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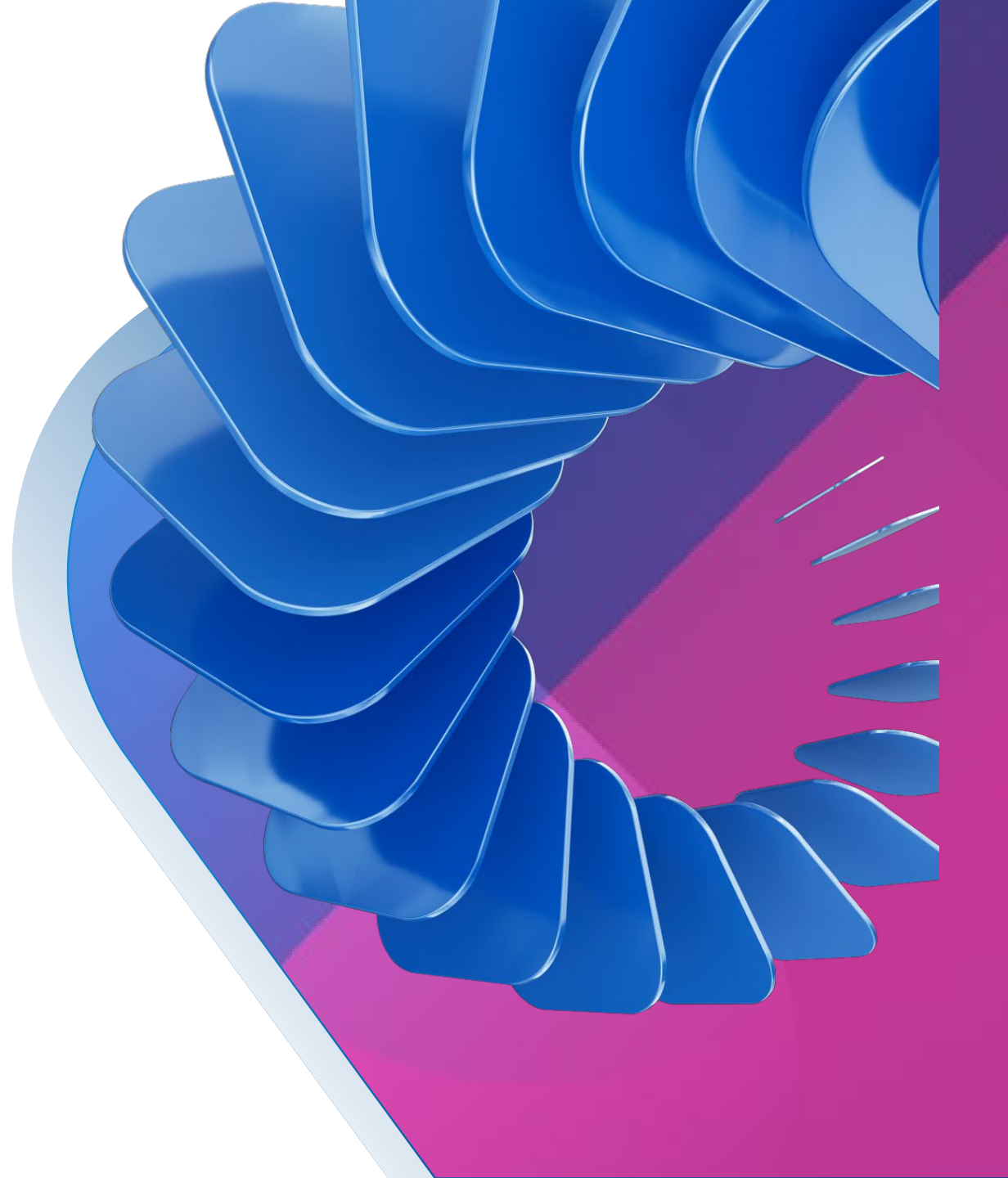
WEBINAR

# Small Business Economic Review

Date: May 12<sup>th</sup>, 2026

Presented by:

Brodie Oldham, VP Commercial Data Science  
Marsha Silverman, Sr. Strategic Analytic Consultant



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# MAIN STREET — REPORT —

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# Our Presenters

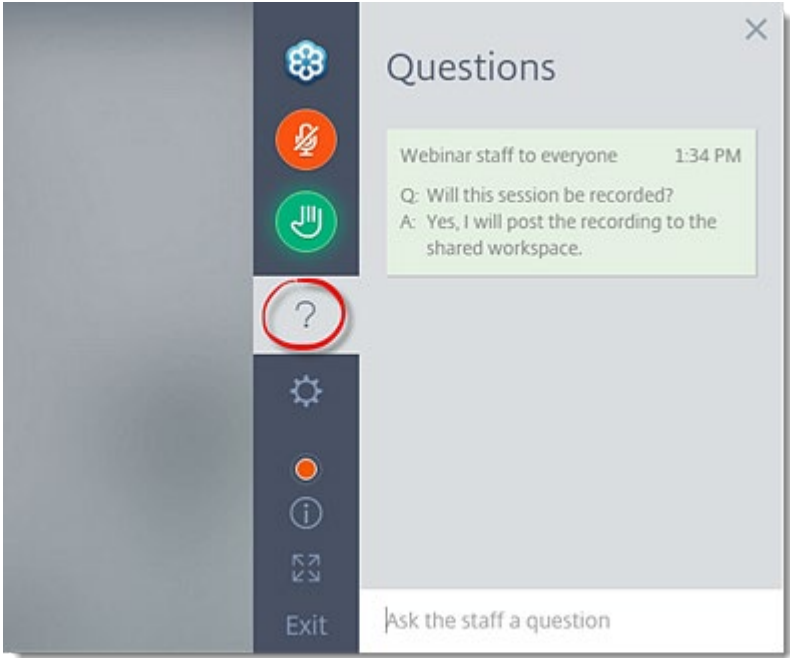


**Brodie Oldham**  
VP of Commercial Data Science  
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**Marsha Silverman**  
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# Send us your questions





**Brodie Oldham**  
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Experian

# Top stories impacting US growth

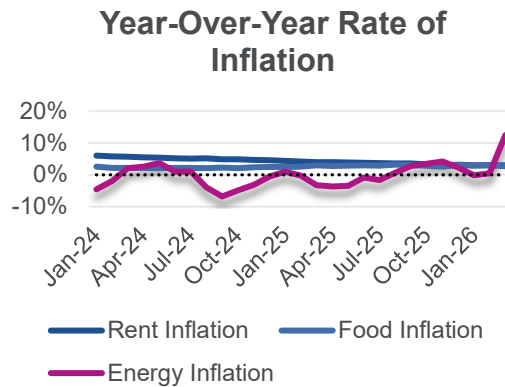
Global and domestic influence headed into the summer



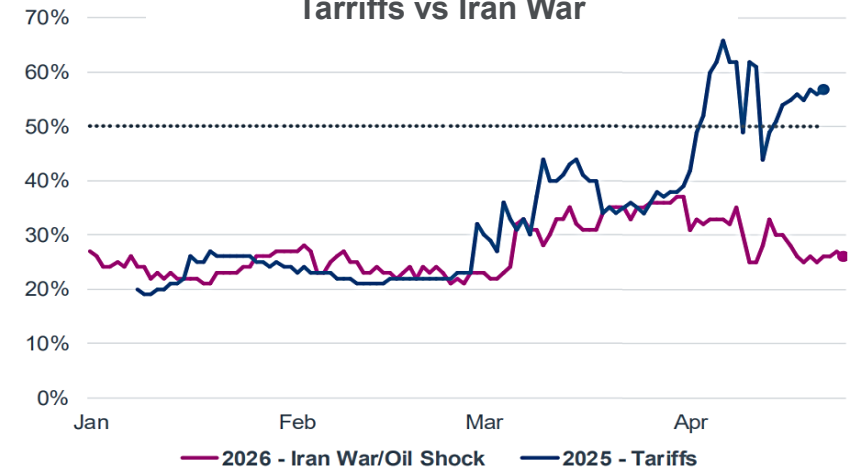
## Top global risks

- **Geopolitical** flashpoints and energy security
- **Supply chain** redirect from regional hotspots
- **U.S. Tariffs** and trade policy (Refund, First Price, and Cheat code)

## Mid-Term affordability



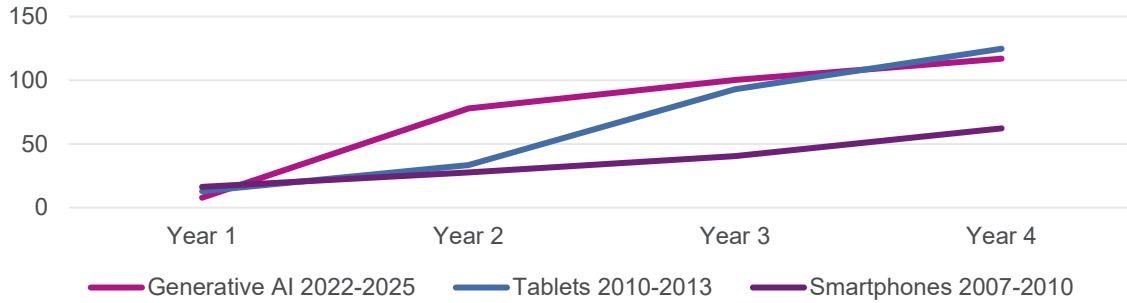
## **Polymarket US Recession Odds by End of Year Tarriffs vs Iran War**



# AI adoption continues across industries

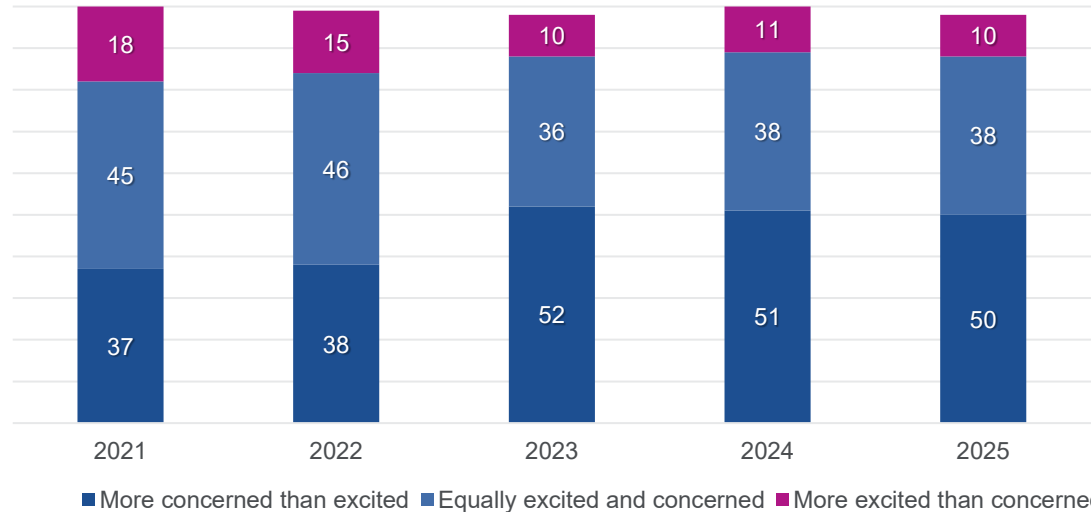
Businesses expect AI to drive productivity increases and change employment

