

FLORIDA
SMALL BUSINESS
ECONOMIC TRENDS

Winter 2026



Introduction

Each month, NFIB publishes the Small Business Economic Trends (SBET) report, which tracks economic activity among small businesses in the U.S. 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 U.S. To create statistically meaningful numbers, responses from six monthly surveys are pooled together, creating summer (April-September) and winter (October-March) datapoints. These reports help signal the unique challenges and strengths of each state covered.

FLORIDA

Florida has certain reputations — lots of tourists, lots of retirees — and these are deserved: Florida is the top destination for both total tourism and retirees moving to a new state. However, it is also the third largest state by population, which signals that retirement and tourism are only part of the story. Florida's GDP data highlights a highly diversified economy, with real estate, professional and business services, finance, and construction all among the largest industries. The important question here is: How is Florida for small businesses?

Contextual Data

GDP:	\$1.87 Trillion (4 th)
Per capita income:	\$77,500 (17 th)
Unemployment rate:	4.6% (33 rd)



3.5 million
small businesses



3.8 million
small business employees

While it has the third largest population, Florida has the fourth largest GDP at \$1.87 trillion, an amount that would rank 16th in the world, just behind South Korea. It has a moderately high average income by U.S. standards, ranking 17th. One blemish is its unemployment rate, which has ticked up faster than national unemployment. It is now 4.6%, which is above the national rate of 4.3% and ranks 33rd among states.



Optimism Index

After a summer (Apr.-Sep. 2025) where the Florida Optimism Index was just below the national average, the new winter (Oct. 2025-Mar. 2026) reading shows Florida comfortably ahead of the U.S. overall — as it has been for much of the data history (Fig. 1). Both the U.S. and Florida were above the historical average of 98.0, but Florida was significantly farther ahead, scoring 100.3 versus 98.5 for the U.S. overall (a 1.8-point gap).

Looking back a bit further, Florida also had a meaningful (though smaller) Optimism Index advantage in 2025 compared to the U.S., which could indicate that the improvement between summer 2025 and the current data is less a trend and more just a reversion after an atypically low reading. Whether the improved Index is a trend or simply a more positive reading of steady underlying conditions, the above-national-average reading for Florida's Index is inarguably good news.

Small Business Optimism Index

Seasonally Adjusted (1986=100)

