



# COMMERCIAL PULSE

Small Business Insights



# Executive Summary

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## U.S. Economic and Regulatory Highlights

- May unemployment was 4.2%, remaining at that level for the third consecutive month. (Source: U.S. Bureau of Labor Statistics)
- The U.S. economy added 139K jobs in May, declining from a downwardly revised 147K in April. Healthcare and leisure & hospitality continued to grow and was partially offset by a decline in federal government jobs.  
(Source: U.S. Bureau of Labor Statistics)
- Average hourly wages continued to increase, up to \$31.18 per hour in May. (Source: U.S. Bureau of Labor Statistics)
- The inflation rate rose for the first time in four months to 2.4% in May, up from 2.3% in April. May Core inflation (excluding food and energy) remained flat for the third consecutive month at 2.8% which was the lowest since March 2021.  
(Source: U.S. Bureau of Labor Statistics)
- Inflation details in significant sectors include:
  - Rent inflation was 3.9% in May, down from 4.0% in April, and was the lowest level since November 2021.  
(Source: U.S. Bureau of Labor Statistics)
  - Food inflation was 2.9% in May, up from 2.8% in April.  
(Source: U.S. Bureau of Labor Statistics)
  - May energy prices were 3.5% lower than a year ago, the fourth consecutive month where prices were lower than a year ago. (Source: U.S. Bureau of Labor Statistics)
- May producer price inflation increased to 2.6%, up from 2.5% in April. (Source: U.S. Bureau of Labor Statistics)
- May retail sales slowed to a 3.3% increase year-over-year, the lowest increase since October 2024. May retail sales declined 0.9% from April, the largest decrease since January, primarily driven by a slowdown in motor vehicles due to tariffs. Retail sales excluding autos and gas were down only 0.1% from April. (Source: U.S. Census Bureau)
- Since July 2020, a seasonally adjusted average of 441K new businesses opened each month, 51% higher than the pre-pandemic 2018-2019 monthly average. In May, 447K new businesses launched, a slight decrease of 0.6% from April.  
(Source: U.S. Census Bureau)
- Small Business optimism was 98.8 in May, up from 95.8 in April., the first increase after four monthly declines. While optimism rebounded somewhat; the survey shows that uncertainty is still a big factor in depressing the score.  
(Source: NFIB)
- Consumer sentiment for early June was 60.5, up from 52.2 in May and the highest since February but is still 11% lower than a year ago. (Source: University of Michigan)
- In the week ending 06/14/25, the advance figure for seasonally adjusted initial unemployment claims was 245,000, down 5K from the prior week. The 4-week moving average was 245,500, up almost 5K from the prior week and an increase of 6% from a year ago, reaching the highest level since August 2023. (Source: U.S. Department of Labor)
- Despite the cost of fuel increasing over the past month, prices are still lower compared to a year ago, with regular and diesel fuel down 7% and 2%, respectively. (Source: AAA)
- The average 30-year mortgage rate was 6.81% for the week ending 06/18/25, down slightly from 6.84% the prior week.  
(Source: Freddie Mac)
- Existing home sales were 4.03MM in May, up 0.8% from 4.00MM in April. (Source: National Association of Realtors)

# Macroeconomic Overview

**2.4%** Inflation  
in May

U.S. Bureau of Labor Statistics

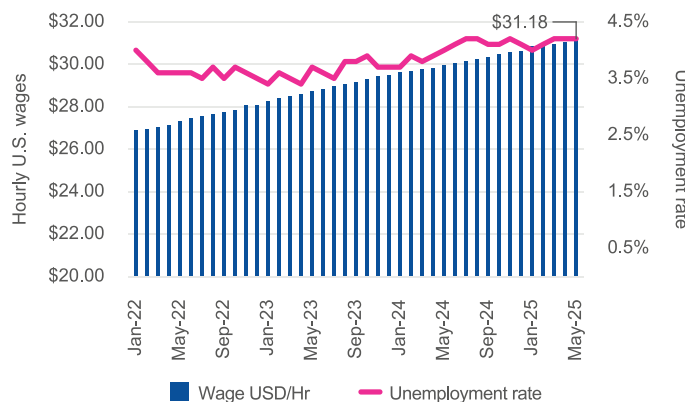
**4.2%**  
May Unemployment

U.S. Bureau of Labor Statistics

**98.8** May  
Business Optimism  
NFIB

**60.5** Consumer  
Sentiment in early June  
University of Michigan

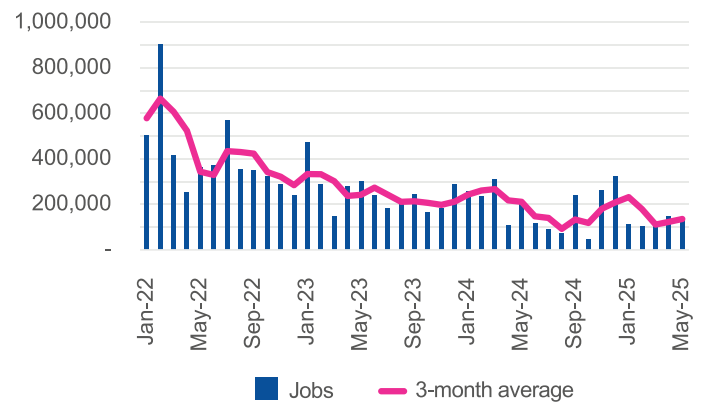
May unemployment was 4.2%, remaining at that level for the third consecutive month. Average hourly wages continued to increase, up to \$31.18 per hour in May.