Rate of recent technologies in the United States from 2007 to 2025, by technology (in million users)



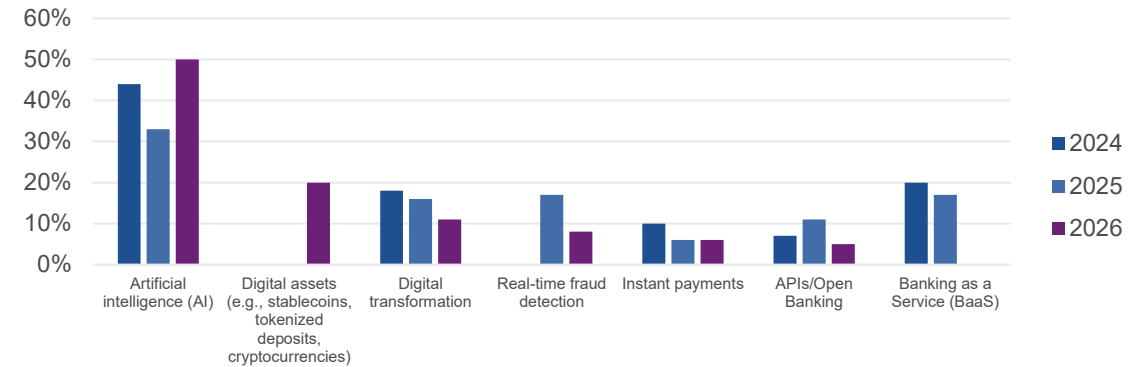
Source: eMarketer

% of U.S. adults who say the increased use of AI in daily life makes them feel....

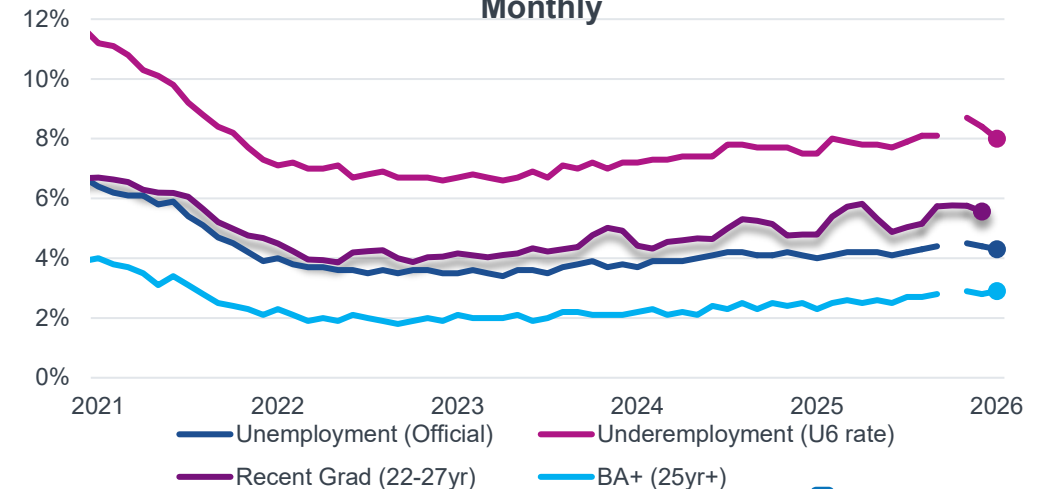


Sources: Computer Services; CITE Research; 2026 Banking Priorities Executive Report, Bureau of Labor and Statistics, and Experian Economic Strategy Group

Most impactful technology trends for banks in the United States

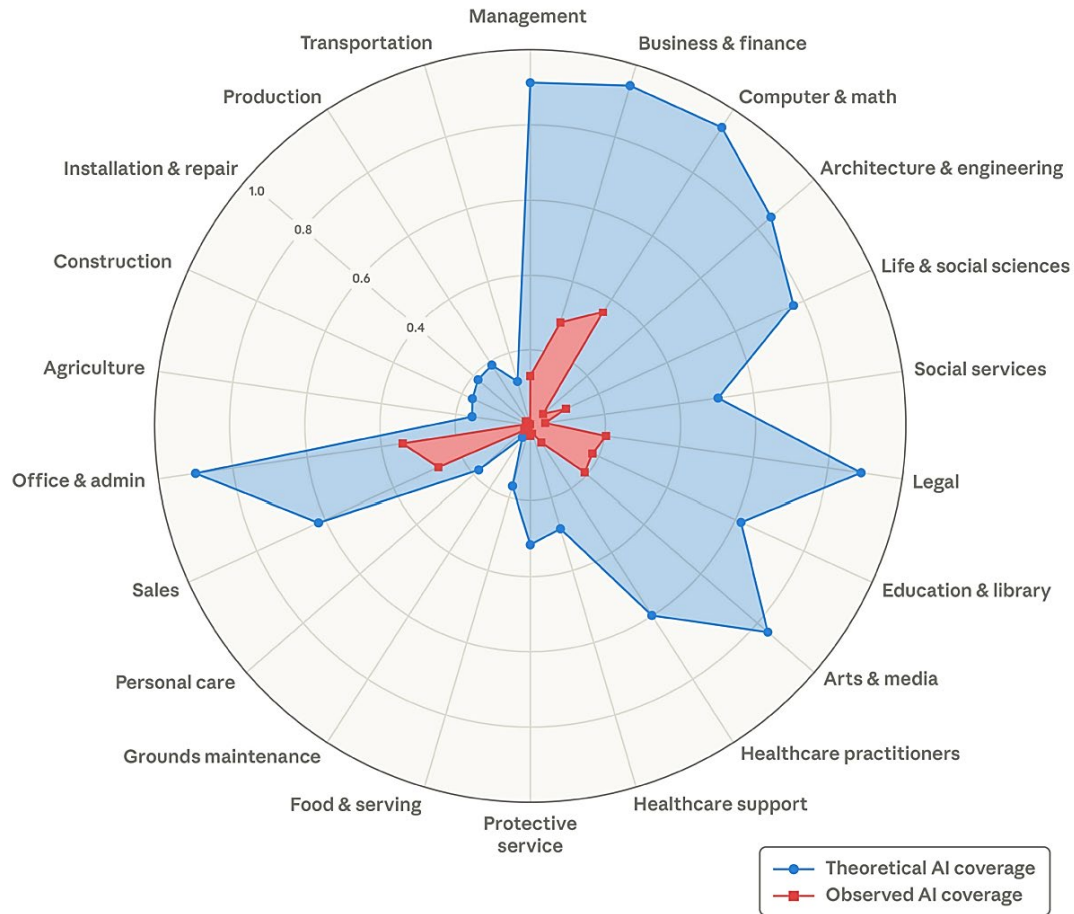


Unemployment Rates Monthly

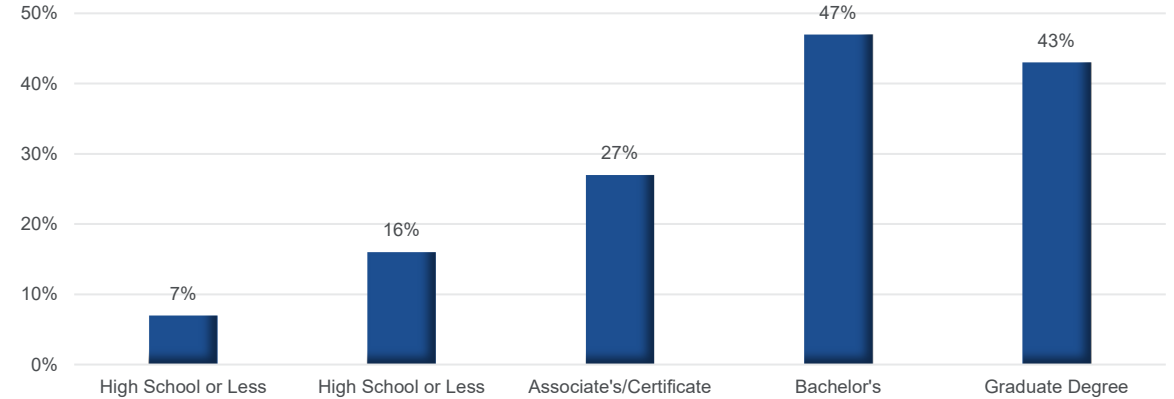


# Observed AI uptake is below theoretical adoption

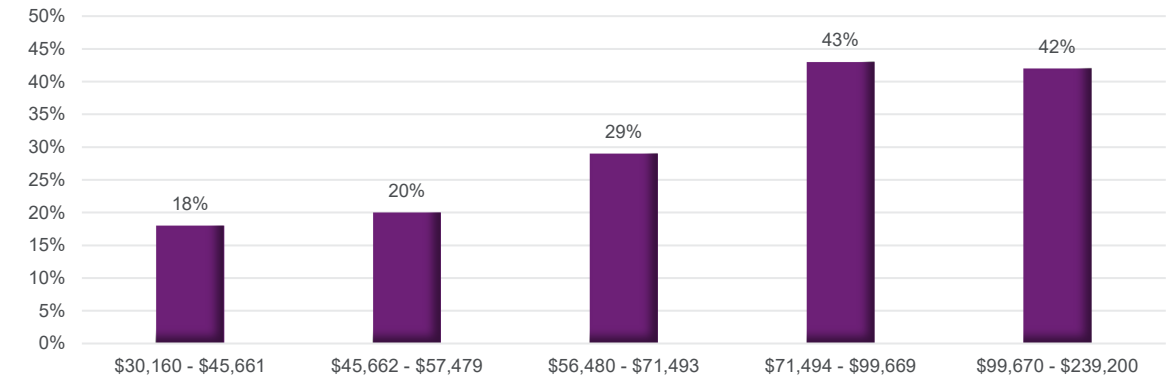
College-educated, mid-upper income workers are most exposed to AI displacement



AI Exposure by Occupation Education Level



AI Exposure by Occupation Median Income



Source: Anthropic, Federal Reserve Bank of Philadelphia – Occupational Exposure to GenAI Report October 2025 and Experian Economic Strategy Group