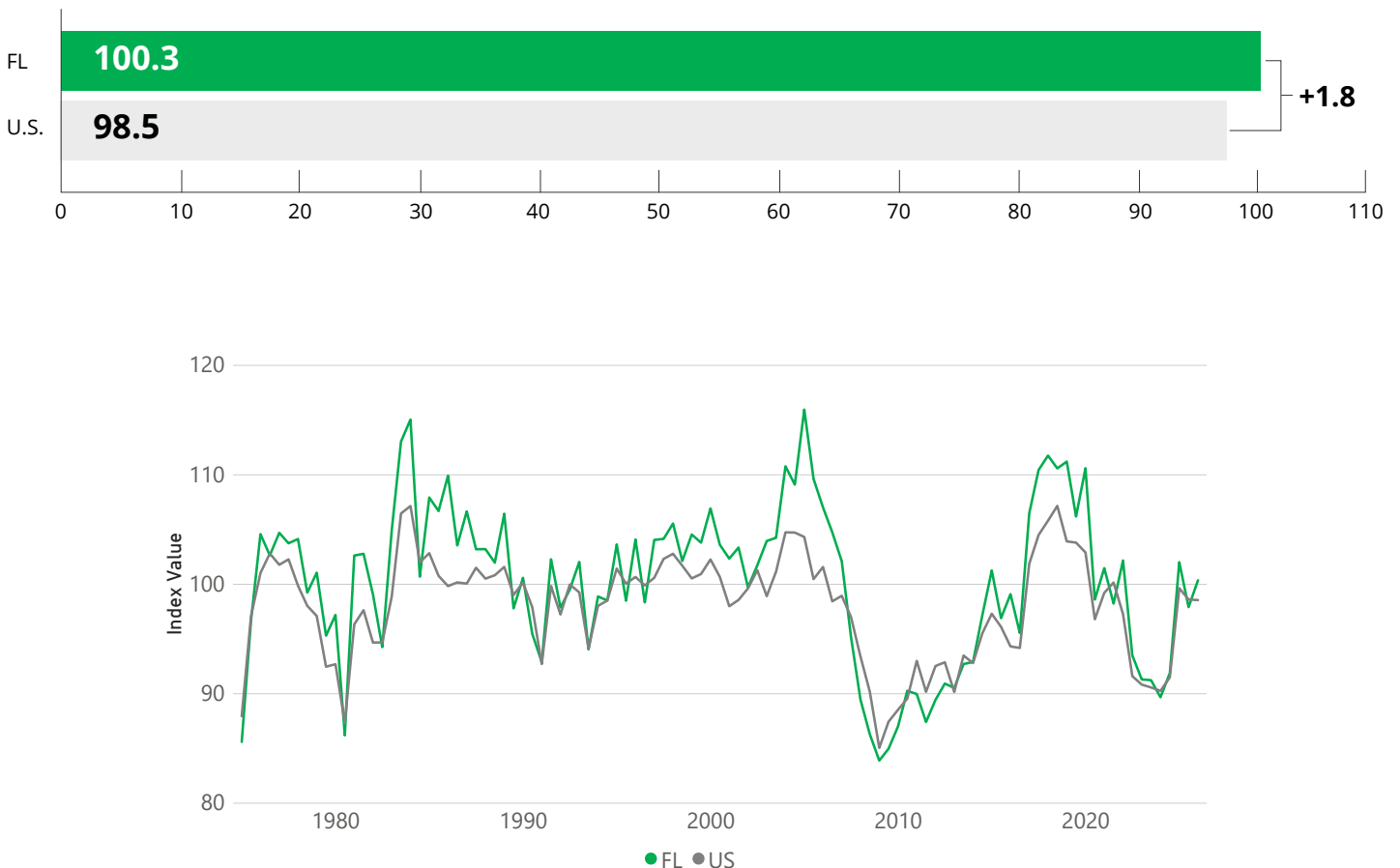


Figure 1



Optimism Index (cont.)

Looking at the underlying components reveals a somewhat surprising pattern. Florida massively outperforms the rest of the country on real sales expectations (with a +16 gap), while it significantly underperforms

on earnings (profit) trends (with a -9-point gap). Florida has a meaningful advantage on a good time to expand, and the other seven categories are all quite similar (Table 1).

Optimism Index Components

Component (Seasonally Adjusted)	Current (FL)	Current (US)	Difference (Rounded)
Plans to Increase Employment	15.9	15.4	0
Current Openings	35.4	32.0	3
Expected Credit Conditions	-4.0	-4.2	0
Expect Economy to Improve	19.0	18.9	0
Expect Real Sales Higher	27.0	10.6	16
Earnings Trends	-30.5	-21.4	-9
Current Inventory (Too Low)	0.2	-2.6	3
Plans to Increase Inventory	-3.3	-2.4	-1
Now a Good Time to Expand	18.7	13.2	5
Plans to Make Capital Outlays	20.2	19.4	1

Table 1

“Overall, the Optimism Index and component data point to a greater level of positivity in Florida, with particularly strong hopes for sales going forward.”

Business Health

Future optimism does not necessarily mean current conditions are good. That's part of why NFIB recently introduced a question that directly asks small business owners' assessment of the health of their business. This concrete, point-in-time metric tells a similar story of better conditions in Florida, though perhaps by a smaller margin than observed in the Optimism Index.

As shown in Table 2, more Florida respondents report "good" business health in Florida, and fewer report "fair" business health compared to the U.S. (both holding a 2-point difference). That small advantage in good over fair is not enough to, on its own, say Florida small businesses are doing better than in the rest of the country. However, when you add in the higher Optimism Index, a more cohesive and compelling story forms.