Source: U.S. Bureau of Labor Statistics

The U.S. economy added 139K jobs in May, declining from a downwardly revised 147K in April.

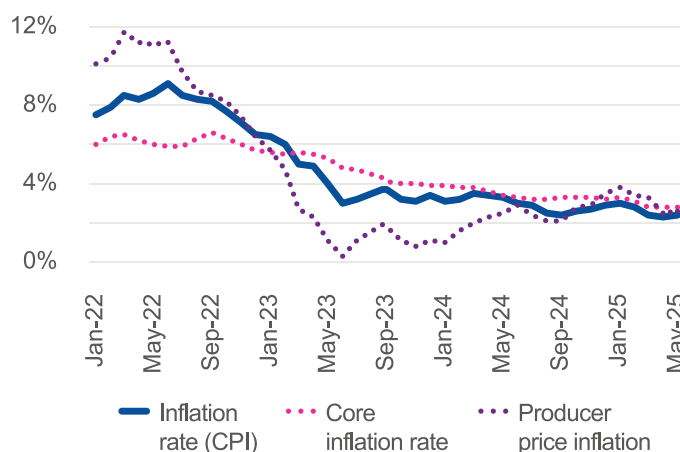
Monthly job creation — U.S. Non-farm payrolls (seasonally adjusted)



Source: U.S. Bureau of Labor Statistics

Inflation was 2.4% in May, up from 2.3% in April. May core inflation (excluding food and energy) remained flat for the third consecutive month at 2.8% which was the lowest since March 2021. May producer price inflation increased to 2.6%, up from 2.5% in April.

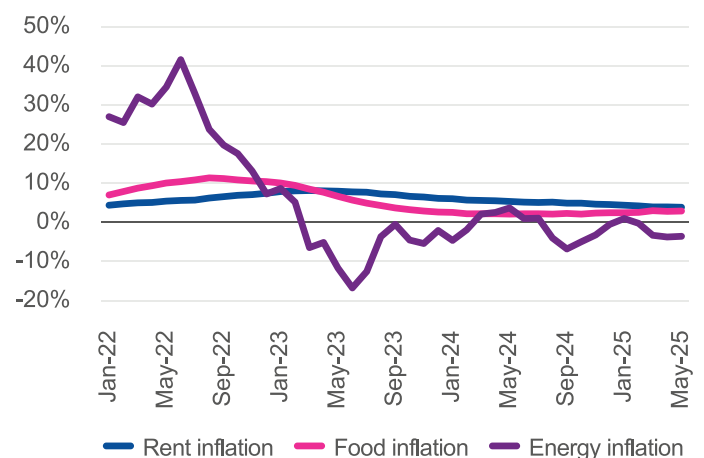
Year-over-year rate of inflation



Source: U.S. Bureau of Labor Statistics

Rent inflation was 3.9% in May, down from 4.0% in April, and was the lowest level since November 2021. Food inflation was 2.9% in May, up from 2.8% in April. May energy prices were 3.5% lower than a year ago, the fourth consecutive month where prices were lower than a year ago.

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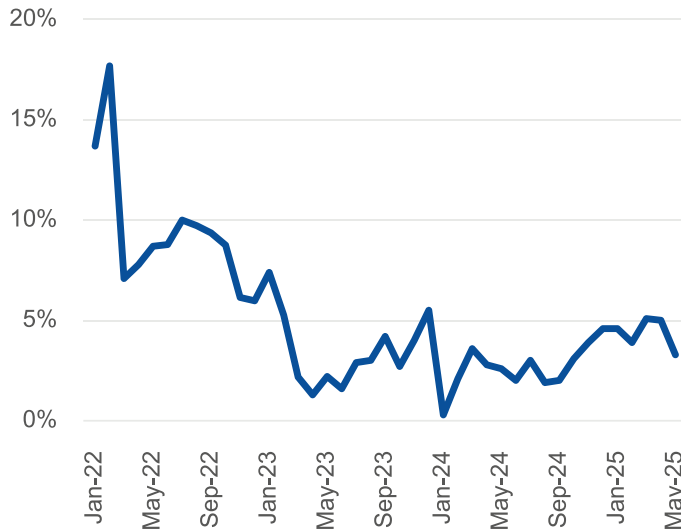


Source: U.S. Bureau of Labor Statistics

# Macroeconomic Overview (continued)

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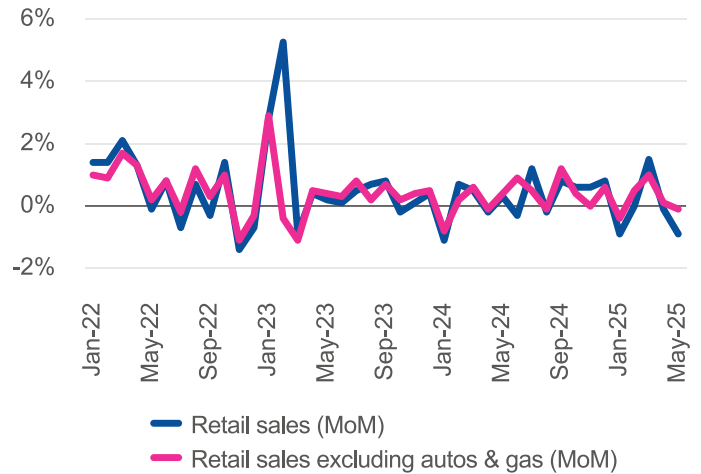
Retail Sales (year over year % change)



Source: U.S. Census Bureau

May retail sales declined 0.9% from April, the largest decrease since January, primarily driven by a slowdown in motor vehicles due to tariffs. Retail sales excluding autos and gas were down only 0.1% from April.