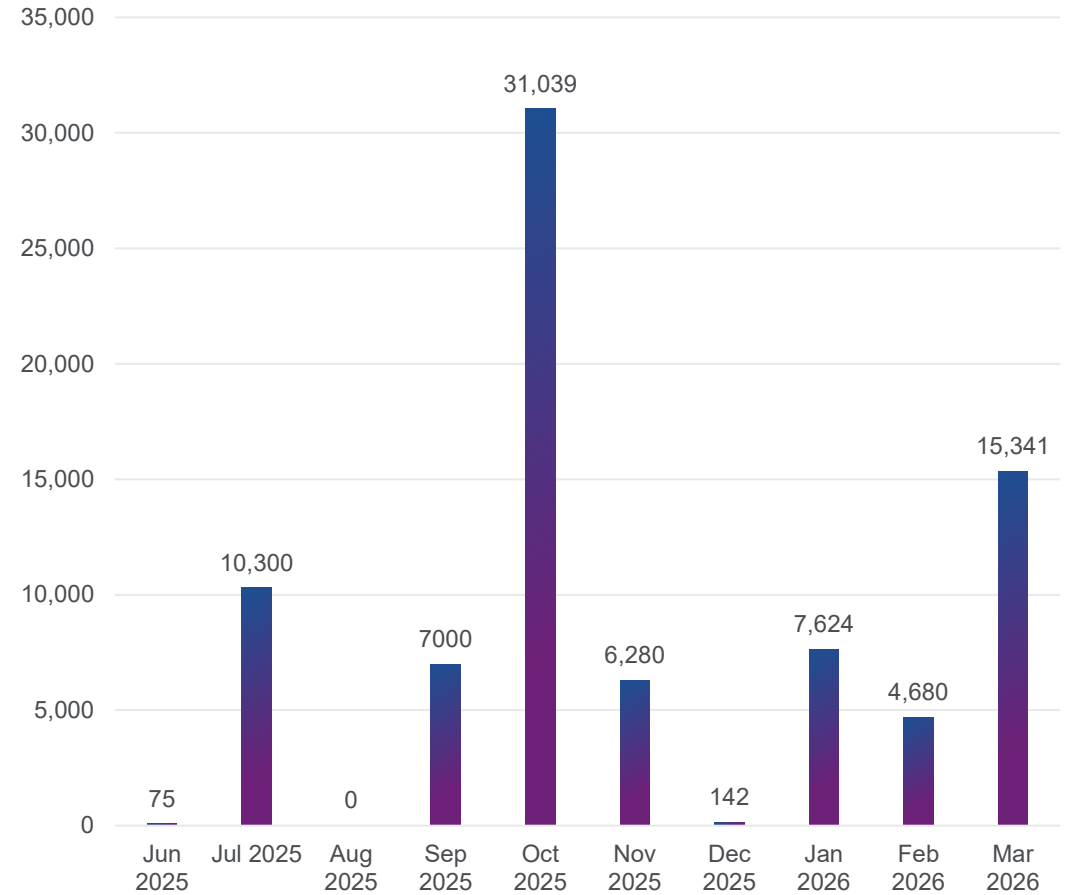
# AI-related job cuts are accelerating

The majority of job cuts are attributed to economic conditions

### Job Cuts by Reason



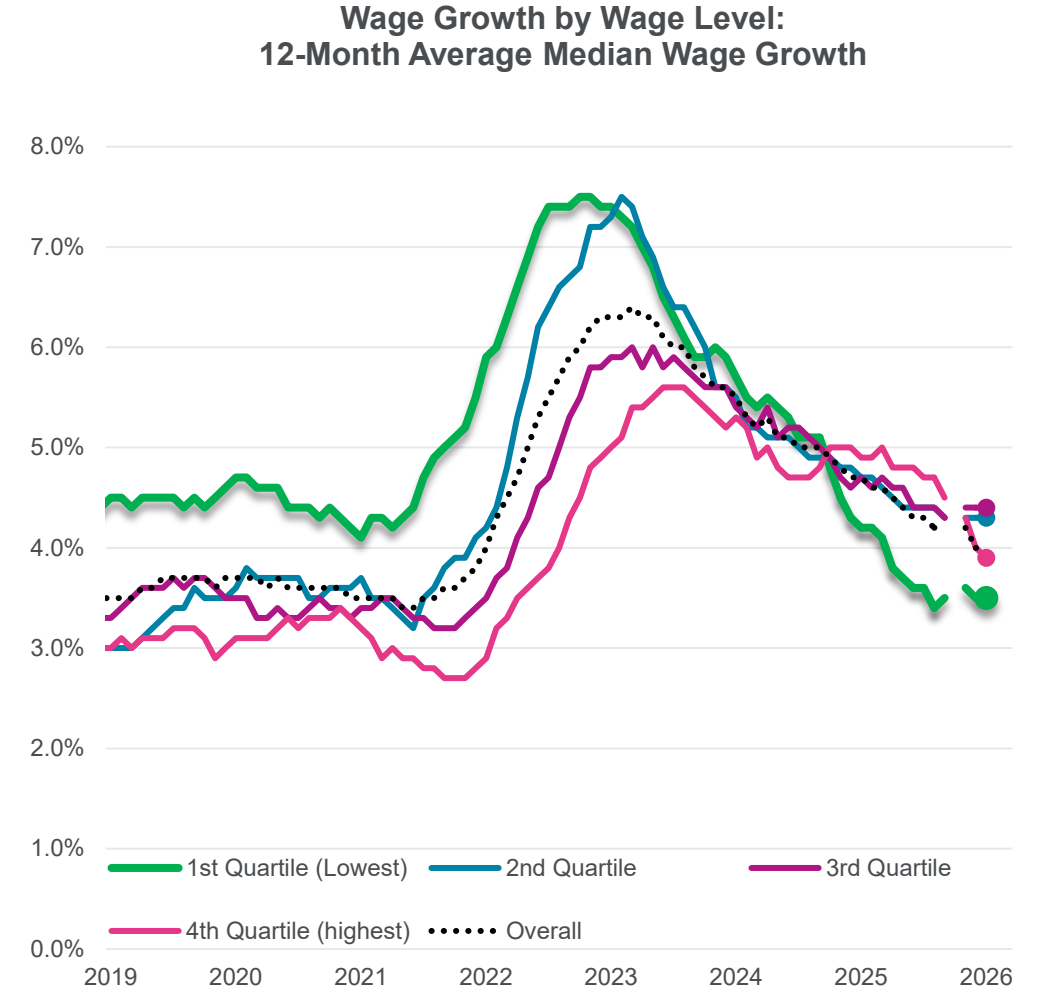
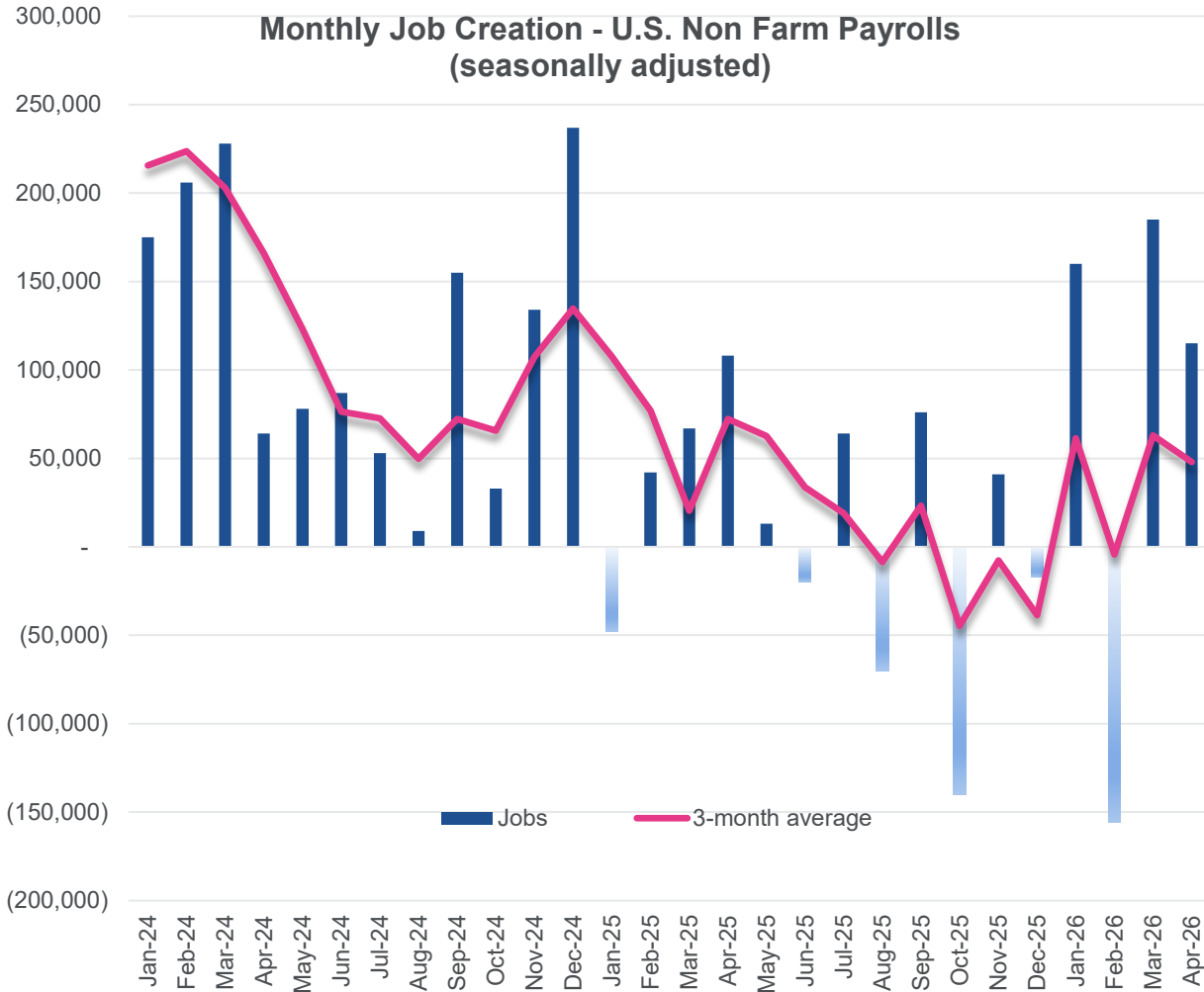
### Job Cuts due to AI