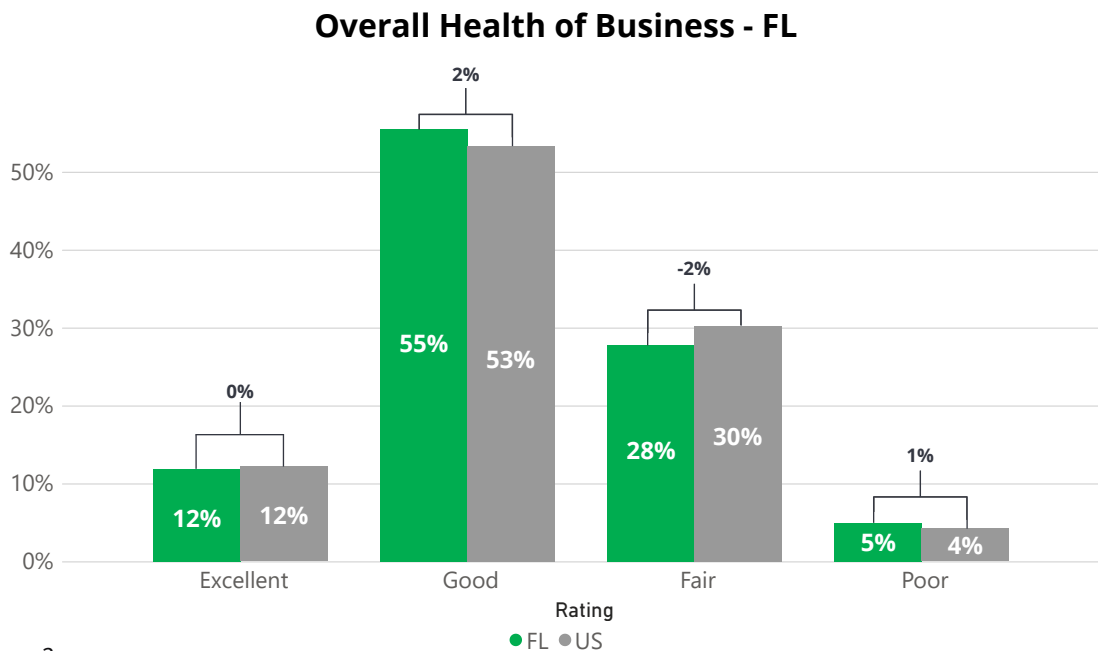


Figure 2

“ More FL respondents report “good” business health in Florida, and fewer report “fair” business health compared to the US (both holding a 2-point difference). ”