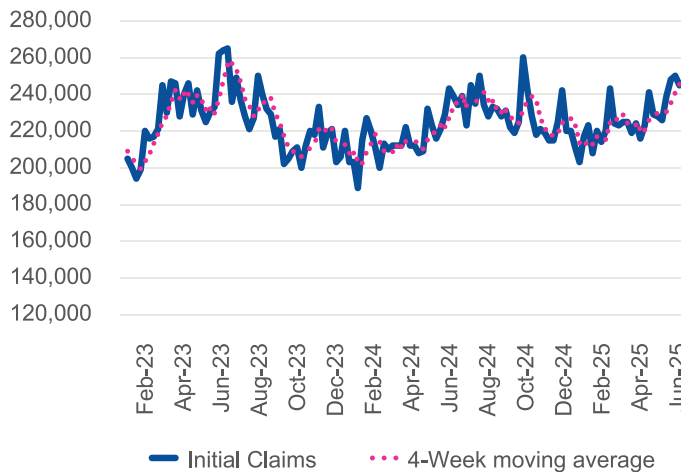
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Source: U.S. Census Bureau

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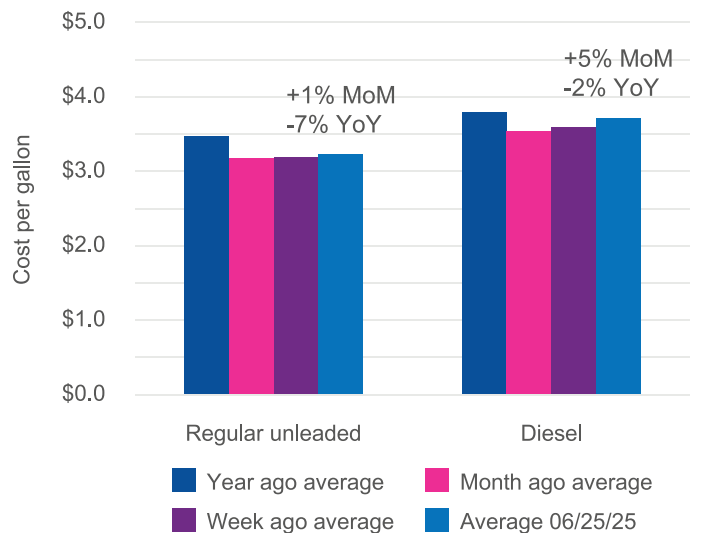
Unemployment Initial Claims (seasonally adjusted)



Source: U.S. Department of Labor

Despite the cost of fuel increasing over the past month, prices are still lower compared to a year ago, with regular and diesel fuel down 7% and 2%, respectively.

