



# COMMERCIAL PULSE

Small Business Insights

# Executive Summary

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## U.S. Economic and Regulatory Highlights

- In January, the Federal Reserve kept interest rates unchanged for the first time since July 2025, following three quarter-point rate reductions in the second half of 2025.
- Inflation was 2.7% in December, remaining flat to November. December core inflation (excluding food and energy) remained flat to November at 2.6%, which is the lowest since March 2021. (Source: U.S. Bureau of Labor Statistics)
- December producer price index was flat to November at 3.0%. (Source: U.S. Bureau of Labor Statistics)
- December unemployment was 4.4%, down slightly from 4.5% in November which had been the highest level since September 2021. Average hourly wages continued to increase, but at a much slower pace, up only 3 cents to \$31.76 per hour in December. (Source: U.S. Bureau of Labor Statistics)
- The U.S. economy added 50K jobs in December, a decline from a downwardly revised 56K in November and below expectations. (Source: U.S. Bureau of Labor Statistics)
- Private businesses in the U.S added 22K jobs in January, down from 37K in December. The increase was driven by hiring in healthcare, finance and construction and offset by contraction in professional and business services and manufacturing. (Source: Automatic Data Processing, Inc.)
- U.S. employers reported hiring 5.3K in January, down from 10.5K in December. It was the 13% lower than a year ago and the lowest amount in the month of January ever reported since Challenger began tracking in 2009. (Sources: Challenger, Gray and Christmas, Inc.)
- U.S. employers reported 108.4K job cuts in January, up from 35.6K in December. It was more than double the amount of a year ago and the highest amount in the month of January ever reported since Challenger began tracking in 2009. (Sources: Challenger, Gray and Christmas, Inc.)
- The ISM Manufacturing PMI was 52.6 in January, up from 47.9 in January, reaching the highest level since August 2022. It is also the first reading in eleven months that is above 50 which indicates expansion. (Source: Institute for Supply Management)
- The December Logistics Manager's Index (LMI) was 59.6, up from 54.2 in December, reaching the highest level since June 2025. (Source: Logistic Managers' Index)
- In the week ending 01/24/26, the advance figure for seasonally adjusted initial unemployment claims was 209,000, down 1K from the prior week. The 4-week moving average was 206,250, up slightly from the prior week but down 3.4% from a year ago. (Source: U.S. Department of Labor)
- Prices for both regular and diesel fuel increased since last month but remain lower than a year ago. (Source: AAA)
- The average 30-year mortgage rate was 6.10% for the week ending 01/29/26 up from 6.09% from the prior week. Over the past two weeks, the rate inched up from a three-year low. (Source: Freddie Mac)
- Small Business optimism was 99.5 in December, up slightly from 99.0 in November, reaching the highest level since August 2025. (Source: NFIB)
- Consumer sentiment was 56.4 in January, up from 52.9 in December, reaching the highest level since August 2025, but 21% lower than a year ago. (Source: University of Michigan)

# Macroeconomic Overview

**4.4%** December  
Unemployment

U.S. Bureau of Labor Statistics

**2.7%** Inflation  
in December

U.S. Bureau of Labor Statistics

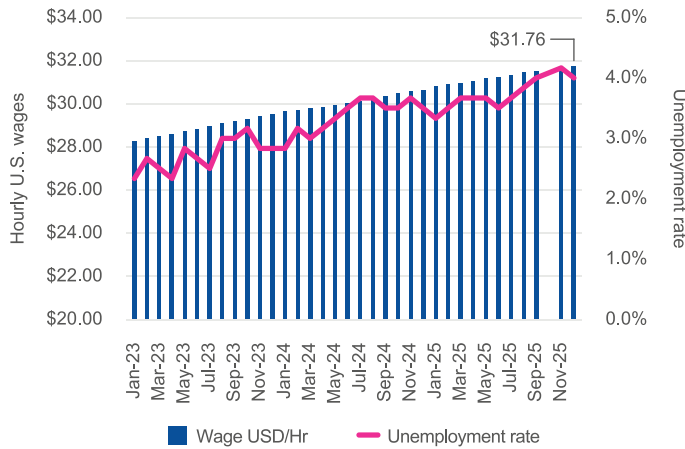
**99.5** Small Business  
Optimism in December

NFIB

**56.4** Consumer Sentiment  
in January

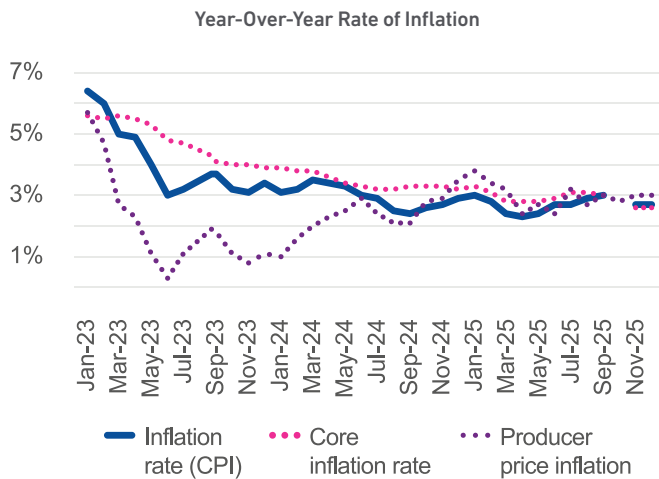
University of Michigan

December unemployment was 4.4%, down slightly from 4.5% in November which had been the highest level since September 2021. Average hourly wages continued to increase, but at a much slower pace, up only 3 cents to \$31.76 per hour in December.



Source: U.S. Bureau of Labor Statistics

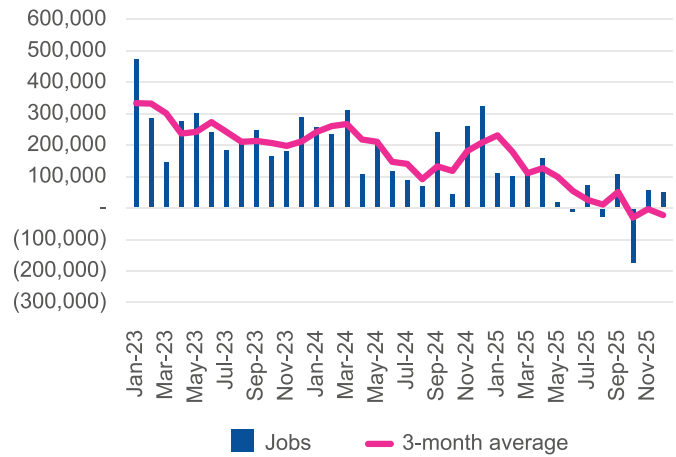
Inflation was 2.7% in December, remaining flat to November. December core inflation (excluding food and energy) remained flat to November at 2.6%, which is the lowest since March 2021. December producer price index was flat to November at 3.0%.