Source: Challenger, Gray & Christmas Report and Experian Economic Strategy Group

# Resilient labor market

Steady unemployment with continued but slowing wage growth

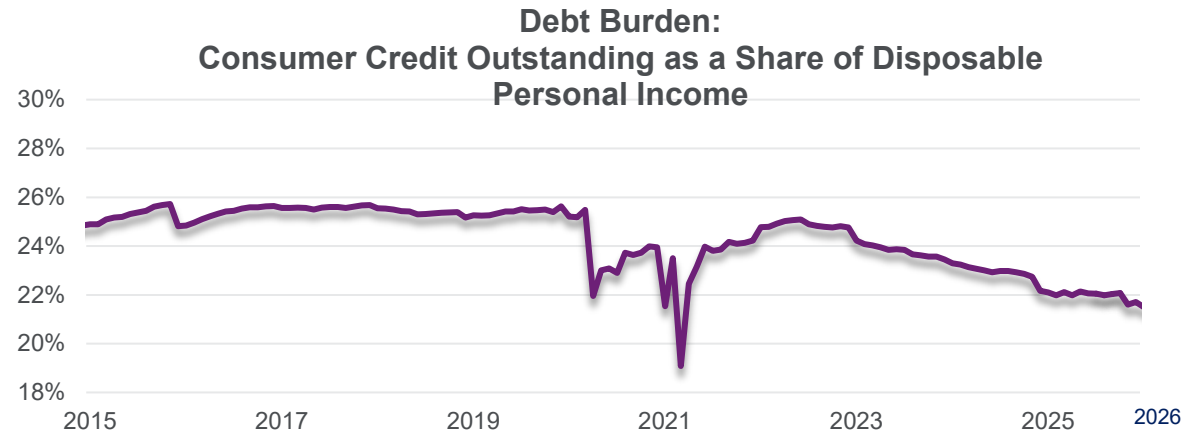
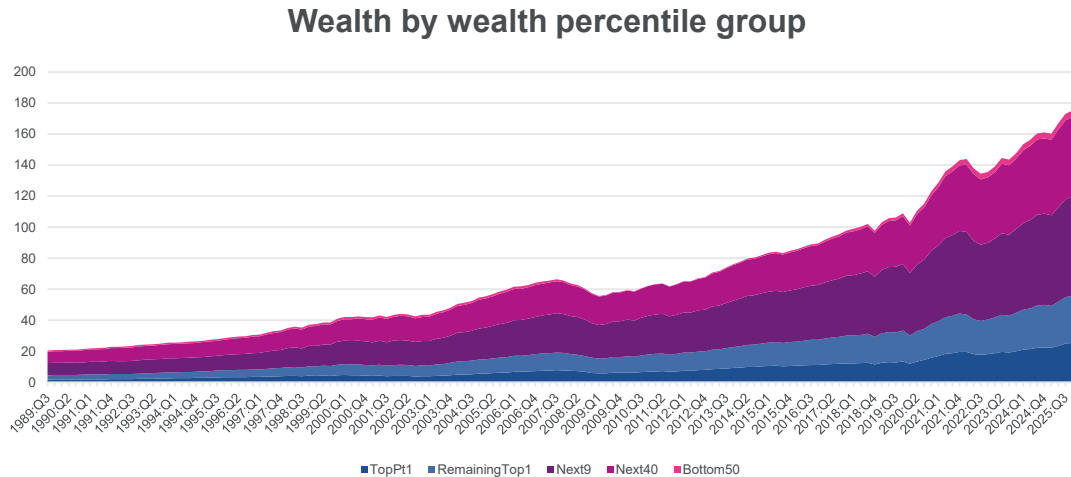
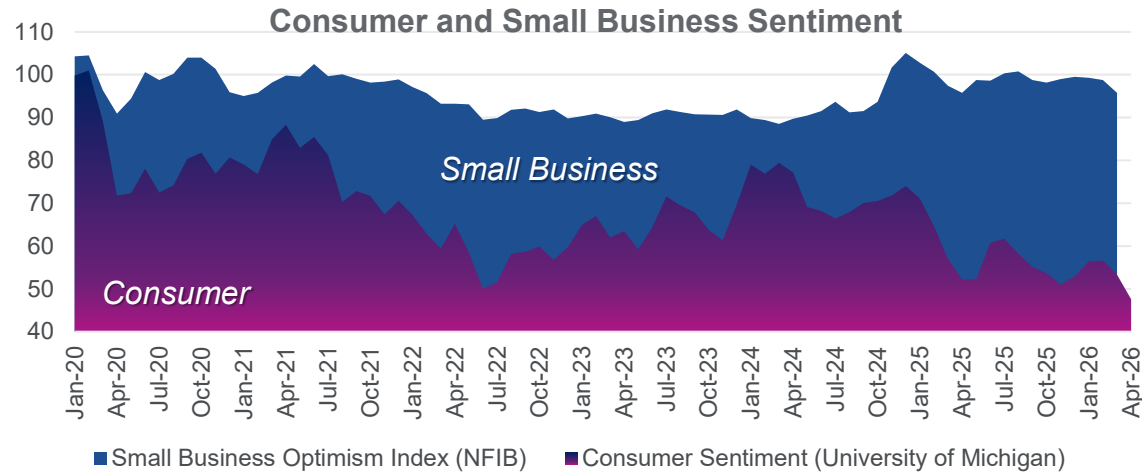


Sources: Bureau of Labor Statistics, Bureau of Economic Analysis, Federal Reserve Bank of Atlanta, Federal Reserve, Experian State of Consumer Credit Benchmark, and Experian Economic Strategy Group



# Consumers are solid for the near term

Stable economy is not easing anxiety



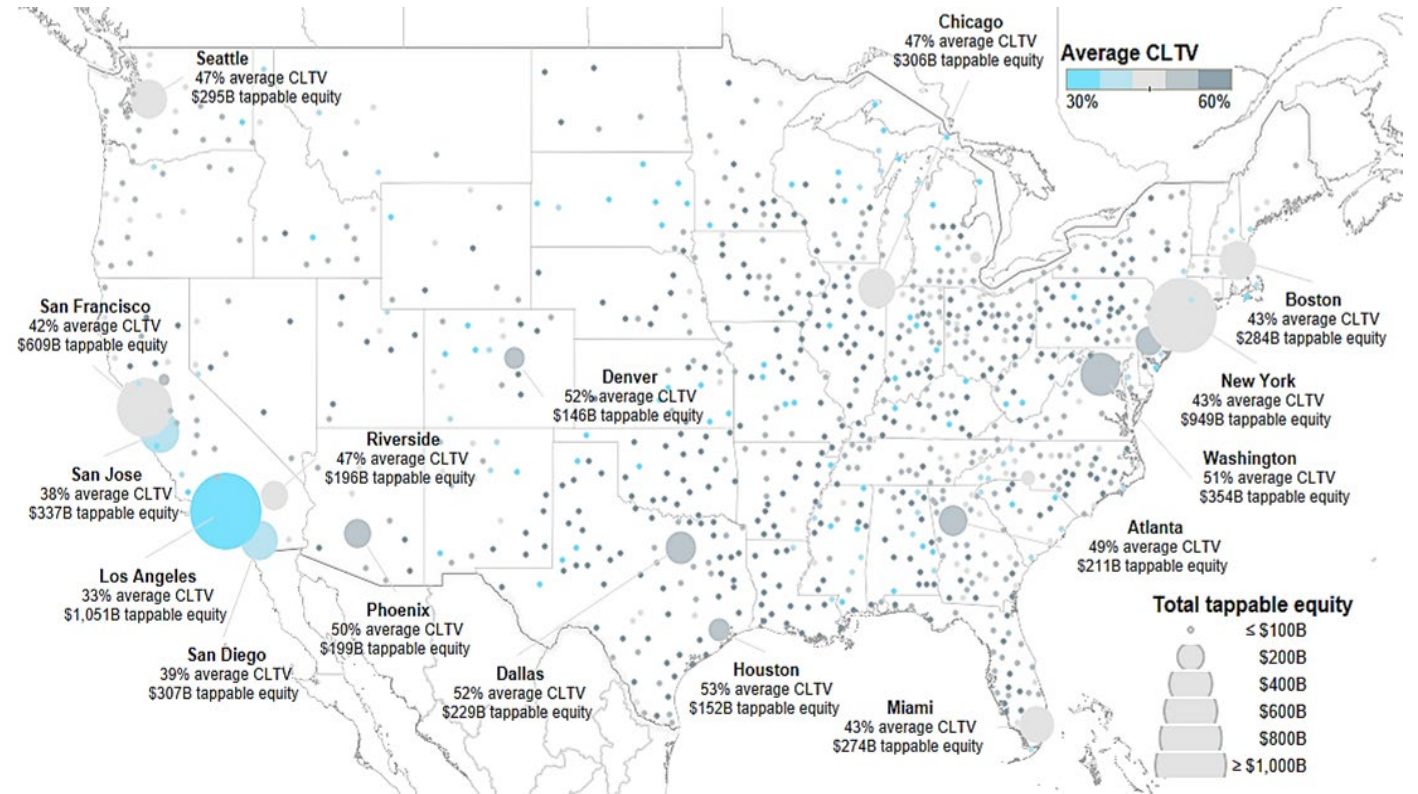
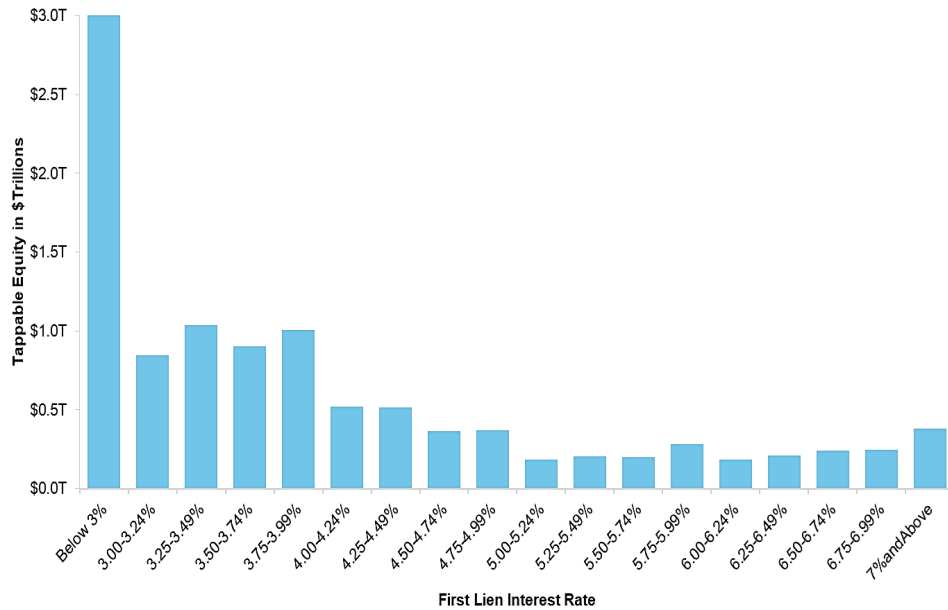
Sources: Federalreserve.gov, Congressional Budget Office, Tax Foundation, Census, Bureau of Labor Statistics, National Federation of Independent Business, University of Michigan, and Experian Economic Strategy Group