Average Gas Prices

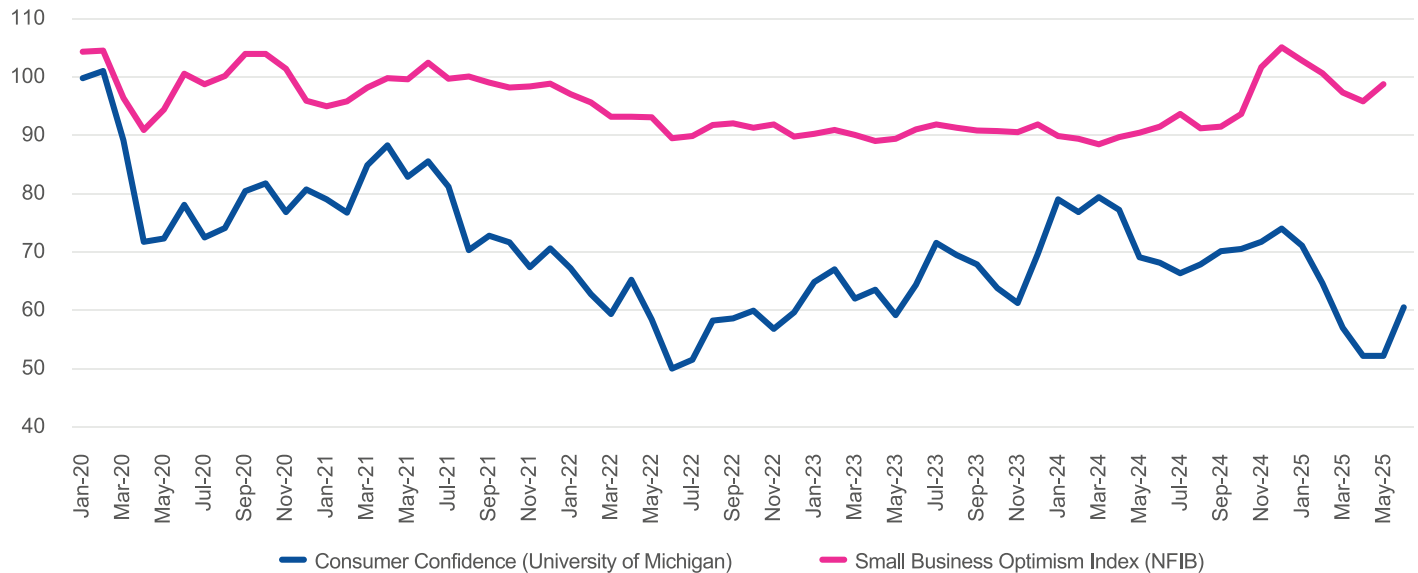


Source: AAA



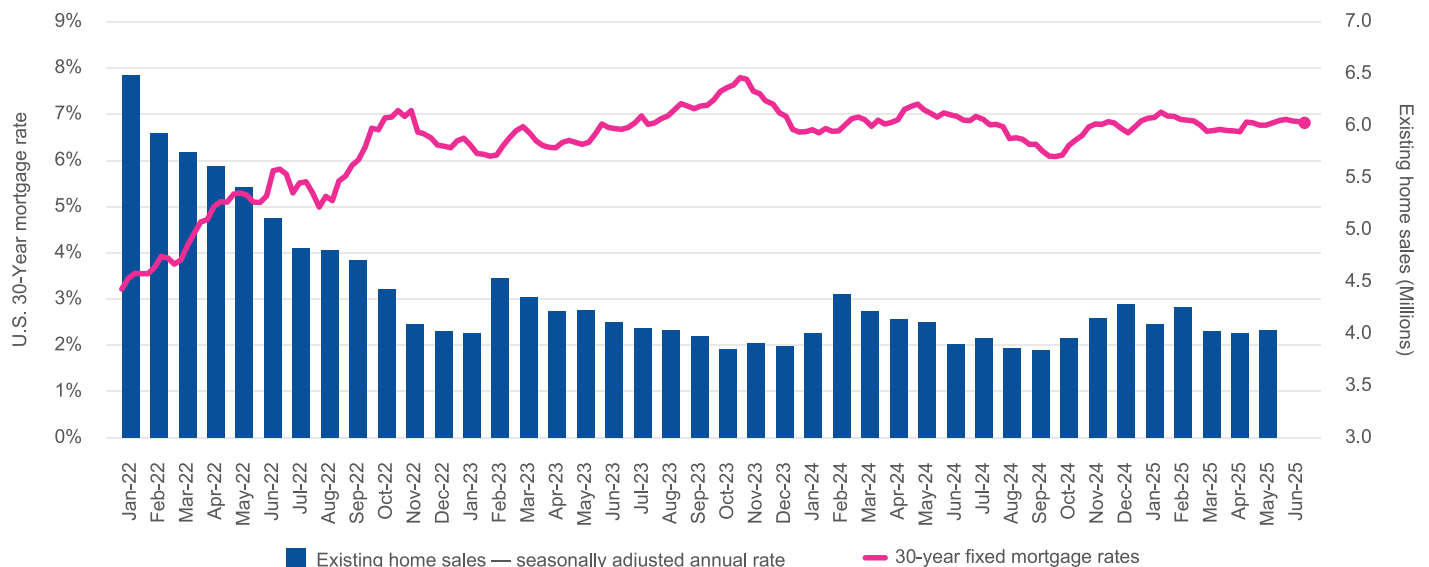
# Macroeconomic Overview (continued)

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Sources: University of Michigan; NFIB

The average 30-year mortgage rate was 6.81% for the week ending 06/18/25, down slightly from 6.84% the prior week. Existing home sales were 4.03MM in May, up 0.8% from 4.00MM in April.



Sources: Freddie Mac, National Association of Realtors

## Experian Small Business Index™

The Experian Small Business Index™ increased 2 points in May, rebounding from April's decline. The May index stands at 45.2 which is 9.8 points lower than a year ago.

As of May 2025



The Experian Small Business Index assesses the financial health of business owners and their businesses on a national, state, and industry level by combining their personal and business credit data.

The Experian Small Business Index monitors the small business environment by tracking trends such as the number of emerging businesses, delinquency rates, credit utilization, and new credit approval rates.

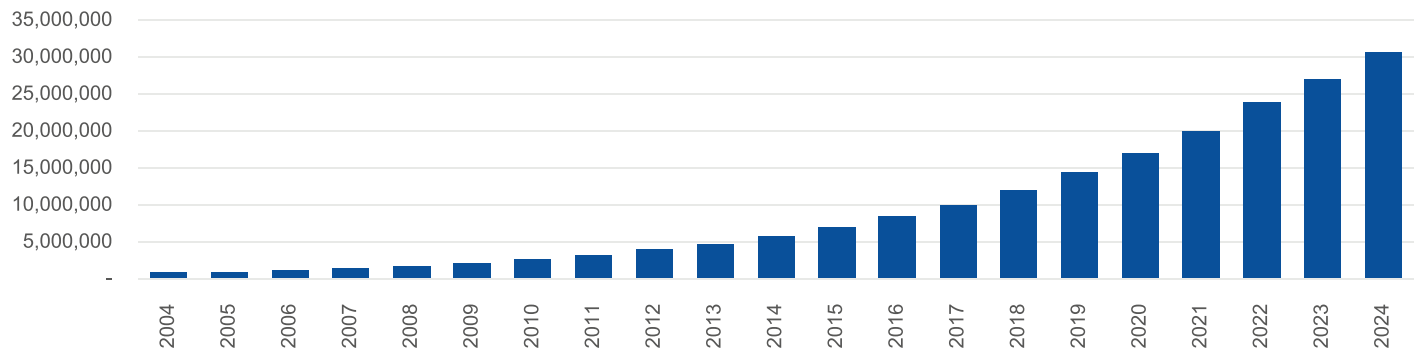
Index values range from 0 to 100, with a normal range between 40-60, where values trending below 40 indicate a less favorable business environment than average for owners, and values above 60 indicate a more favorable business environment than average. Favorable environment indicates overall health and **ease of access to and usage of credit in the region by a small business owner.**