Source: U.S. Bureau of Labor Statistics

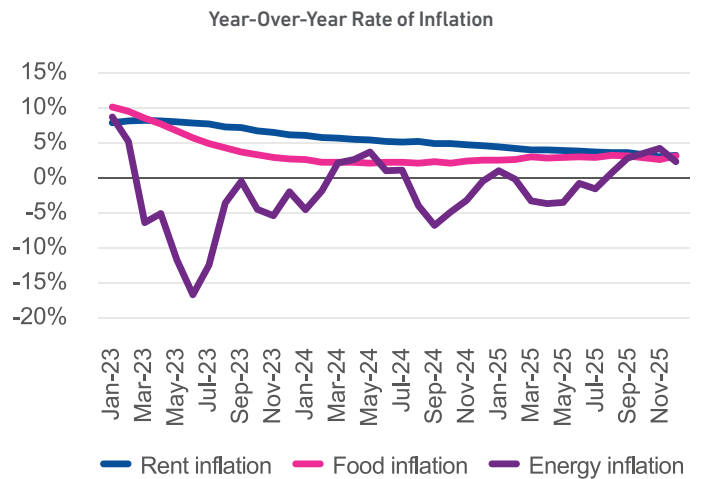
The U.S. economy added 50K jobs in December, a decline from a downwardly revised 56K in November and below expectations.

Monthly Job Creation — U.S. Non Farm Payrolls (seasonally adjusted)



Source: U.S. Bureau of Labor Statistics

December rent inflation was 3.2%, up from 3.0% in November and the first month-over-month increase since August 2024. Food inflation was 3.1% in December, up from 2.6% in November. December energy prices increased 2.3% from a year ago, down from 4.2% in November.

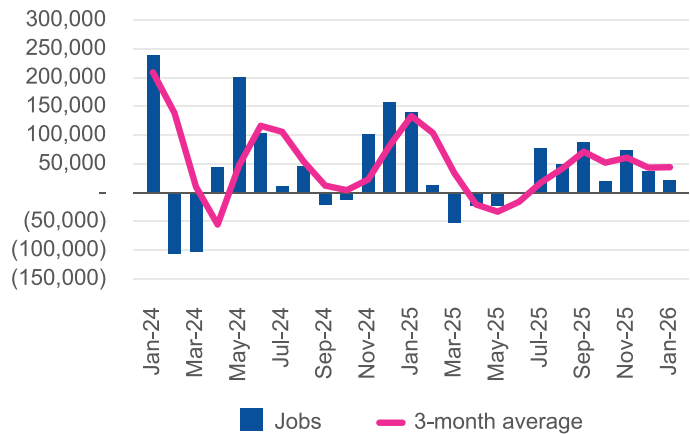


Source: U.S. Bureau of Labor Statistics

# Macroeconomic Overview (continued)

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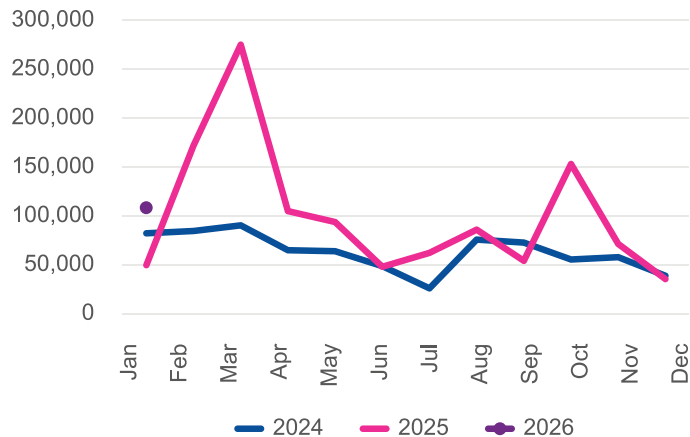
ADP Employment Change in U.S.



Source: Automatic Data Processing, Inc.

U.S. employers reported 108.4K job cuts in January, up from 35.6K in December. It was more than double the amount of a year ago and the highest amount in the month of January ever reported since Challenger began tracking in 2009.

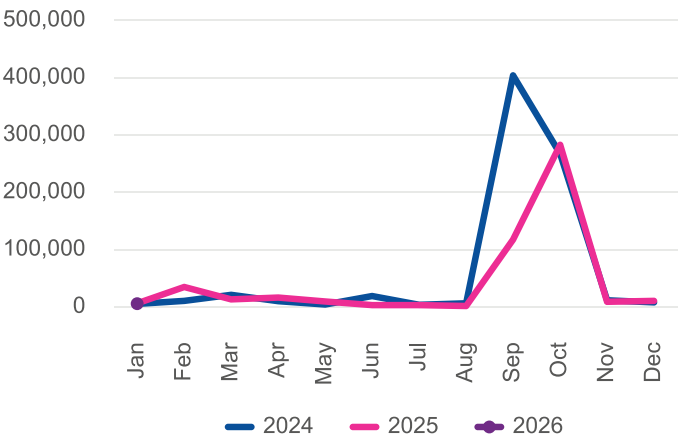
Job Cuts in U.S.



Sources: Challenger, Gray and Christmas, Inc.

U.S. employers reported hiring 5.3K in January, down from 10.5K in December. It was the 13% lower than a year ago and the lowest amount in the month of January ever reported since Challenger began tracking in 2009.

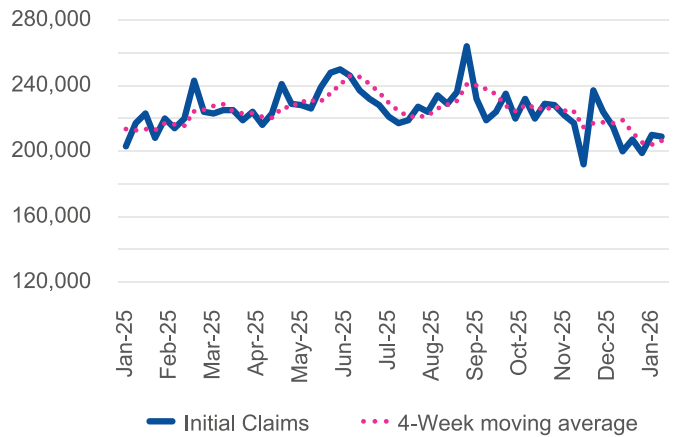
Hiring Plans Announcements in U.S.



Sources: Challenger, Gray and Christmas, Inc.

In the week ending 01/24/26, the advance figure for seasonally adjusted initial unemployment claims was 209,000, down 1K from the prior week. The 4-week moving average was 206,250, up slightly from the prior week but down 3.4% from a year ago.