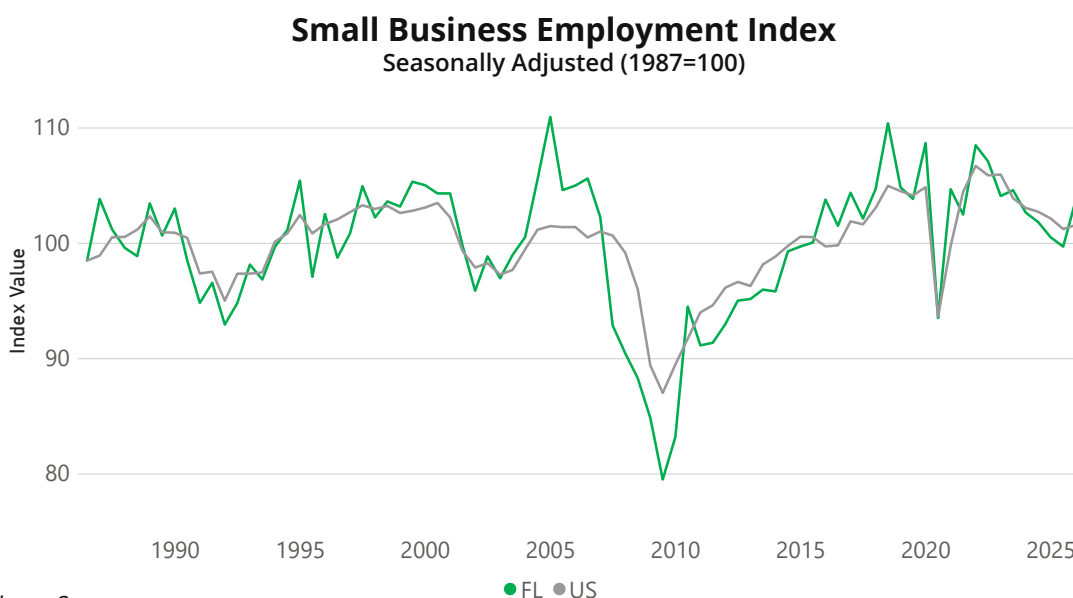
Employment Index

In early 2026, NFIB released a new metric to gauge conditions in the small business job market, now call the Small Business Employment Index. Like the Optimism Index, the Employment Index takes multiple questions (on compensation and hiring, including actual and planned changes for both) and turns them into a single number for easier understanding. For the Employment Index, a higher number represents a tighter labor market, where workers are harder to find and command more pay, and a lower number represents a weaker labor market, where there are less compensation pressure and workers are easier to find.

The historical data in Figure 2 shows that in general, Florida has tracked the U.S. fairly closely. It had a significant advantage in the two years before the Great Recession and

suffered worse than the nation overall in both the Recession itself and its early recovery. In the late 2010s, Florida again established a small advantage before roughly paralleling the national numbers ever since.

To zoom in on the most recent Index data, since the pandemic recovery, Florida had a slightly higher peak, a moderately faster cooling period, and a more significant rebound in the current period. Right now, Florida has a positive gap of 2.2 points over the U.S. (103.7 versus 101.5). That is a clear contrast to Summer 2025, when Florida had a 1.5-point deficit (99.7 versus 101.2). Notably, this parallels the Optimism Index, which also converted a deficit in Summer 2025 into an advantage in Winter 2026. In addition, we note that both geographies have improved since the last period, though more for Florida.



The underlying components for the Employment Index show an interesting dynamic: The higher levels in the Index are driven much more by the compensation

components than the labor components. In other words, wage pressure is comparatively high while hiring is comparatively flat.

? Uncertainty Index

Florida gained in Optimism current business health and the Employment Index. Add uncertainty to that list, with a major downward movement from the previous period to this one. Uncertainty has been historically high over the last year and a half. While the rest of

the country saw the Uncertainty Index slightly ease while remaining elevated from previous peaks, Florida saw a dramatic downswing that brought it below many previous readings (Fig. 3).