## There has been significant expansion in the global e-commerce industry since the early 2000s, primarily driven by the U.S.

Globally, the total of e-commerce websites has increased from under 1 million in 2004 to more than 30 million by 2024.

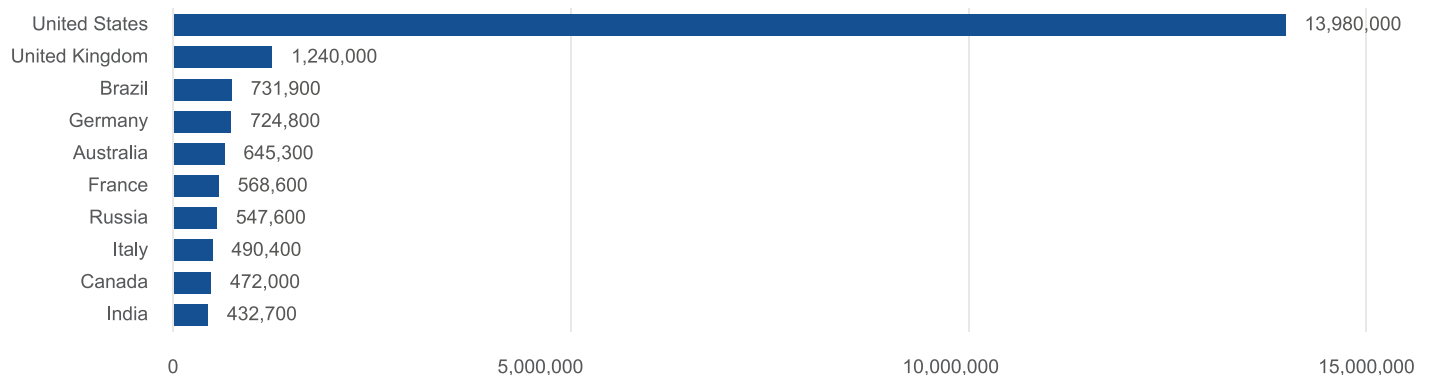
### Number of e-commerce website worldwide



Source: Doofinder.com

In 2024, the United States had the largest share of global e-commerce websites, totaling 13.98 million. The United Kingdom follows in second place, with only 1.2 million sites. Meanwhile, China, home to Alibaba — the second-largest online retailer with a market cap of \$316.42 billion — has only 79,900 e-commerce websites.

### Net % of Banks Reporting Tightened Standards on Loans

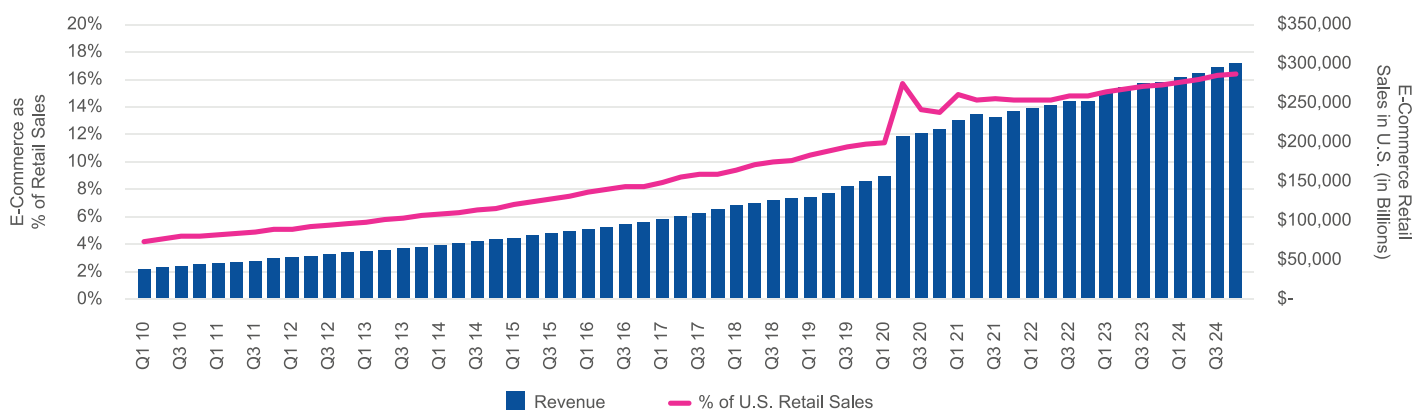


Source: Doofinder.com

## Revenue from e-commerce in the U.S. continues to grow, yet the number of sites is declining from the peak in 2023

During the COVID-19 pandemic, there was a significant surge in e-commerce retail sales and revenues. From Q1 to Q2 of 2020, the share of e-commerce in retail sales grew by 37.7%, while revenues increased by 32.6%. Following this rise in Q2 2020, the e-commerce share of U.S. retail sales has climbed by 4.45%, and quarterly revenues have seen 44% growth.

