5

**Conclusion**

Florida is a fascinating state, with a vibrant economy that is much more than the state's nation-leading tourist industry. For small businesses, the Optimism Index and business health data reveal an economic environment on par with the national environment overall. However, there is a significant difference in the details. Insurance is a point of concern, as is government regulation, while Florida small business owners report less trouble with taxes. And, though it is very much not a Florida-only issue, uncertainty is a major problem, with too many businesses in doubt about which way the economic winds are blowing.

**Methodology**

The data for this report is sourced from our Small Business Economic Trends Survey, which polls a random sample of NFIB members. The survey ran quarterly from 1973 to 1985 and monthly from 1986 through the present. As this is a national survey, the number of responses from an individual state are not necessarily statistically meaningful in a given month. To create this new state-specific report, we pooled data from multiple surveys into a weighted average for a given season (Apr-Sep for summer and Oct-Mar for winter). For summer 2025, Florida had 106 total responses.