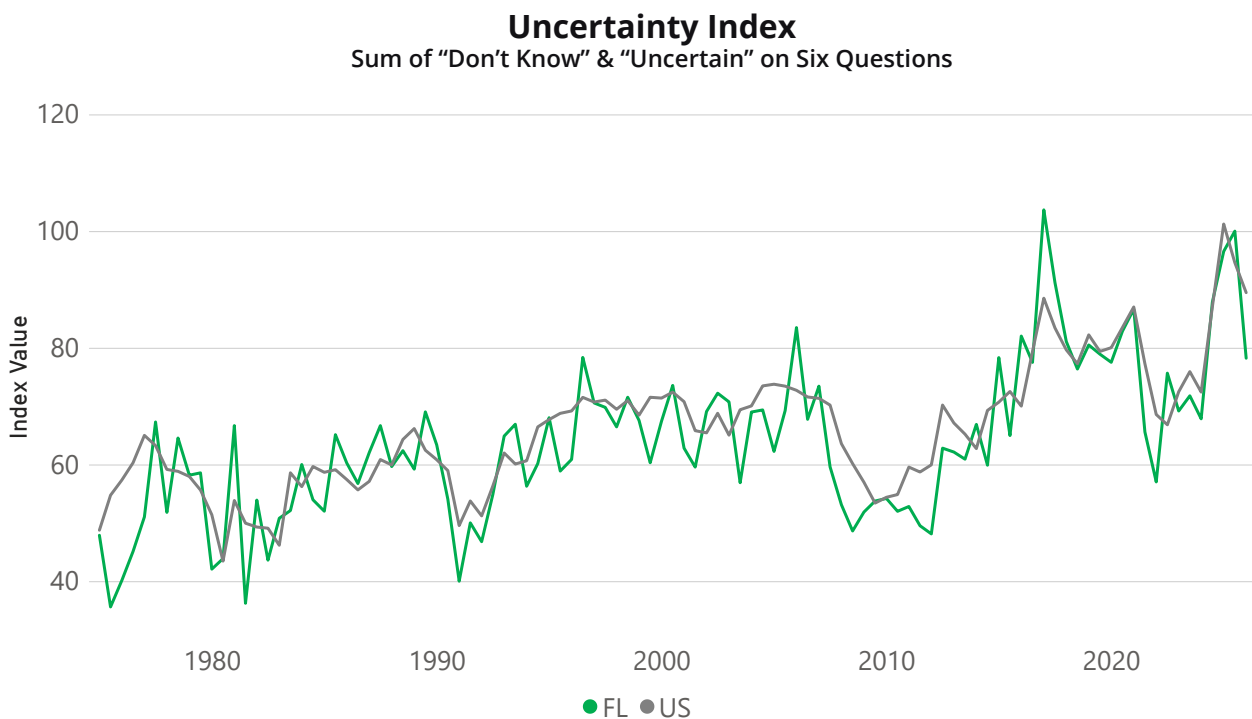


Figure 4

Unlike some other uncertainty indexes that focus on volatility, NFIB's Uncertainty Index is a true 'could go either way' index that increases when small businesses owners report, "Don't know" or "Uncertain" on questions where most respondents answer some version of 'Good' or 'Bad.' Because of that, not all downturns in the Uncertainty Index are positive; indeed, some of the lowest uncertainty eras were in

recessions. In these periods, small business owners have unfortunately been certain of negative conditions. This major decline in the Uncertainty Index is an entirely positive movement since it was accompanied by positive gains in the other key metrics. In other words, the gains were driven by respondents shifting from 'Don't know' to 'Good.'



Top Issues

While the overall indexes and business health measures give a good reading of the general condition of the small business market in Florida, they lack a bit of nuance about how exactly small businesses are faring in Florida versus the U.S. Data on the top issues facing small business owners adds vital details to explain where Florida is faring better and worse than the nation overall, as well as what is changing over time.

Start with the good news: Florida small businesses owners are much happier with their tax situation than those in the rest of the

country (7% top issue in Florida versus 17% in the U.S.). In addition, they are faring slightly better on sales, with just 7% identifying poor sales as the number one issue versus 10% for the U.S. (Table 2).

Several issues were a bit worse in Florida than in the U.S., with the two labor issues, cost and quality at the top of the list, alongside insurance. None of these scored dramatically worse in Florida, which was four points worse for labor cost and three points worse for labor quality and cost/availability of insurance.

Single Most Important Problem	Current (FL)	Current (US)	Difference (Rounded)
Competition from Big Business	7.9	5.7	2
Labor Cost	12.9	8.5	4
Financing & Interest Rates	5.0	2.9	2
Government Regulation	7.9	8.2	0
Inflation	12.9	12.6	0
Labor Quality	22.8	19.9	3
Taxes	6.9	17.3	-10
Poor Sales	6.9	9.8	-3
Cost or Availability of Insurance	12.9	9.9	3

Table 2



Top Issues (cont.)

Looking at the difference from the previous period (Summer 2025) shows a few meaningful changes, headlined by significant worsening in the labor challenges and significant improvement in poor sales and cost/availability of insurance (Fig. 4). These movements correlate to where Florida differs from the U.S. overall. After significant worsening in the labor metrics, they are now worse than in the U.S. After significant improvement in poor sales, it is now better than the U.S. These metrics moving from above to below the national average (or vice versa) should dampen any strong conclusions about them. Surveys always have a bit of

noise, especially when focusing on just one subsection of them (in this case, pulling one state out of a national survey).