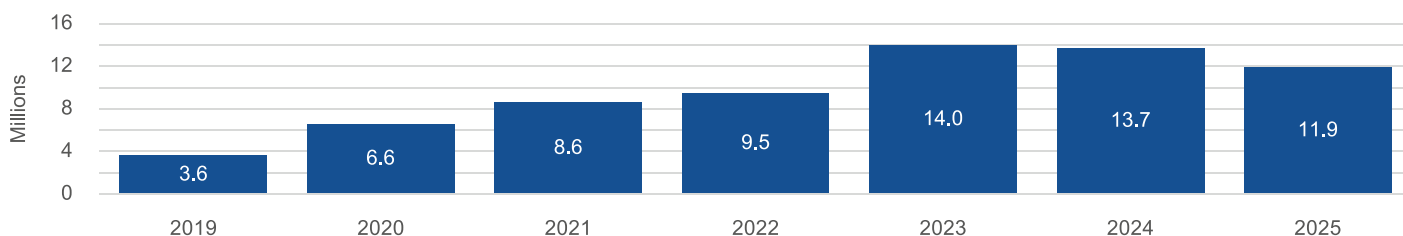
### E-commerce revenue and share of U.S. retail sales



Source: Federal Reserve Bank of St. Louis

The number of e-commerce sites in the U.S. more than tripled from 2019 to the peak in 2023. However, the trend reversed with fewer sites open in 2024 and 2025.

### Number of e-commerce sites in the U.S.



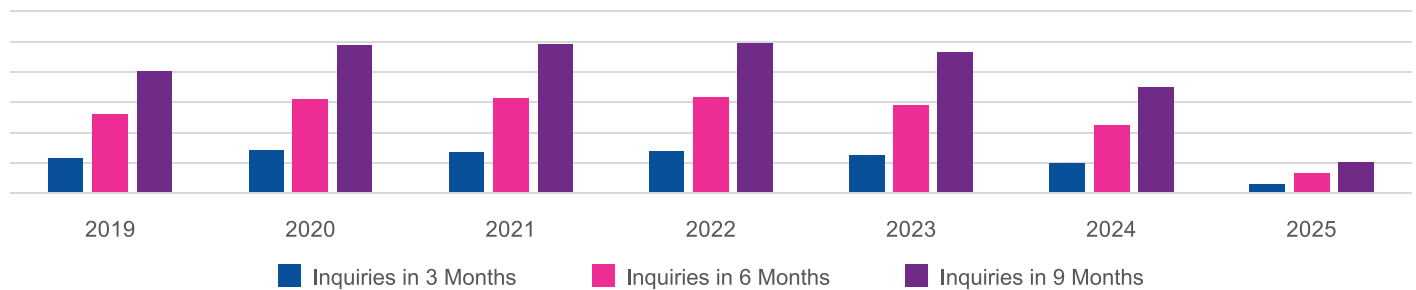
Source: markinblog.com



## As e-commerce businesses generate more revenue, the need for commercial credit declines

As the number of new e-commerce businesses slows, so does their need for commercial credit. In 2023 and 2024, the number of e-commerce inquiries for commercial credit in the previous 9 months fell by 5.7% and 24.9% respectively. It is anticipated that the slowing growth in new e-commerce companies will further reduce the number of commercial credit inquiries in 2025.

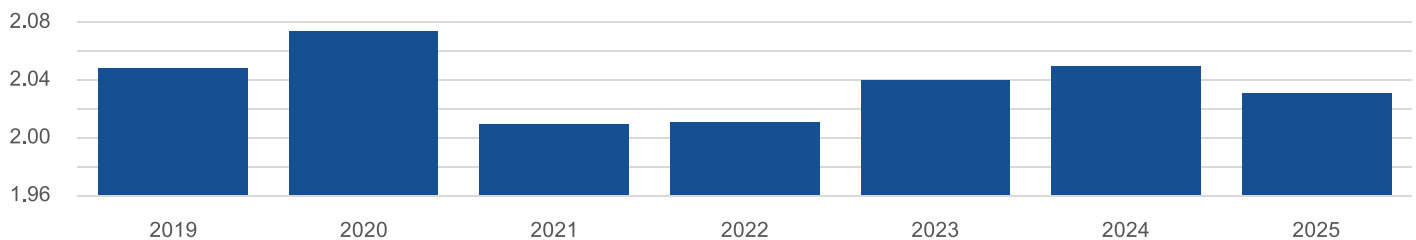
### Number of commercial credit inquiries by e-commerce businesses



Source: Experian Commercial Risk Database

In 2020, Federal COVID relief programs provided funding to thousands of businesses including e-commerce companies. Since spiking in 2020, the average number of commercial credit trades per e-commerce business has fallen by 2%.