# Available equity remains geographically concentrated

SMB with high credit, lower first lien rate, continues to make 2<sup>nd</sup> lien lending a favorable option

Tappable equity by first lien interest rate



- ✓ 70% of tappable equity holders have 760+ credit scores
- ✓ 64% have first lien interest rates below 4%

Sources: ICE McDash + Property, CBA LIVE

# Disrupting global trade routes create price volatility

Energy reserves and independence create a short-term buffer for US consumers

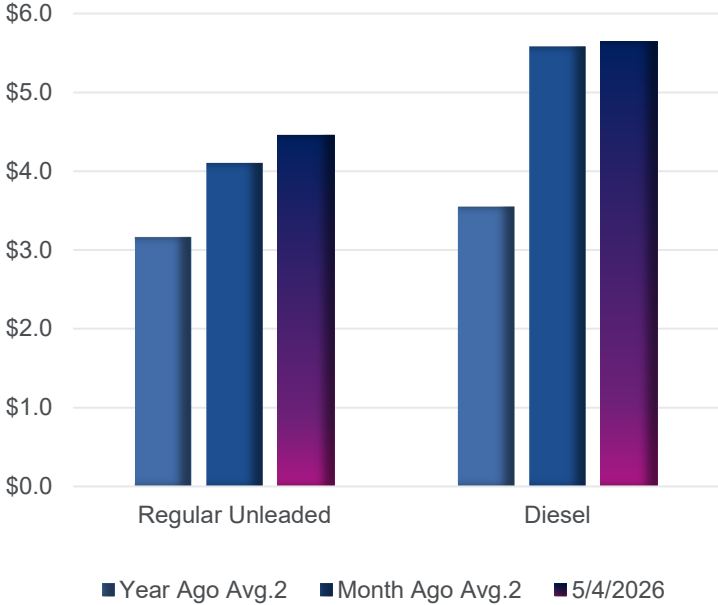
## Strait of Hormuz Activity

- **Shipping:** More than 100 vessels per day usually transit the strait
- **Oil:** ~20% of global supply
- **Gas:** ~17% of global liquified natural gas (LNG)
- **Metals:** ~35% of the total market for alumina
- **Chemicals & Petrochemicals:** ~10%-30% of global capacity across key chemicals such as helium, polyethylene, methanol, & fertilizers

Crude Oil (Brent) Price per Barrel



Average Gas Prices per Gallon

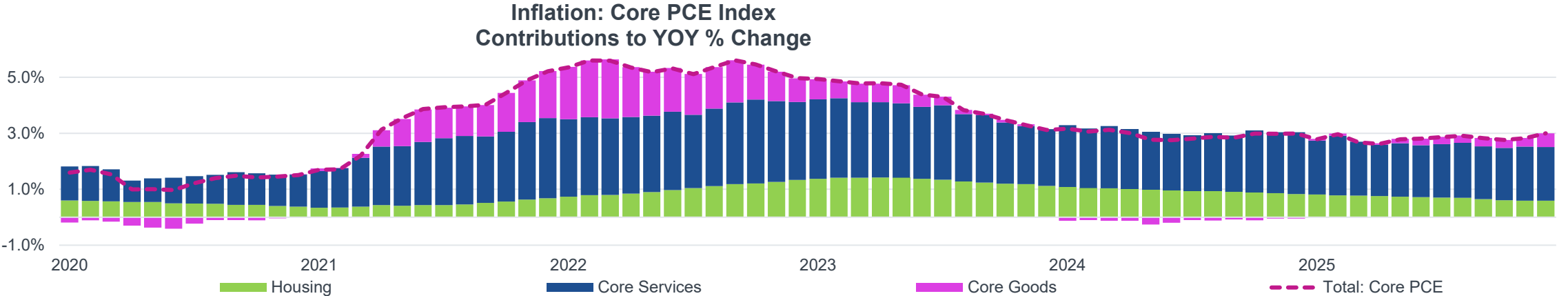
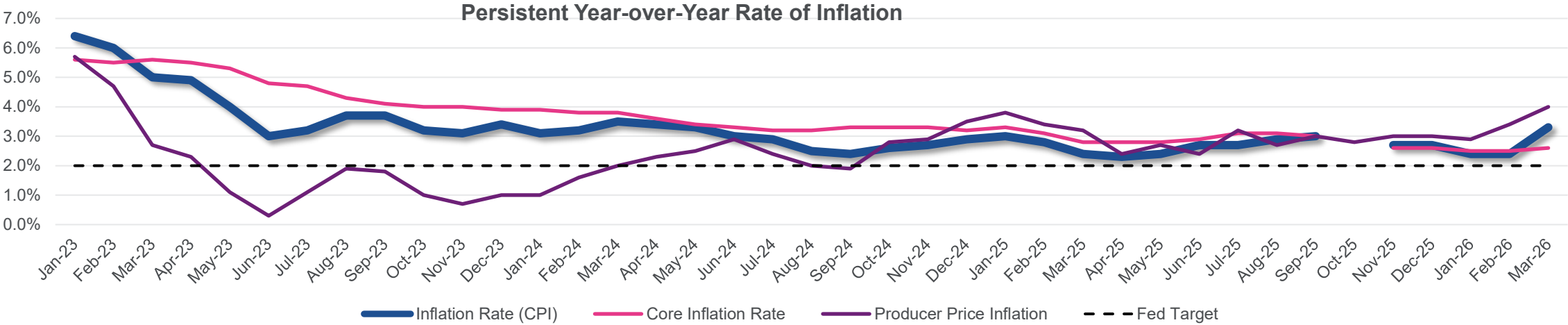


Sources: Market Insider, AAA, Boston Consulting Group, GettyImages-1331083276.jpg



# Sticky inflation in 2026

Federal Reserve may not cut this year



Sources: Bureau of Labor Statistics, Bureau of Economic Analysis, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve, and Experian Economic Strategy Group



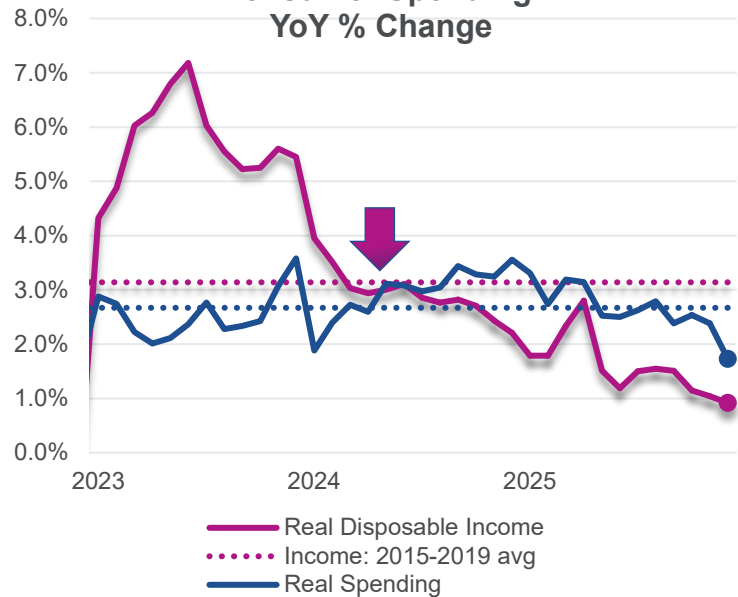
# Has anything changed...

Behaviors are adjusting to higher costs, but not volatility

## The Value-Driven Consumer Shift Walmart, Costco, and TJX

- ✓ Consumers stay value-focused
- ✓ Lower grocery prices free spend
- ✓ Shoppers trade down to off-price
- ✓ Value drives traffic and baskets

Real Disposable Income vs Real Consumer Spending:  
YoY % Change



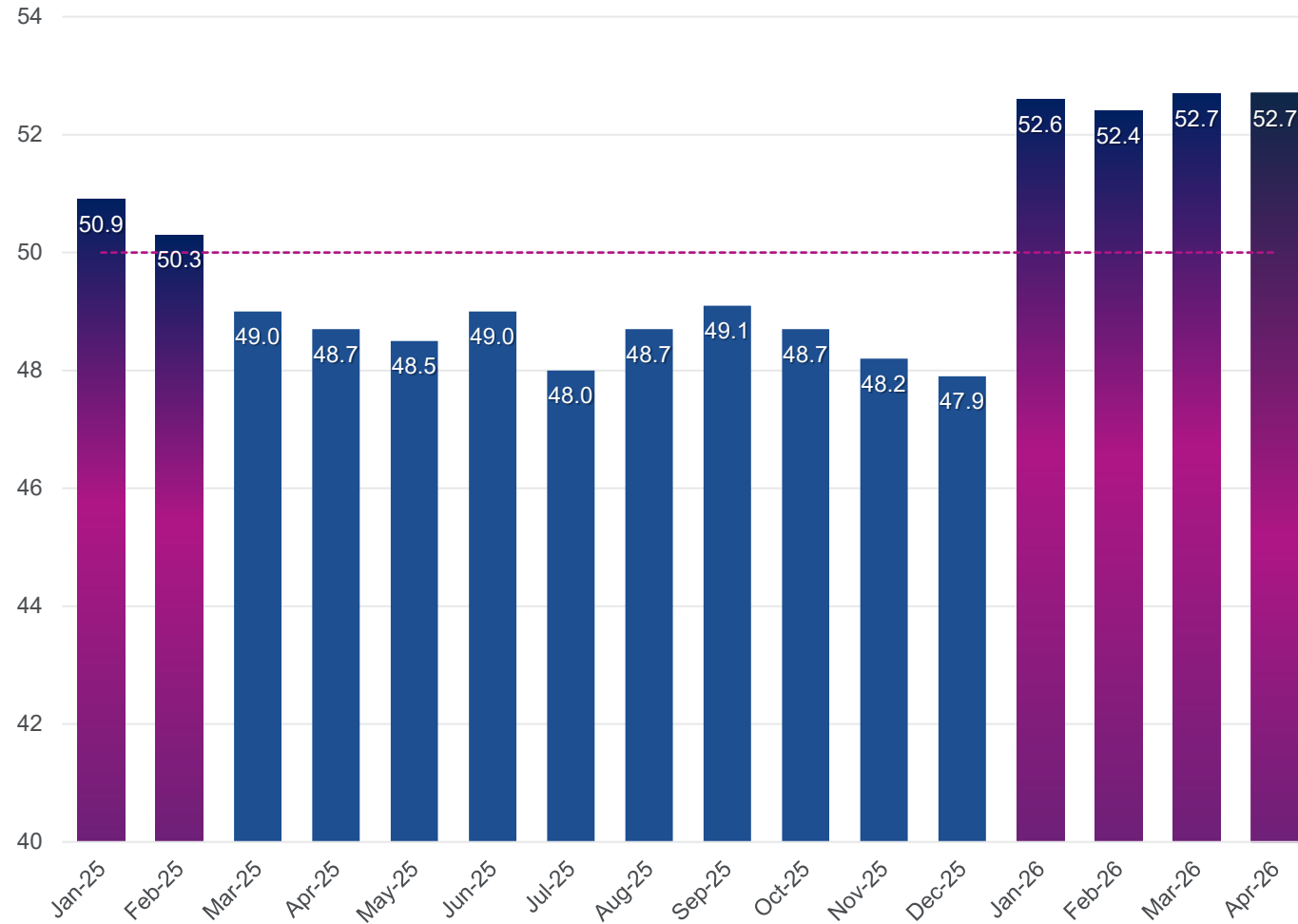
Retail Sales  
(year over year % change)