Two factors that should not be dampened are insurance and taxes. Insurance improved substantially, yet it was still worse than the national average. That sends a stronger signal that there are true challenges with insurance in Florida. Taxes improved moderately this period, falling roughly four points. But its advantage over the country overall is ten points. Clearly, this is no one-month blip: Taxes are substantially a lesser issue for small businesses in Florida.

Single Most Important Problem - FL
Change from Previous Period

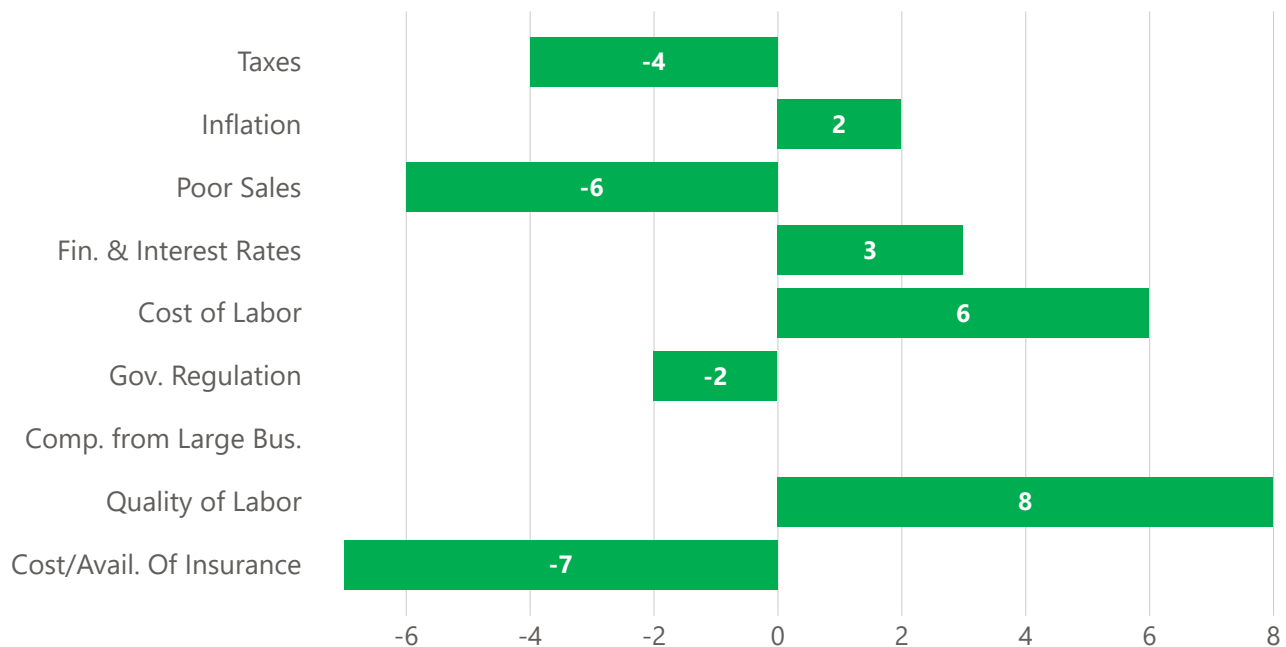


Figure 5

Conclusion

The third largest state by population, Florida boasts a vibrant and robust economy. With this dose of fresh data from the small business community, it can also boast of being a good place for small businesses. It has clear advantages over the nation as a whole in all three NFIB Small Business indexes: Optimism, Employment, and Uncertainty. For small

business health, the gap is small but favorable toward Florida. From a close look at the top issues small business owners face, it is clear that insurance is a particular challenge, and taxes are major advantage. There is a negative signal about labor cost and quality in this survey, but more data is needed before this drives significant concern.



NFIB Member & Small Business Owner, Florida

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 (April-September for summer and October-March for winter). For winter 2025-26, Florida had 101 total responses.