### Average number of commercial credit trades per e-commerce business

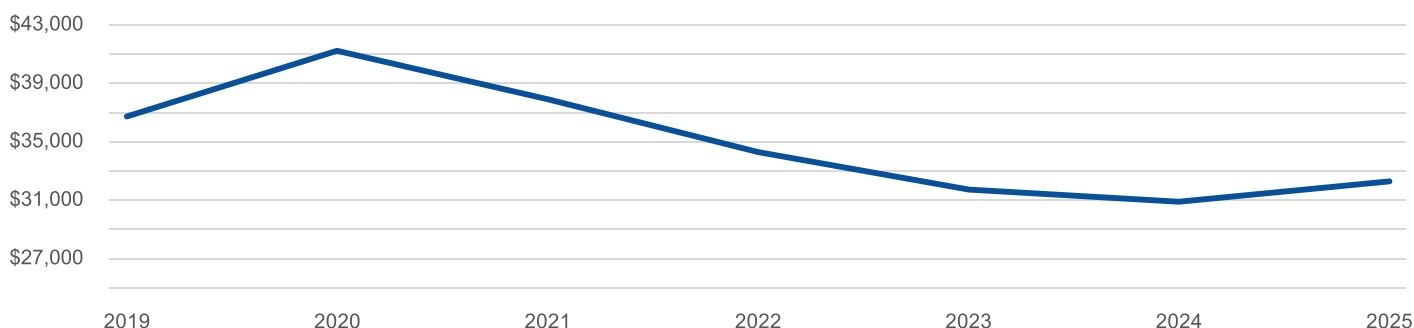


Source: Experian Commercial Risk Database

## Commercial credit received by E-commerce businesses has declined since the 2020 COVID spike but the trend is shifting in early 2025

In 2025, the average new commercial account amount for e-commerce businesses is about \$32K. This represents a modest increase from 2024, yet it remains significantly lower than the 2020 peak of \$41K.

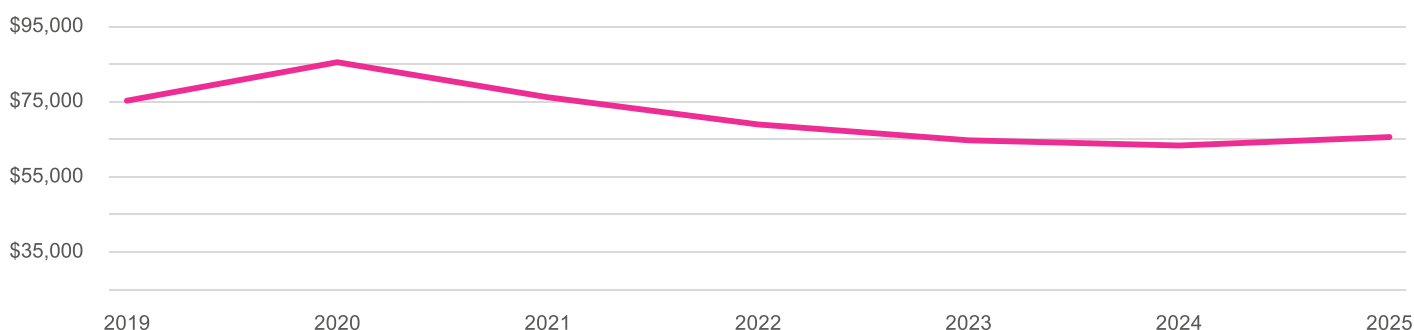
### Average new commercial credit origination amount by trade for e-commerce businesses



Source: Experian Commercial Risk Database

E-commerce businesses have 2.03 accounts per business on average. In 2025 the average amount of new commercial credit per e-commerce businesses is just over \$65K, up slightly from 2024 yet well below the 2020 peak.

### Average new commercial credit origination amount by e-commerce business



Source: Experian Commercial Risk Database

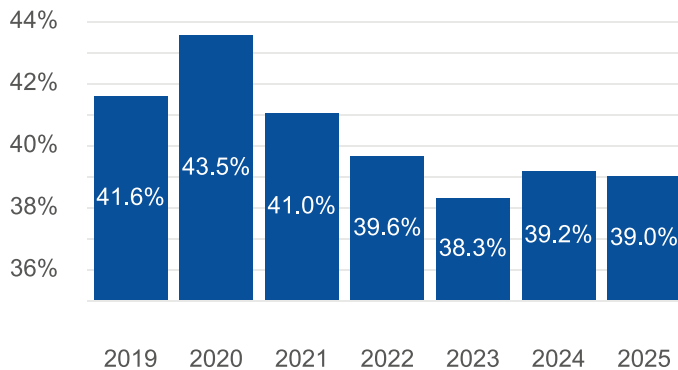


## E-Commerce companies are exhibiting strong performance in terms of commercial credit risk

E-commerce businesses are using a smaller portion of the credit they are being granted with a utilization rate of 39.0% in 2025, down from 43.5% in 2020.

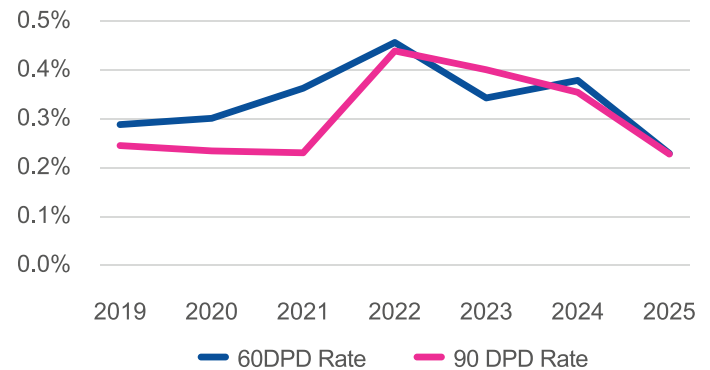
Mid to late-stage delinquency rates have fallen sharply since spiking in 2022. The 60 days past due delinquency rate has fallen from 0.46% to 0.23% in the past 4 years with the 90-day delinquency rate following a similar trend.