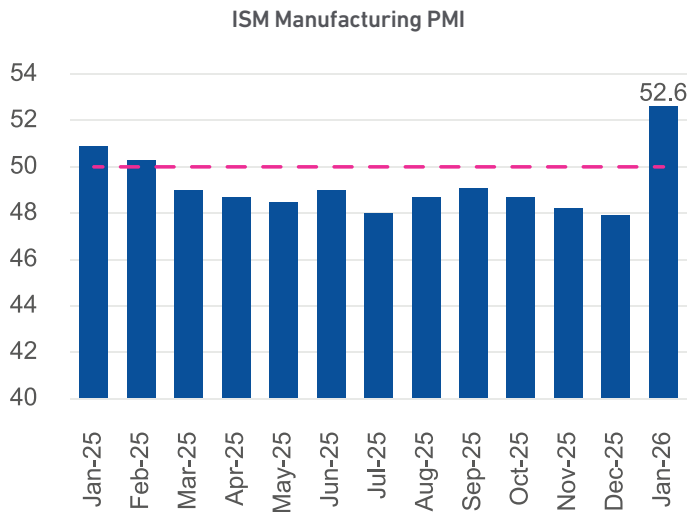
Unemployment Initial Claims (seasonally adjusted)



Source: U.S. Department of Labor

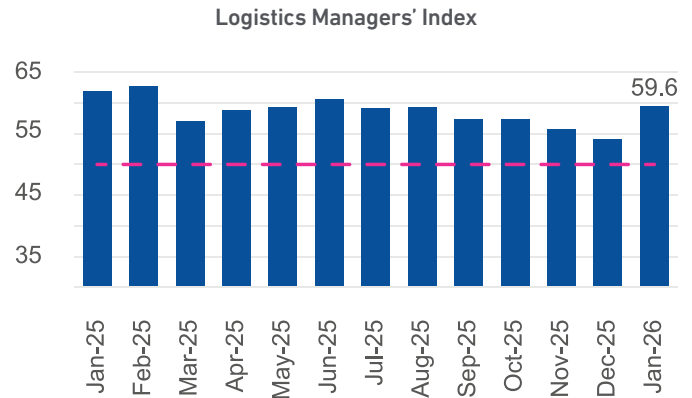
# Macroeconomic Overview (continued)

The ISM Manufacturing PMI was 52.6 in January, up from 47.9 in January, reaching the highest level since August 2022. It is also the first reading in eleven months that is above 50 which indicates expansion.



Source: Institute for Supply Management

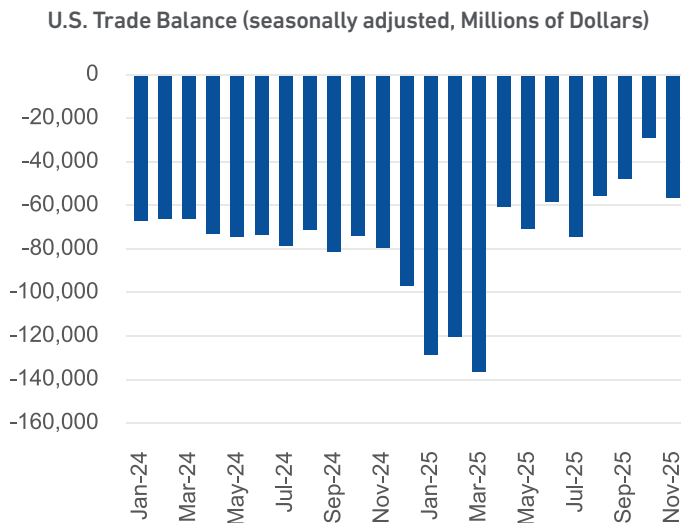
The December Logistics Manager's Index (LMI) was 59.6, up from 54.2 in December, reaching the highest level since June 2025.



Note: The LMI score is a combination of eight unique components that make up the logistics industry, including: Inventory Levels and Costs, Warehousing Capacity, Utilization, and Prices, and Transportation Capacity, Utilization, and Prices. The LMI is calculated using a diffusion index, in which any reading above 50.0 indicates that logistics is expanding; a reading below 50.0 is indicative of a shrinking logistics industry.

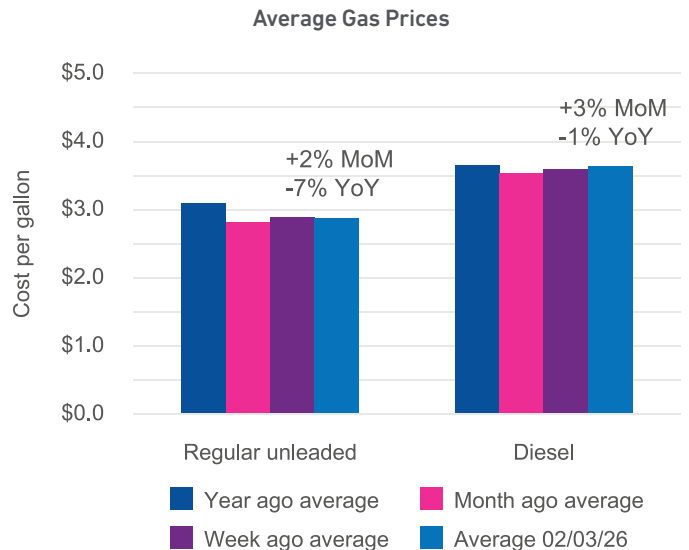
Source: Logistics Manager's Index

The U.S. trade deficit expanded to \$56.8B in November, from \$29.2B in October. It was the highest gap in four months, driven by a 5% increase in imports and a 3.6% decrease in exports.



Source: Bureau of Economic Analysis

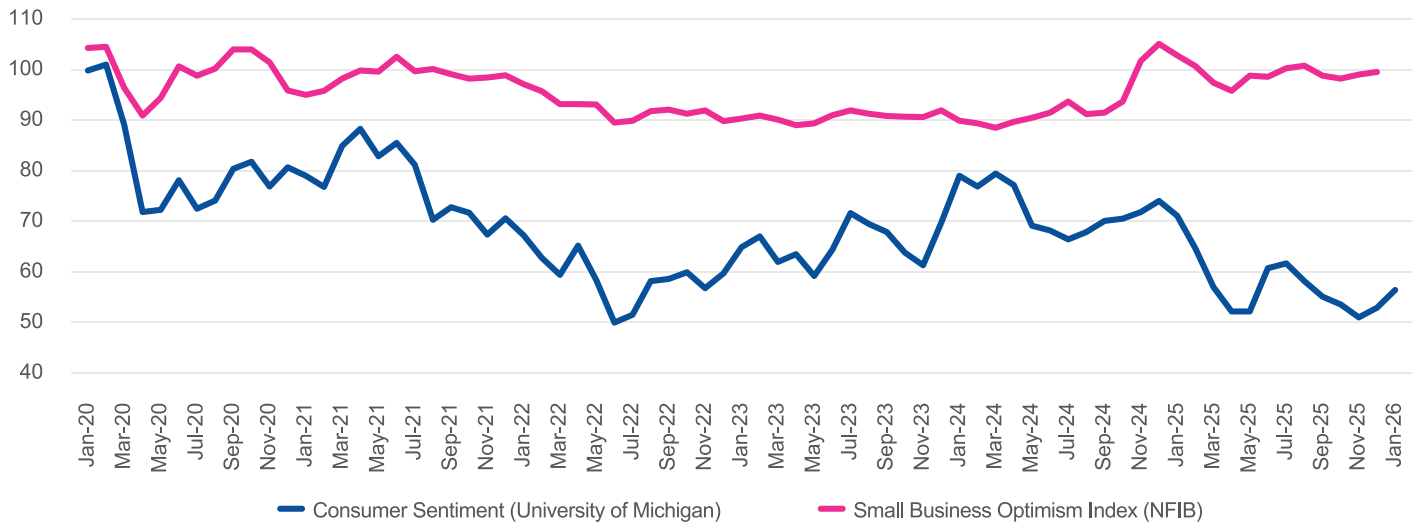
Prices for both regular and diesel fuel increased since last month but remain lower than a year ago.