# US Manufacturing health

Highest point since August 2022 and signaling increased growth in factory activity

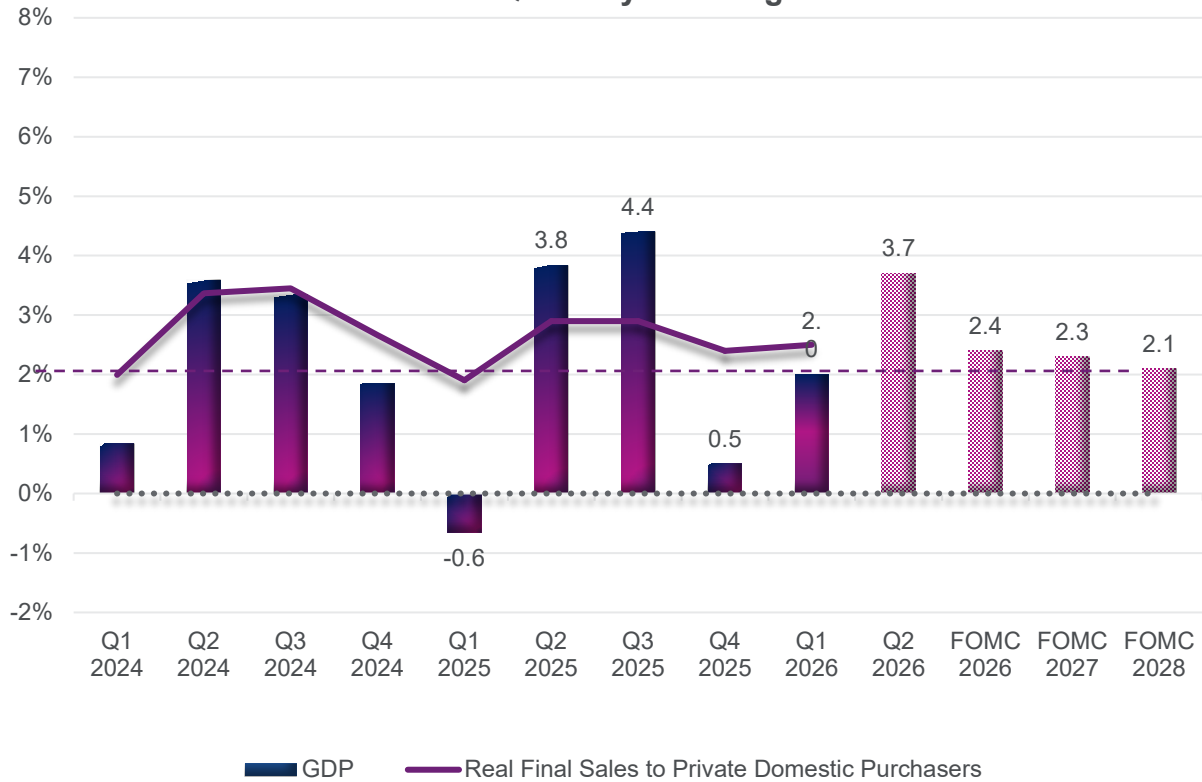
ISM Manufacturing PMI



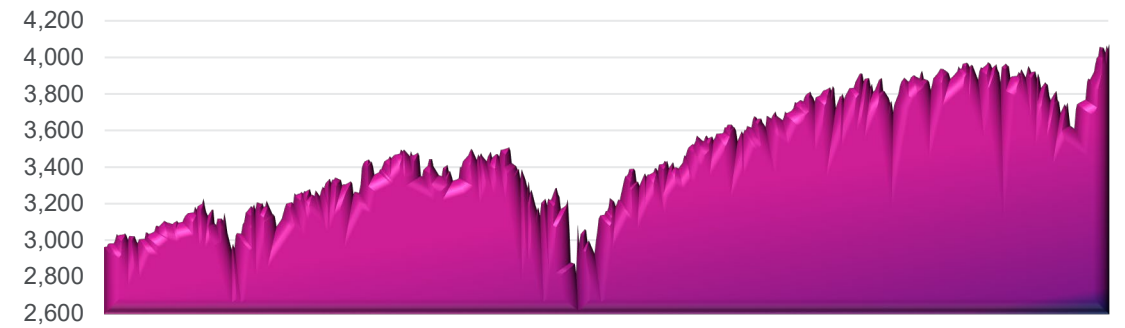
# Markets look for growth as global markets slow

Base case forecast is for economy to expand by 2.1% in 2026

Real Gross Domestic Product and Final Sales  
Quarterly % Change SAAR

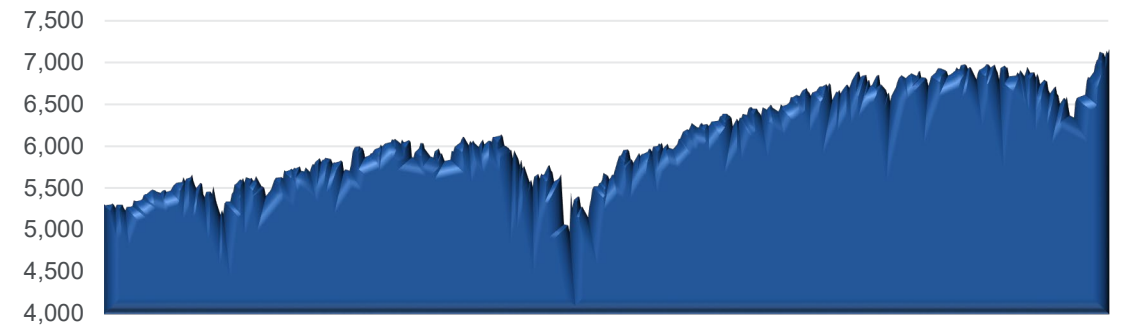


Russell 3000 Index (RUA)



RUA at Close

S&P500



S&P500 at Close

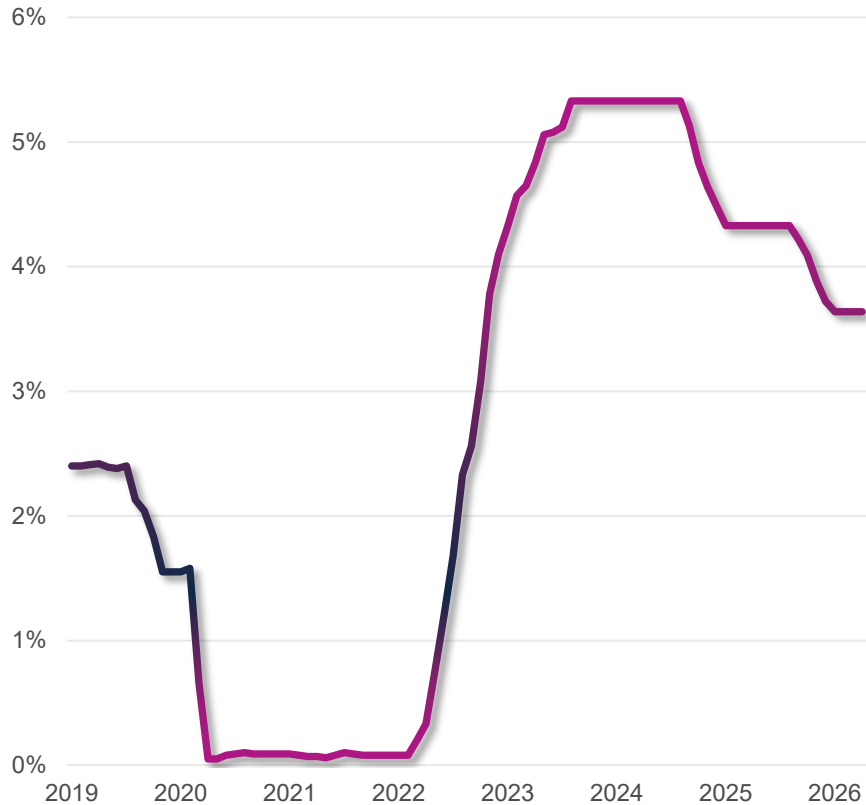
Sources: Bureau of Economic Analysis, RUA, S&P500, and Experian Economic Strategy Group