### E-Commerce Utilization Rate



Source: Experian Commercial Risk Database

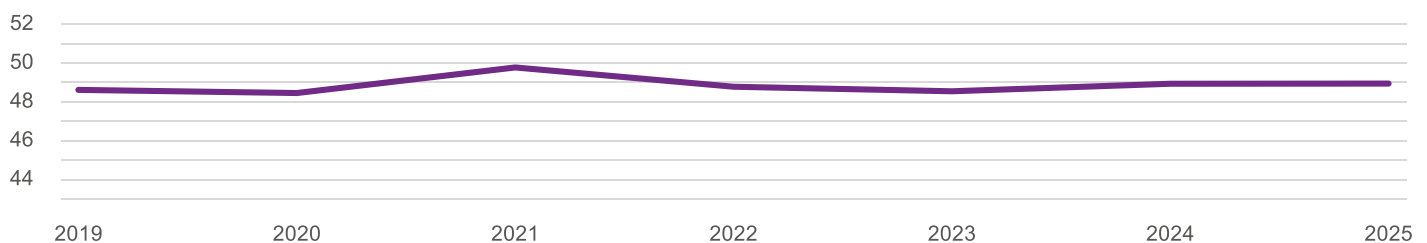
### E-Commerce delinquency rates



Source: Experian Commercial Risk Database

The strong credit performance of businesses within the e-commerce sector, characterized by low delinquency rates and consistently low utilization, has enhanced the credit risk profile for e-commerce. As a result, commercial credit scores have remained consistent over the years, surpassing the pre-pandemic levels.

### Average Commercial Risk Score (IPv2)



Source: Experian Commercial Risk Database

## What I found interesting



### About the author

#### Marsha Silverman

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Commercial Data Science  
Experian Business Information Services

Marsha leads strategic analytic solutions within Experian's U.S. Commercial Data Sciences team. In her role, she consults with various clients to drive comprehensive businesses strategies through use of Experian data and analytics across the product lifecycle from prospecting, account acquisition and underwriting through account management. Marsha is an industry expert with more than 30 years of experience in Financial Services focusing on both risk and marketing analytics for consumer and commercial lending.



### Contributor

#### Andrew Moore

Analytic Consultant  
Commercial Data Science  
Experian Business Information Services

Andrew supports analytical solution consulting in the Commercial Decision Sciences team at Experian. In his role, he assists clients in multiple aspects of commercial credit management; from acquisition to portfolio management to commercial recoveries. Andrew has 10+ years of experience in analytical consulting for both commercial and consumer role and in the application of alternative data solutions across multiple industries. Andrew has a wide breadth of hands-on experience in risk management, alternative data solutions and sales.



### Contributor

#### Emily Garrett

Manager, Strategic Analytic  
Commercial Data Science  
Experian Business Information Services

Emily leads a team of analytical consultants with strong statistical and decision science skills who focus on bringing the rich and diverse data contained within the Ascend platform. She brings a strong analytical background, including in small business lending, and uses this experience to lead innovation within the small business lending space.

The e-commerce industry has experienced substantial growth since the early 2000's. Currently, there are more than 30 million e-commerce enterprises worldwide, with the United States representing a significant portion of this total. By the end of 2024, e-commerce made up over 16% of overall retail sales in the U.S. and generated quarterly revenues exceeding \$300 billion. Despite the ongoing increase in retail sales share and quarterly revenue, the rate of new e-commerce businesses has started to decline. Between 2024 and 2025, the number of e-commerce businesses declined 13.1% in the United States. With fewer e-commerce businesses and growing revenue, existing e-commerce businesses have more cash on hand thereby reducing the need for commercial credit.

There has been a notable reduction in e-commerce businesses pursuing commercial credit. From 2023 to 2024, the number of e-commerce firms seeking new commercial credit in the past nine months dropped by 24.9%. E-commerce businesses are receiving lower average credit amounts, even below per-pandemic amounts. On average, e-commerce businesses have just over two commercial credit accounts and the average account amount was \$32,000, down from a peak of \$41,000 and approximately \$5,000 less than pre-pandemic averages of \$37,000. Although e-commerce businesses are receiving less commercial credit they are managing it well. Mid to late-stage delinquency rates have fallen by 50% over the last four years and commercial credit utilization rates have remained flat over the past two years at 39%. This favorable credit performance has helped maintain commercial credit scores, raising the average score for the industry above pre-pandemic levels.

### What I am watching:

The term "uncertainty" has become increasingly common recently. Citing ambiguous tariff policies, Federal Reserve Chairman Powell explained that the Fed decided to maintain interest rates at their June meeting. The recent events in Iran have impacted the crude oil market, causing price fluctuations for fuel. This climate of unpredictability has affected both consumer confidence and business sentiment, leaving both cautious. Generally, the economic outlook is more favorable when there is stability and predictability.

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## COMMERCIAL PULSE

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