Source: AAA

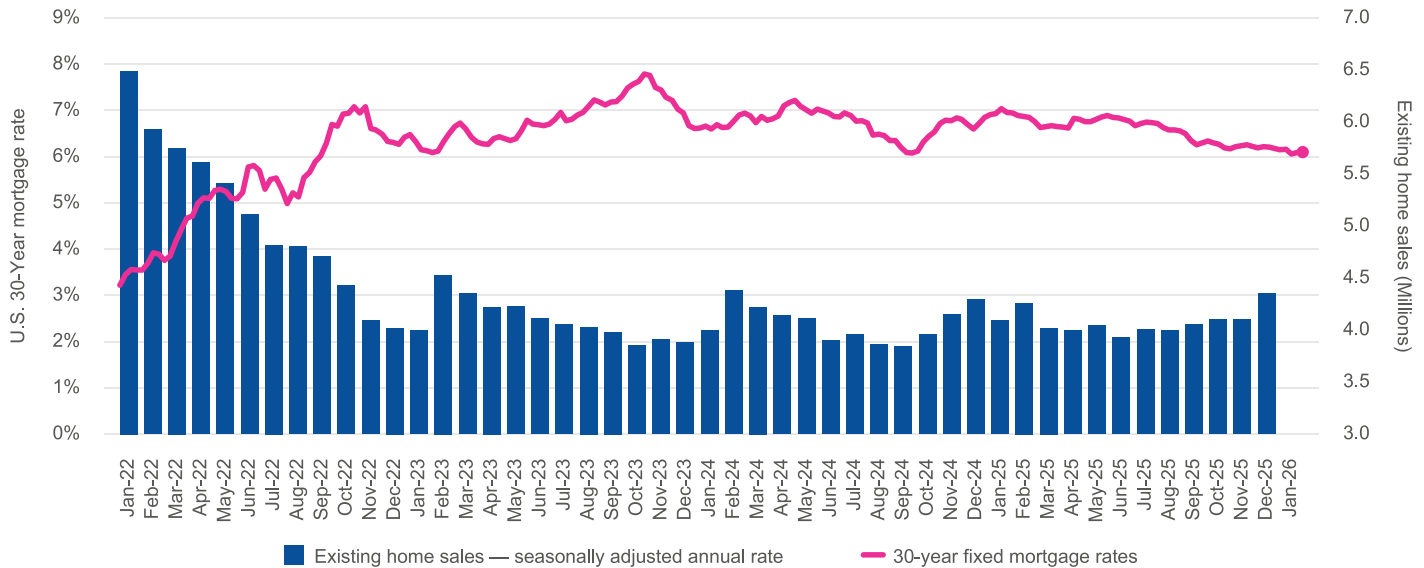
# Macroeconomic Overview (continued)

Consumer sentiment was 56.4 in January, up from 52.9 in December, reaching the highest level since August 2025, but 21% lower than a year ago. Small Business optimism was 99.5 in December, up slightly from 99.0 in November, reaching the highest level since August 2025.



Sources: University of Michigan; NFIB

The average 30-year mortgage rate was 6.10% for the week ending 01/29/26 up from 6.09% from the prior week. Existing home sales were 4.35MM in December, up from 4.14MM in November, the fourth consecutive monthly increase, reaching the highest amount in a month since February 2023.



Sources: Freddie Mac, National Association of Realtors

## Experian Small Business Index™

The Experian Small Business Index™ decreased **6.2 points to 45.8** in December, which was 5.3 points higher year-over-year. The monthly decrease coincided with increases in certain business risk indicators, including higher delinquency rates and rising balances, alongside a reduction in new credit activity, suggesting a tighter lending environment.

As of December 2025



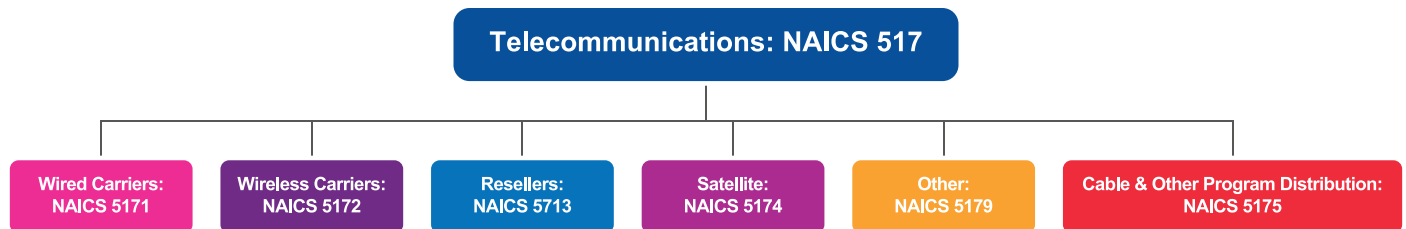
The Experian Small Business Index assesses the financial health of business owners and their businesses on a national, state, and industry level by combining their personal and business credit data.

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.**

## Telecom Industry Outlook

The telecommunications industry (NAICS 517) is comprised of a wide array business and the solutions and functions that they provide.