# Fed will hold rates steady

Inflation hovering around 3%, unemployment holding, lenders remain open

Federal Funds Effective Rate

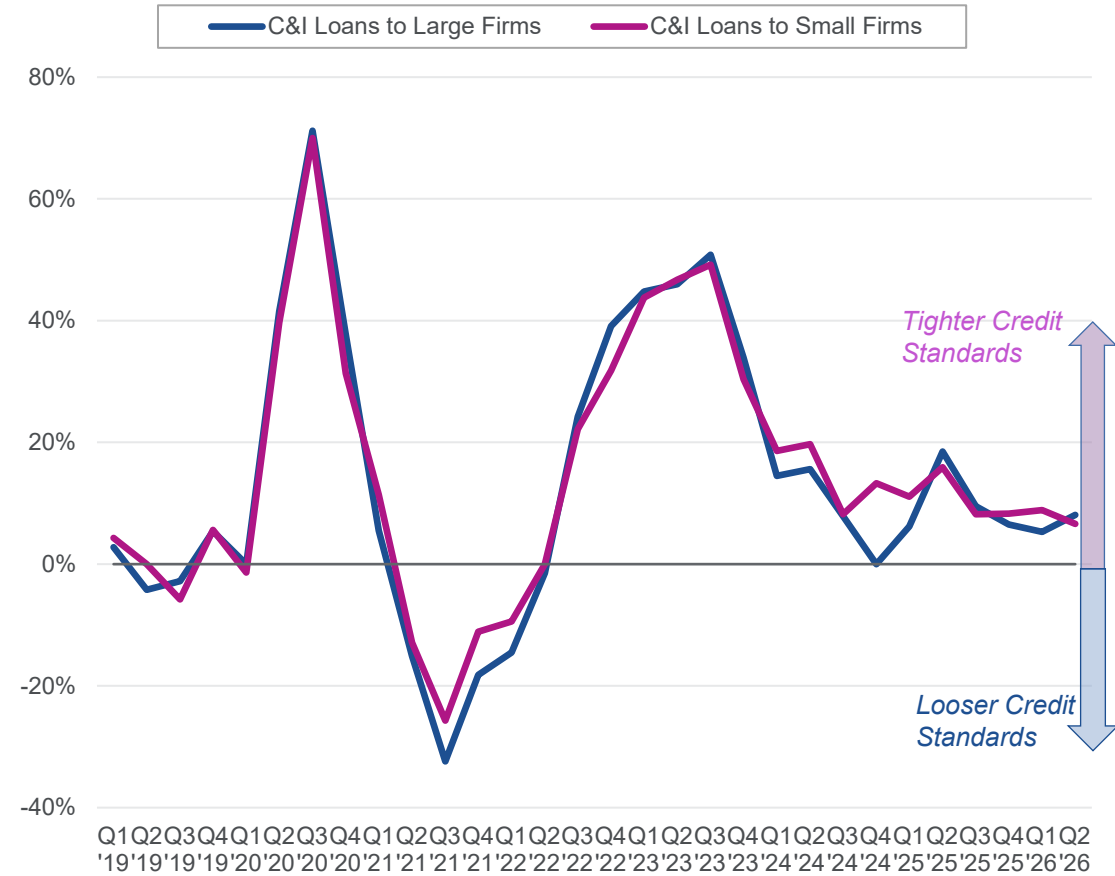


The Fed held rates steady in Q1 '26



..expected to continue

Net % of Banks Reporting Tightened Standards on Loans



Source: Federal Reserve (Senior Loan Officer Opinion Survey), St. Louis Federal Reserve

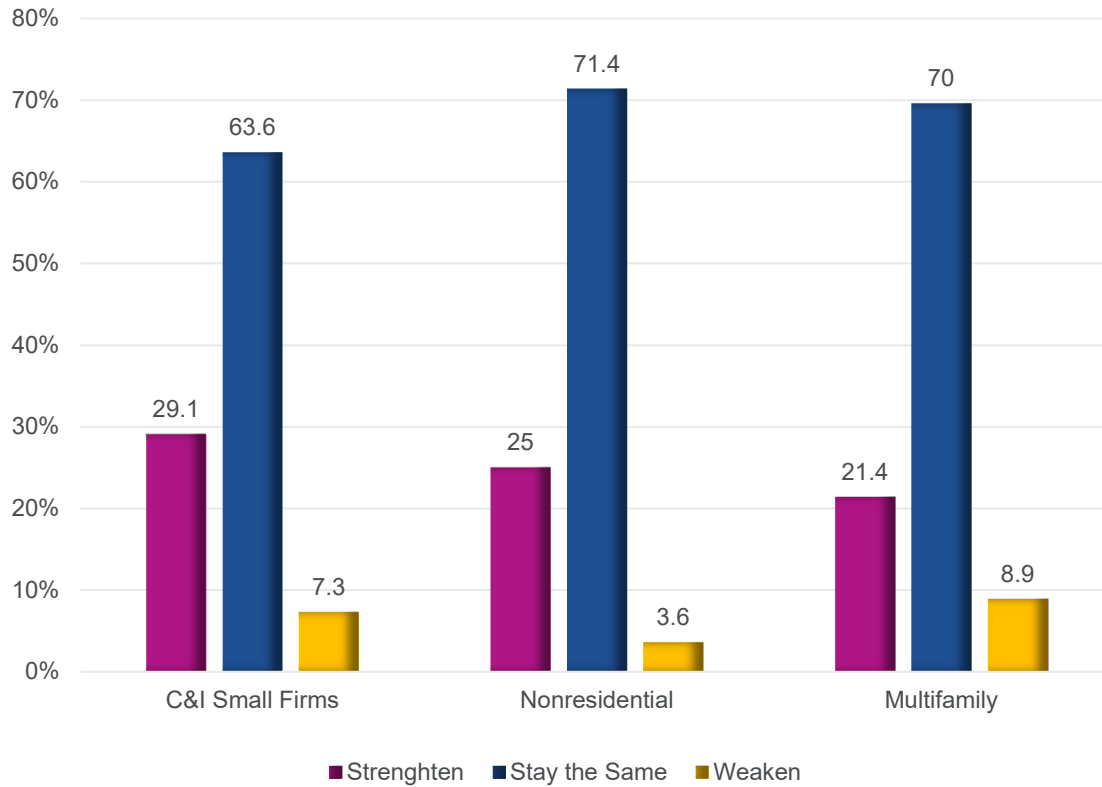


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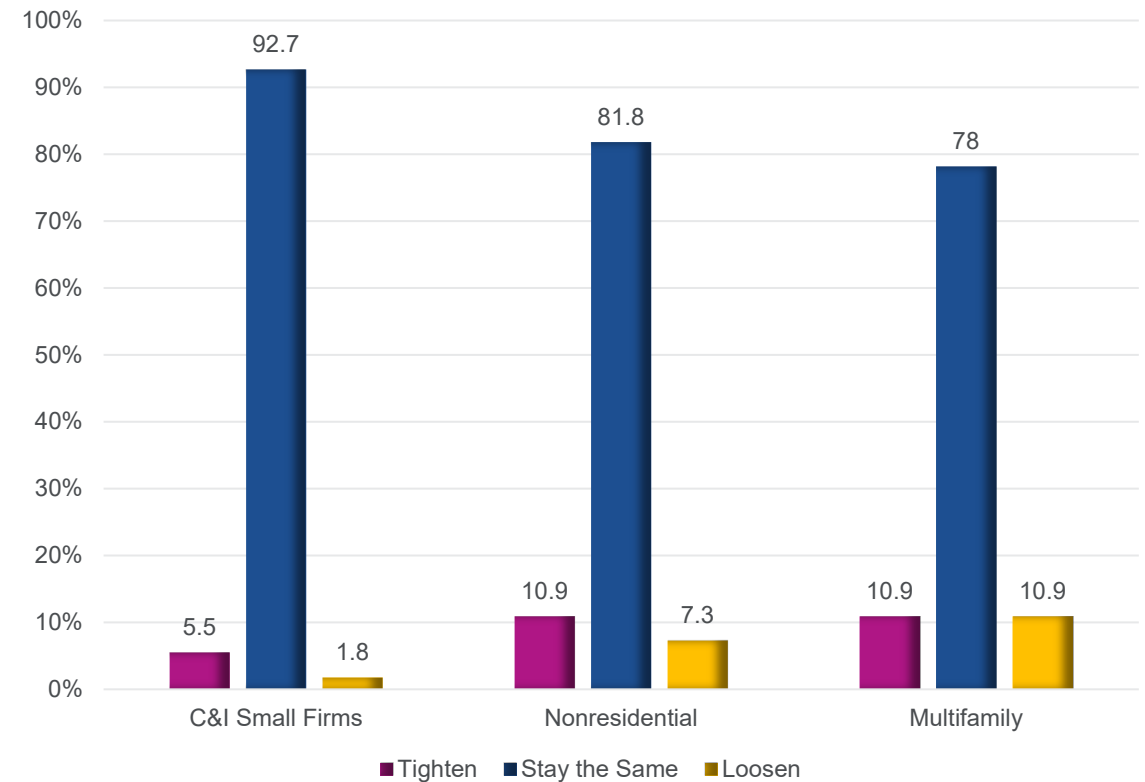
# Demand for business loans expected to rise in 2026