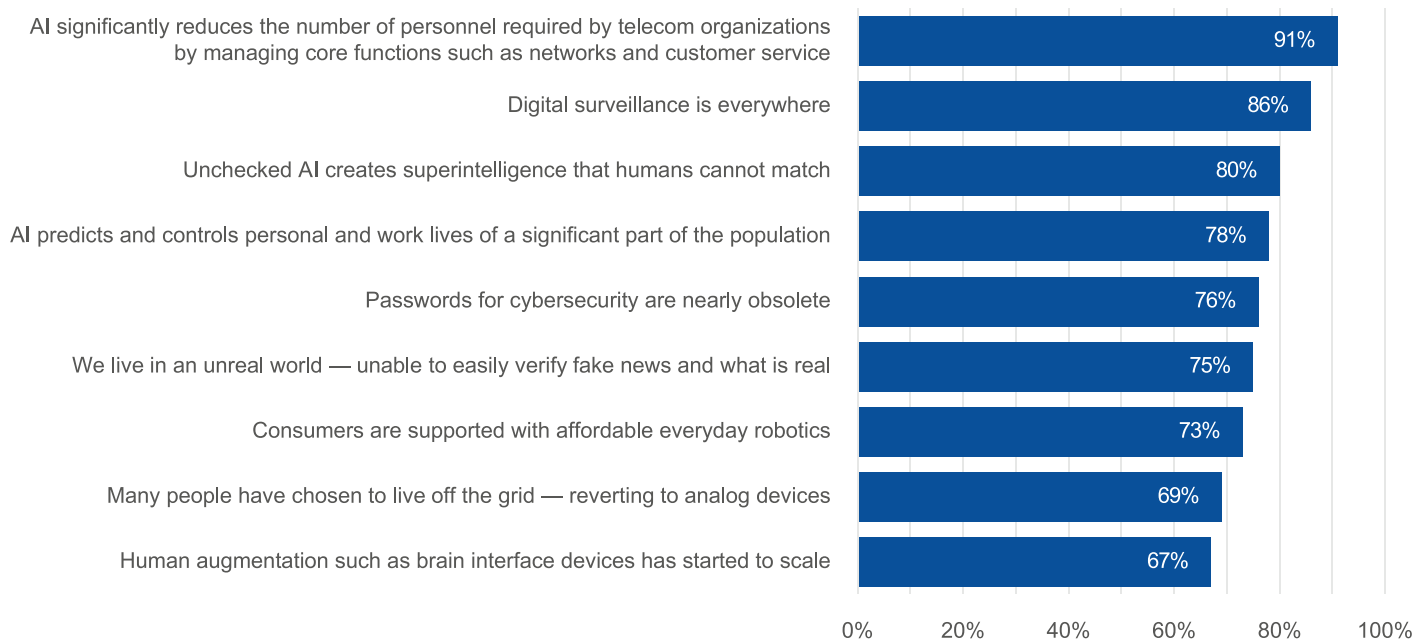


Source: U.S. Bureau of Labor Statistics

### IBM Institute for Business Value | Research Insights — Telecom 2030

IBM conducted a survey of Telecommunication CSPs (communication service providers) to identify key factors anticipated to influence the Telecommunication sector by 2030. The results reflect the views of CSP executives, with percentages showing the proportion who agreed or strongly agreed with each statement.

## Factors expected to impact the Telecommunication Industry



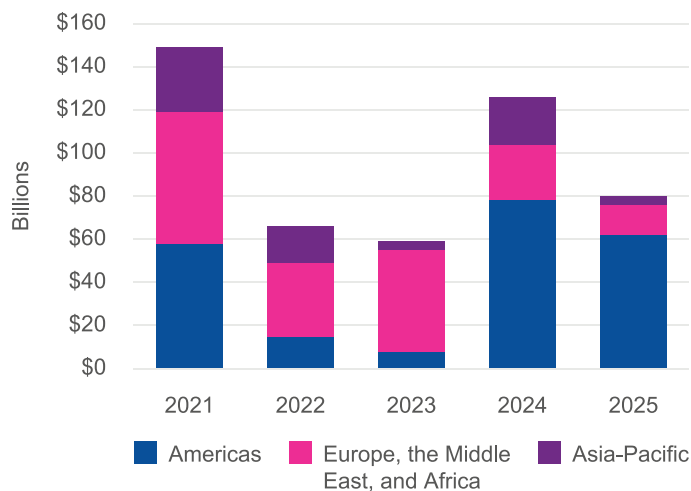
Source: IBM

## Industry consolidation reshaped the telecommunication sector

Although worldwide telecom mergers and acquisitions fell 37% in 2025, the Americas experienced two strong years of M&A activity, totaling \$78 billion in 2024 and \$62 billion in 2025.

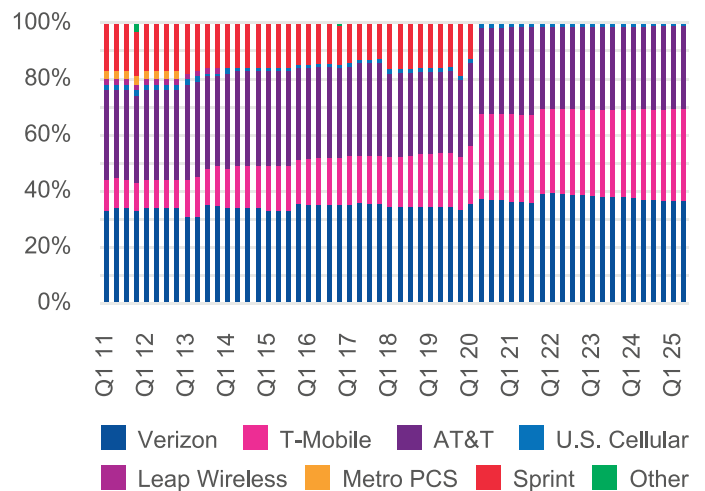
Mergers in the wireless sector have resulted in just three dominant companies remaining.

Global Telecom M&A Deal Value



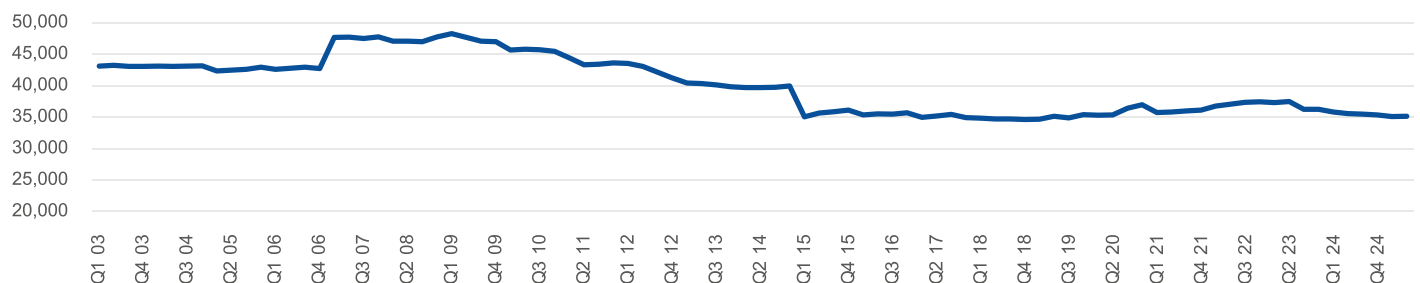
Source: Bain.com

Wireless subscriptions market share by carrier in the United States



Source: Statista

The number of telecom establishments in the U.S. is down 27% from the peak of 48K in 2009.



Source: U.S. Bureau of Labor Statistics

## The speed of advancement from analogue to digital disrupted the telecommunications landscape

The change from analogue to digital has shifted many aspects of the Telecommunications industry since 1990.

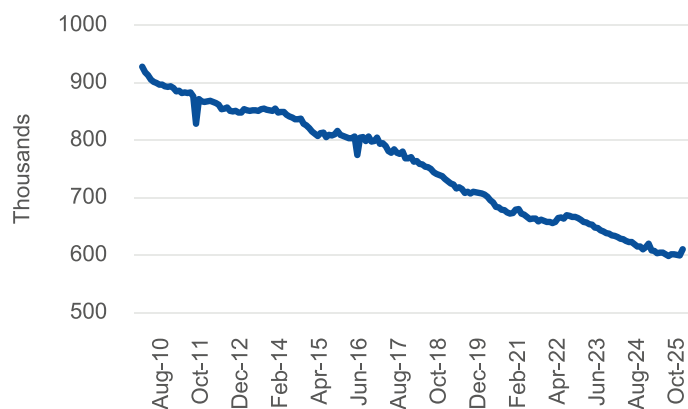
Telecommunications Jobs: Historical vs. Today		
Feature	Historical (Mid-20th Century-1990s)	Today (2020s)
Total Jobs (U.S.)	Very High (Peaked over 1M)	Lower (Approx. 647,000 – 894,000 in 2023)
Primary Roles	Telephone Operators, Switchboard Attendants, Physical Linemen	Network Engineers, Software Developers, Data Scientists, Fiber Technicians
Key Skills	Manual dexterity, customer service, clerical	Coding, AI, network automation, cloud computing
Technology Focus	Wired infrastructure, electromechanical switches	Wireless (5G), fiber optics, AI/data centers
Workforce Trend	Steady employment growth until 2001	Significant decline post-2001, stabilizing with new broadband initiatives
Productivity	Low (Manual)	Extremely High (Automated/Software-driven)

Source: Economic Policy Institute

Industry consolidation and digital transformation led to a decrease in Telecom jobs. In January 2010 there were over 928K employees but by year end 2025 that decreased 34% to 610K.

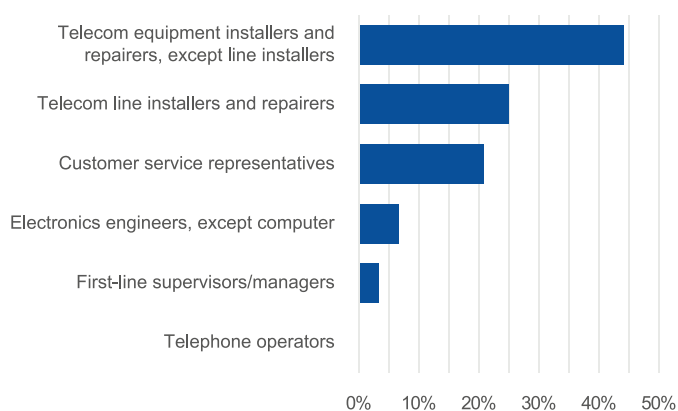
The move toward digital technologies in the industry has changed the employment landscape, making technical skills increasingly essential.

### Telecommunications — Number of Employees



Source: U.S. Bureau of Labor Statistics

### Telecommunications Employment by Role

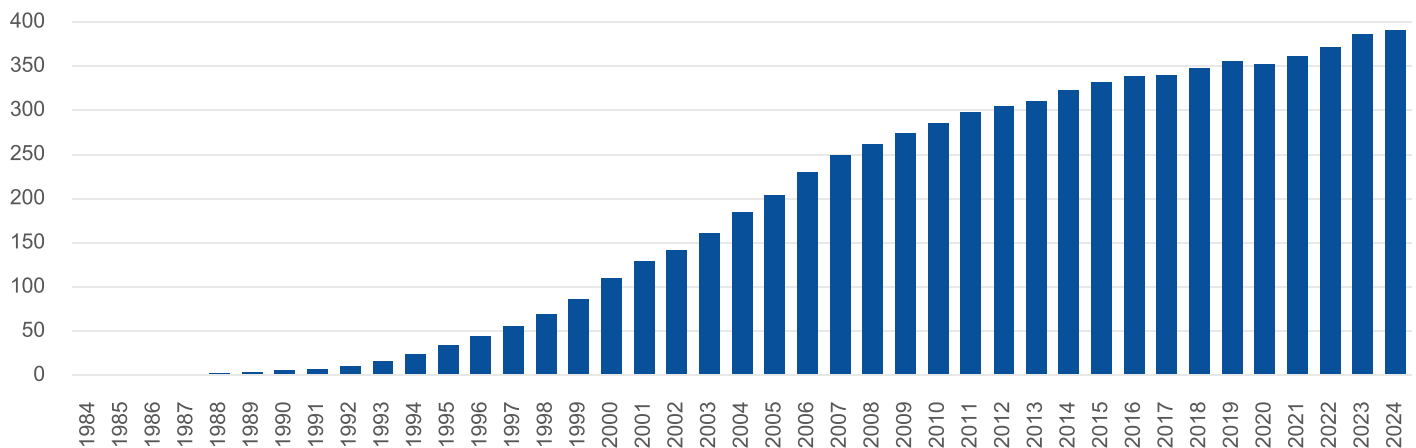


Source: U.S. Bureau of Labor Statistics

## Rapid technology advancements drive consumer demand for new products

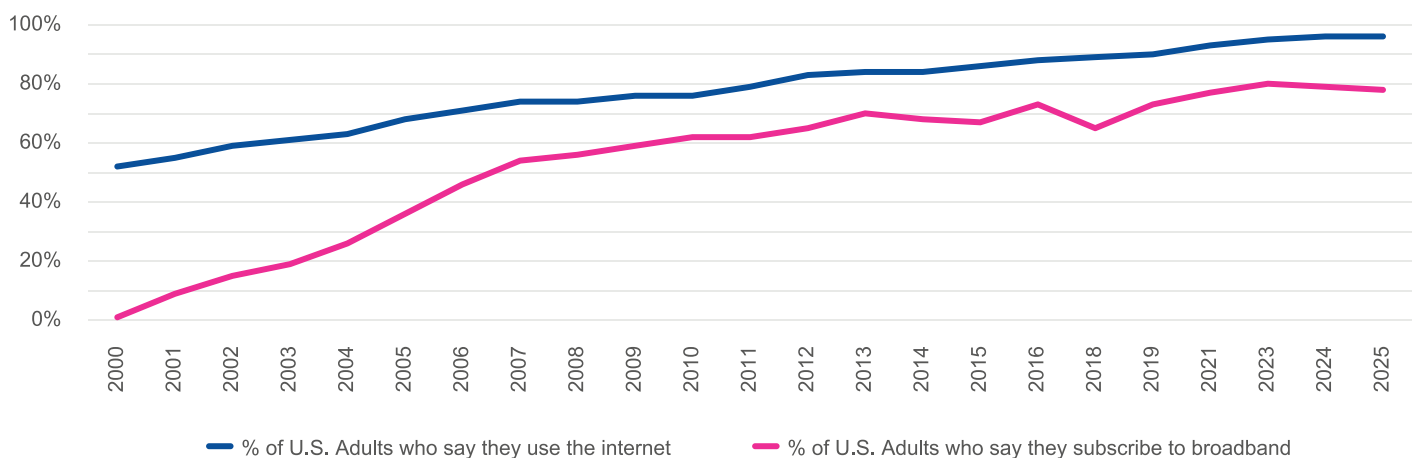
Since 2014, there is at least one mobile cellular subscription per person in the United States.

### Number of Mobile Cellular Subscriptions in the U.S. (in millions)



Sources: ITU; Federal Communications Commission

Nearly all adults in the U.S. currently access the internet, compared to just half who reported using it back in 2000. Broadband usage started in the year 2000 and now close to 80% of adults have a subscription for it.

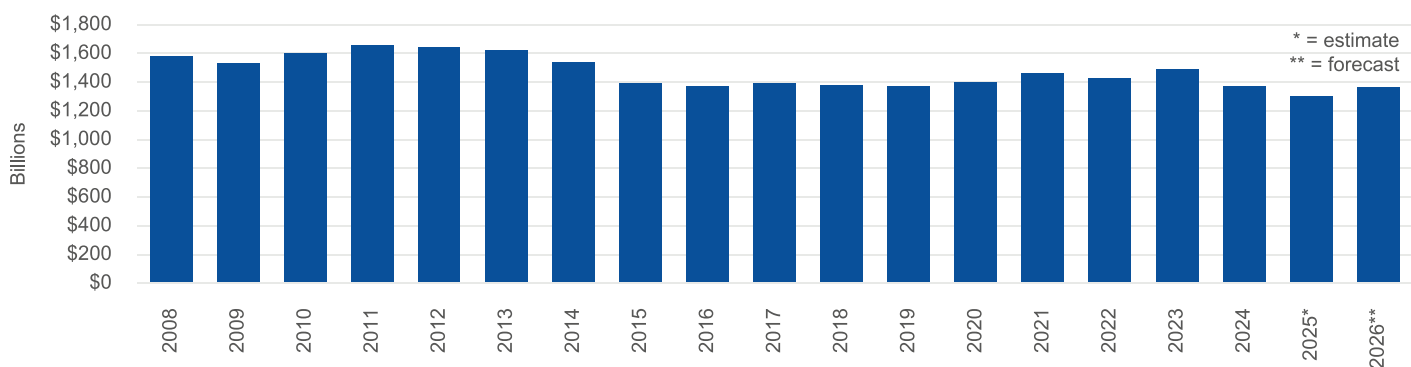


Source: Pew Research Center

## Investment in the Telecom industry remains strong, driving up the costs to provide Telecom services

In 2025, global spending on telecommunication services was projected to reach 1.3 trillion U.S. dollars. Although this represented a decrease compared to previous years, it remained a substantial amount, with forecasts for 2026 predicting a 4.5% rise over the 2025 figure.

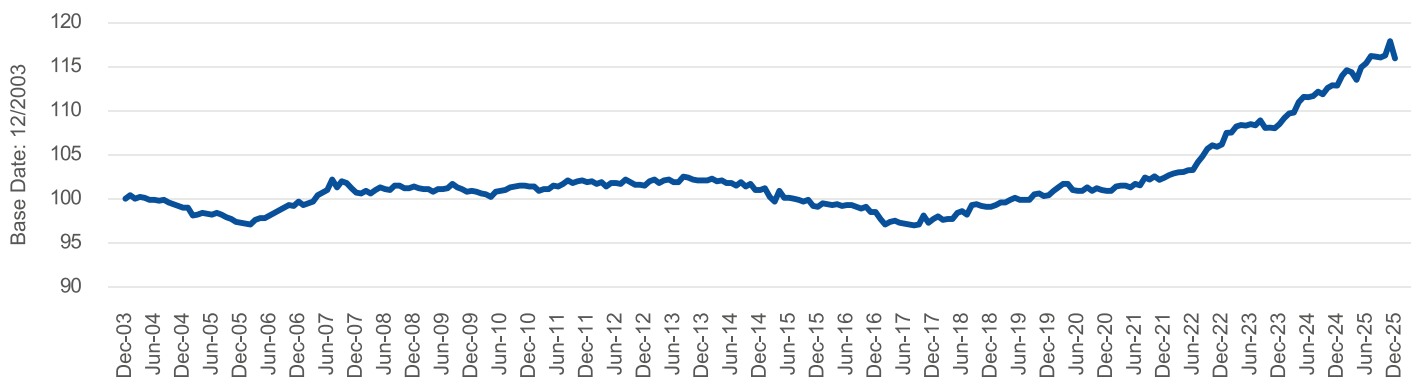
### IT Spending on Telecom Services Spending Worldwide



Source: Gartner

Growth in the Telecommunications industry, specifically in the United States, has resulted in an increase in producer prices. From the most recent low in August 2017, the price index has increased almost 20%.

### Telecommunications — Producer Price Index



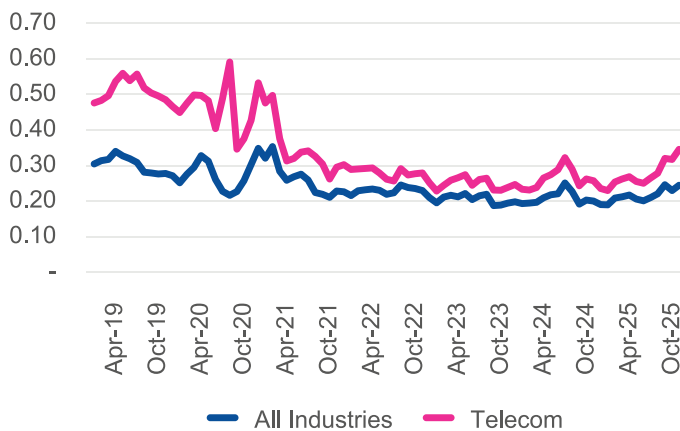
Source: U.S. Bureau of Labor Statistics

## Telecom businesses tend to seek more new commercial credit than other industries but receive lower amounts on average

The average number of commercial inquiries per business has been relatively stable since 2021 and Telecom businesses tend to seek credit more often than businesses in other industries.

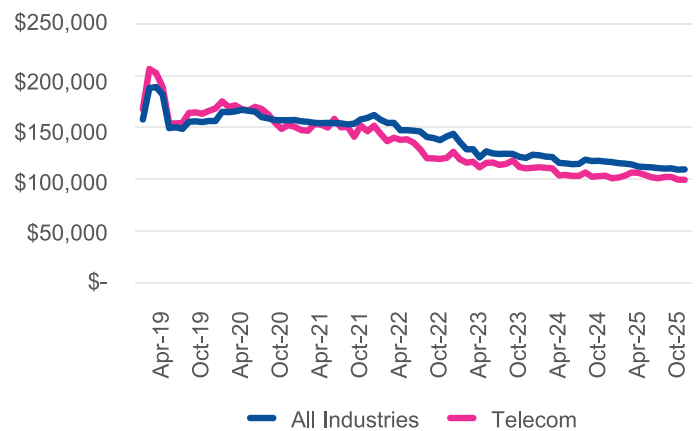
The average line amount has steadily decreased since 2019, with Telecom dropping 52% and All Industries dropping 42% since the 2019 peak.

### Average Commercial Inquiries per Business



Source: Experian Commercial Database

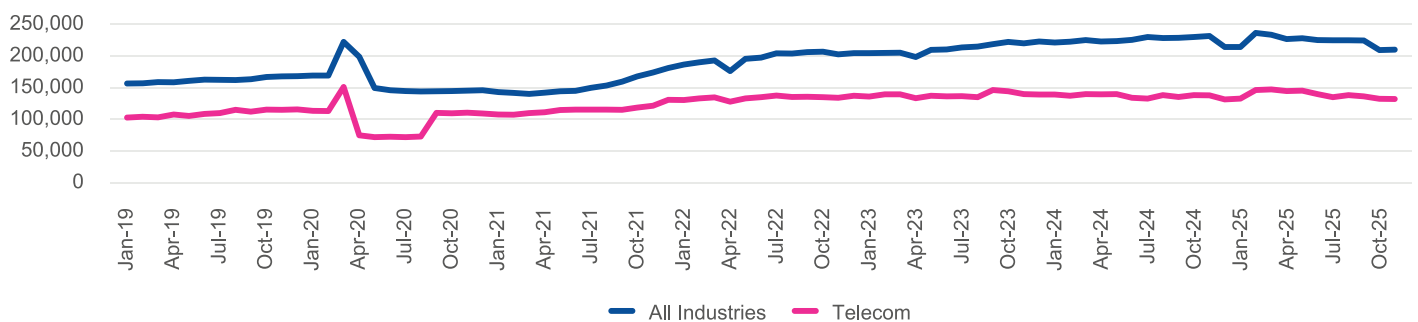
### Average Origination Amount — Line of Credit



Source: Experian Commercial Database

The average loan amount has increased since the pandemic in 2020 but has grown much more for non-telecom businesses, widening the gap between Telecom and others.

### Average Origination Amount — Term Loan

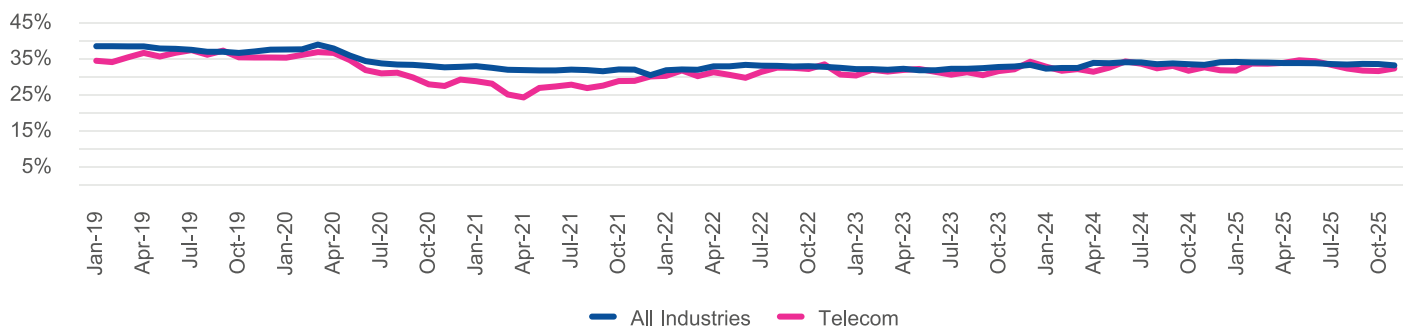


Source: Experian Commercial Database

## Telecom risk scores and utilization rates are similar to businesses in other industries though they are receiving lower average line and loan amounts at origination

The decrease in utilization during the pandemic period was more pronounced in the telecom industry. Utilization has increased to pre-pandemic levels since then but has stabilized between 30-35% despite the lower lines. This suggests that companies may be seeking funding via other methods.

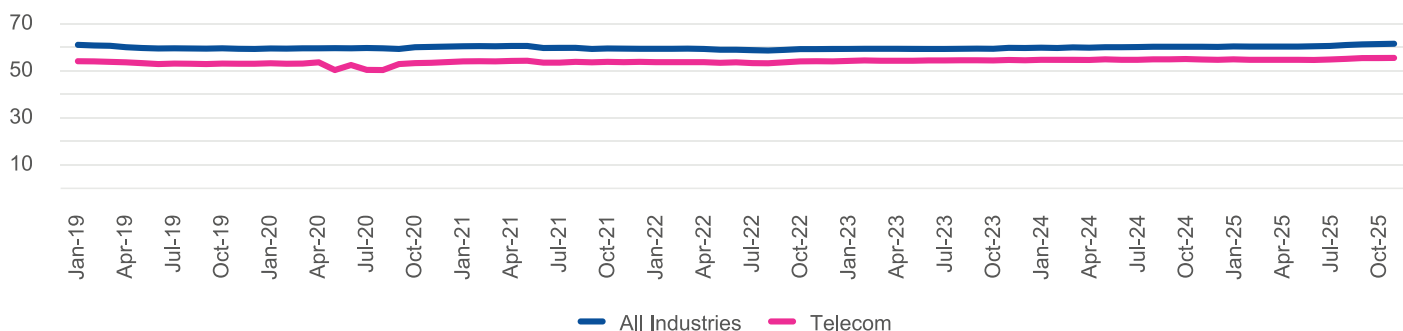
### Utilization — Line of Credit



Sources: Experian Commercial Database

Telecom businesses tend to have lower commercial risk scores by about 5-6 points, indicating slightly more risk than businesses in other industries.

### Average Intelliscore Plus v2 Score



Sources: Experian Commercial Database

# What I found interesting



**About the author**  
**Marsha Silverman**  
 Strategic Analytic Consultant  
 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**  
 Analytic Consultant  
 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 telecommunications industry has undergone significant transformation driven by new technologies, AI adoption, and mergers that have consolidated the market. Industry leaders anticipate continued disruption through 2030, with AI-enhanced operations, extensive digital monitoring, and greater automation across networks and customer service functions. At the same time, consolidation has narrowed the U.S. wireless market to three major providers, and the workforce has transitioned from manual technical roles to more advanced digital and engineering positions. These trends highlight persistent structural changes, as demonstrated by a 34% decline in telecom employment since 2010 and an ongoing reduction in the number of industry establishments.

Despite these pressures, investment in telecommunications remains strong, with global spending projected to increase in 2026. However, providers face rising costs, reflected in nearly a 20% rise in the U.S. telecom producer price index since 2017. Telecom firms are applying for commercial credit more frequently than other sectors but are securing smaller average credit lines and loans. Since 2019, average credit line sizes in telecom have dropped by 52%, compared to a 42% decrease across all industries. Credit utilization rates have stabilized near 30–35%, suggesting that companies may be exploring alternative financing options alongside traditional credit to address higher risks and capital-intensive infrastructure upgrades.

## What I am watching:

The labor market has been resilient but is beginning to show signs of softening. According to Challenger's January report, hiring plans were at their lowest January point since 2009 and job cuts at their highest for the same month. The telecom sector's shift toward digital technologies has reshaped employment, reducing overall workforce numbers while increasing demand for specialized technical skills. As technological progress continues, possessing specific technical expertise will become increasingly critical for job seekers in the industry.

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## COMMERCIAL PULSE

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