Businesses should not expect much loosening of standards

### Outlook for Business Loan Demand in 2026 % of bank respondents



### Outlook for Business Loan Lending Standards in 2026 % of bank respondents

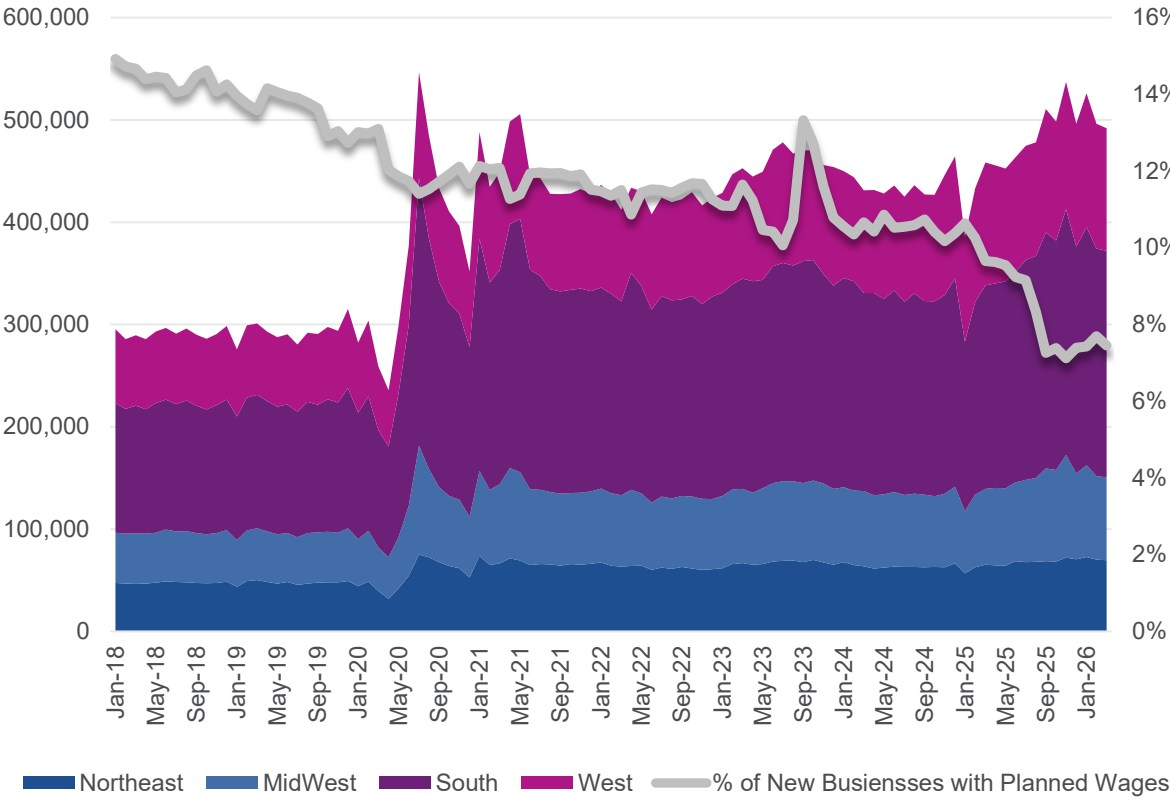


Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group

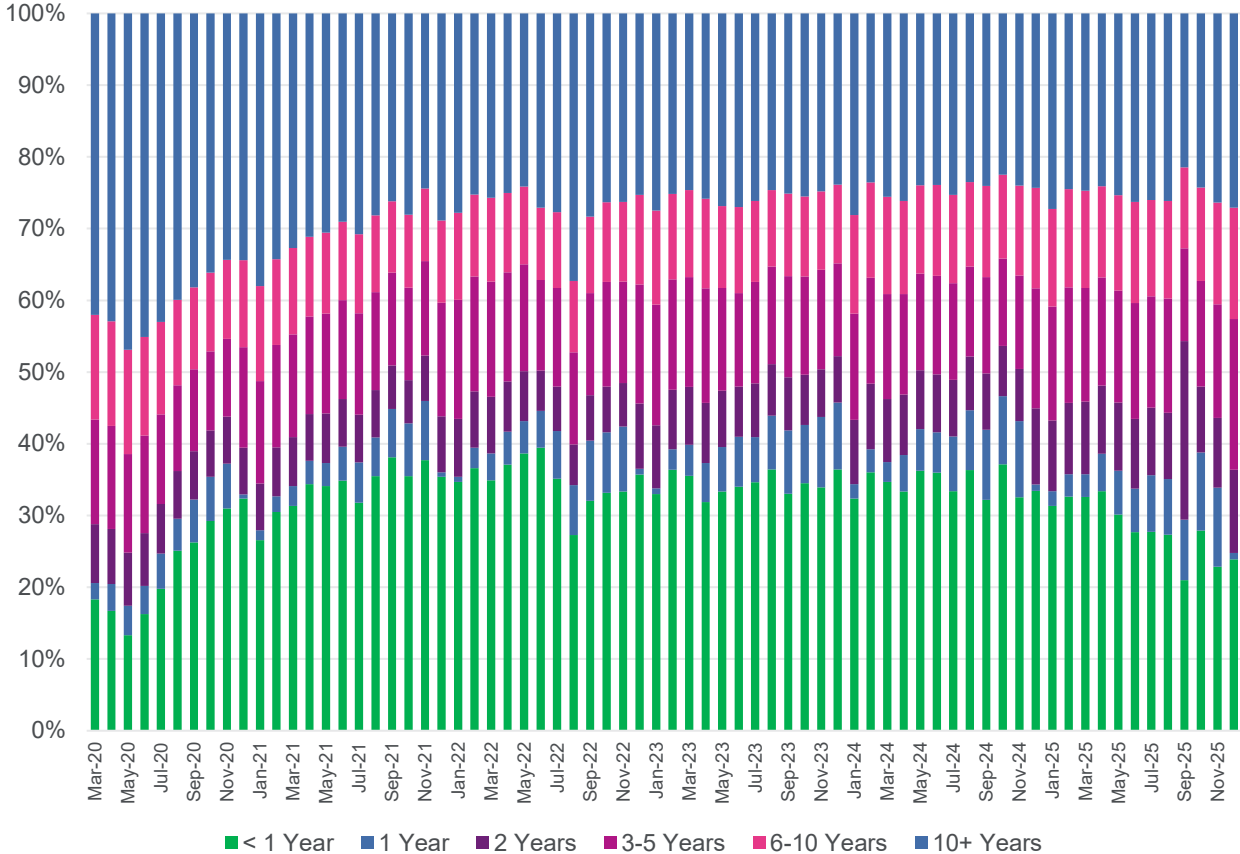
# New businesses opening at elevated level

Fueled by sole-proprietors and younger businesses make up larger portion of new commercial credit accounts

**New Business Formation Applications (seasonally adjusted)**



**% Monthly Commercial Account Originations by Age of Business**

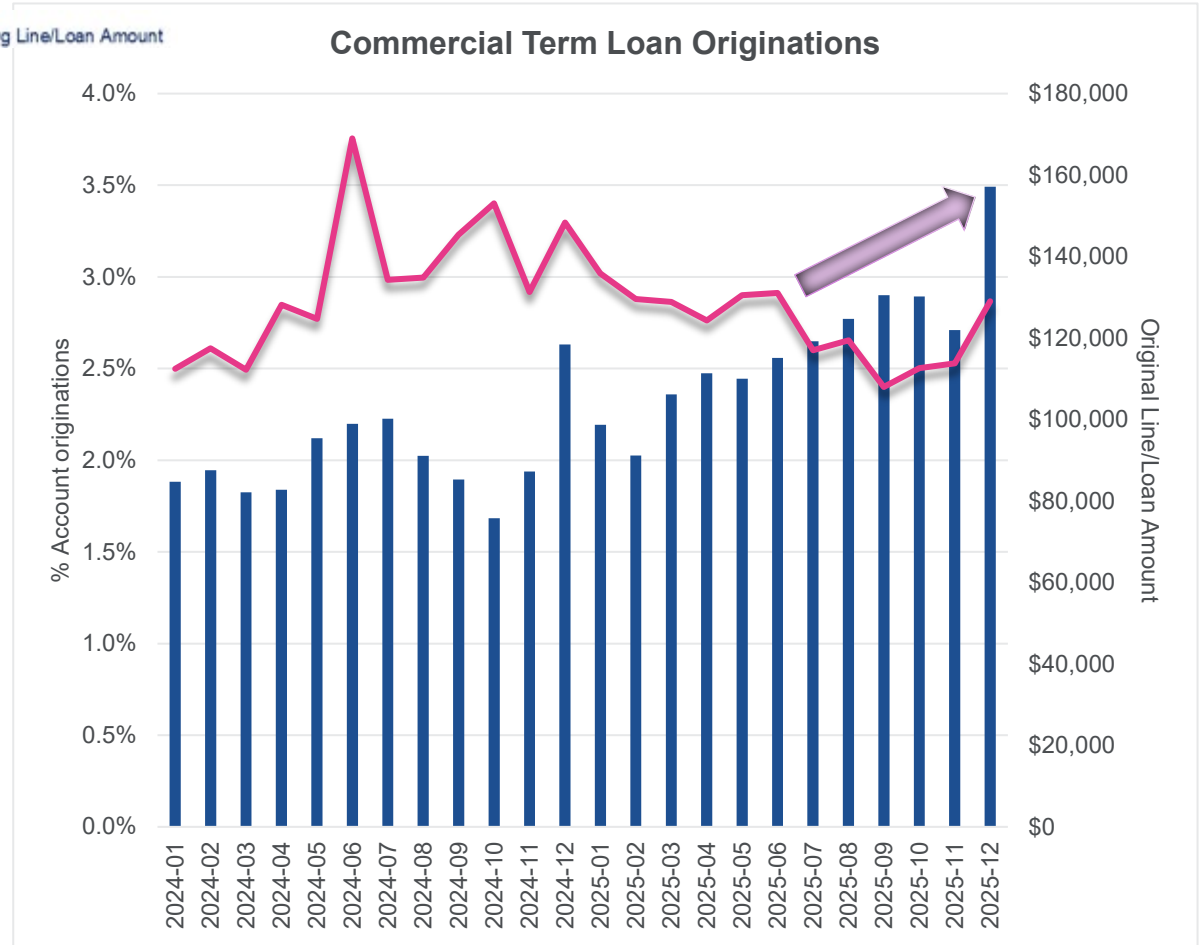
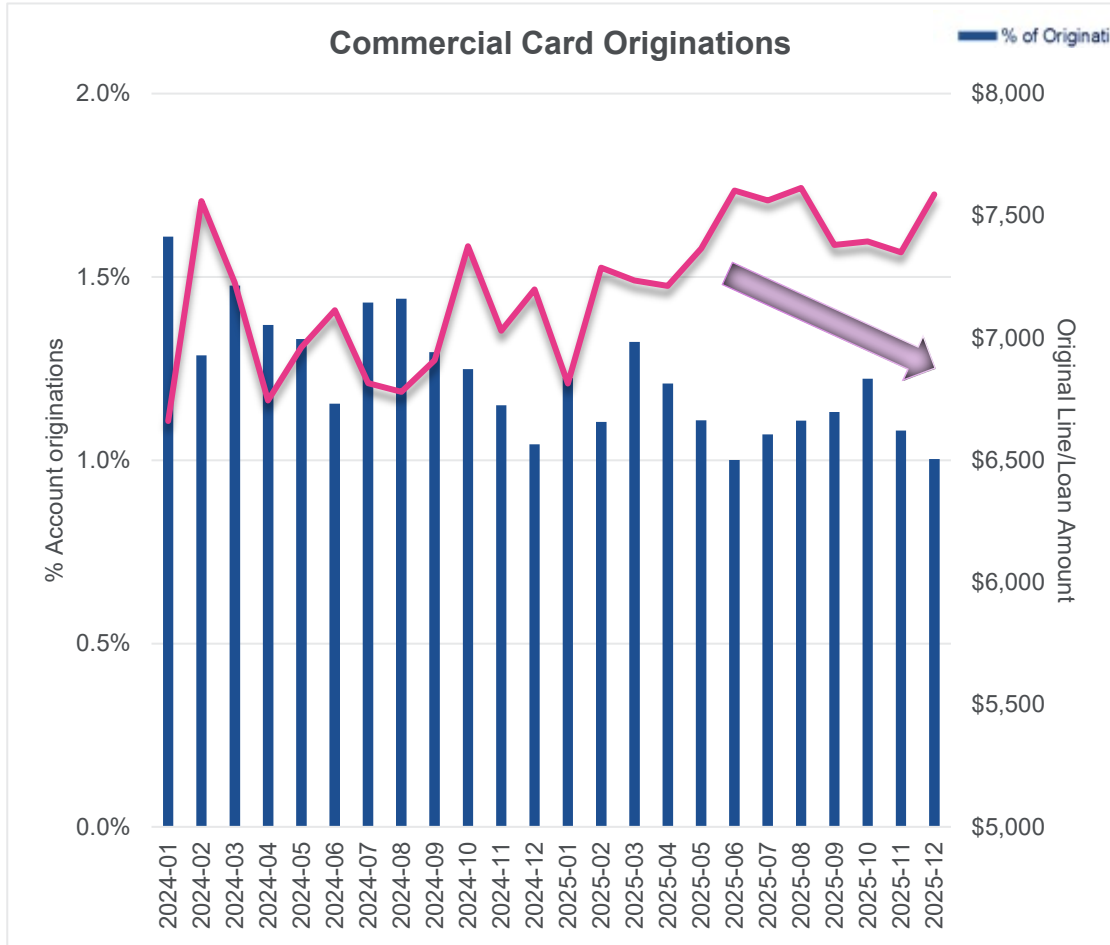


Source: U.S. Census Bureau, Experian Commercial Credit Data



# Commercial Origination Trends

Businesses seeking more term loans, fewer credit cards

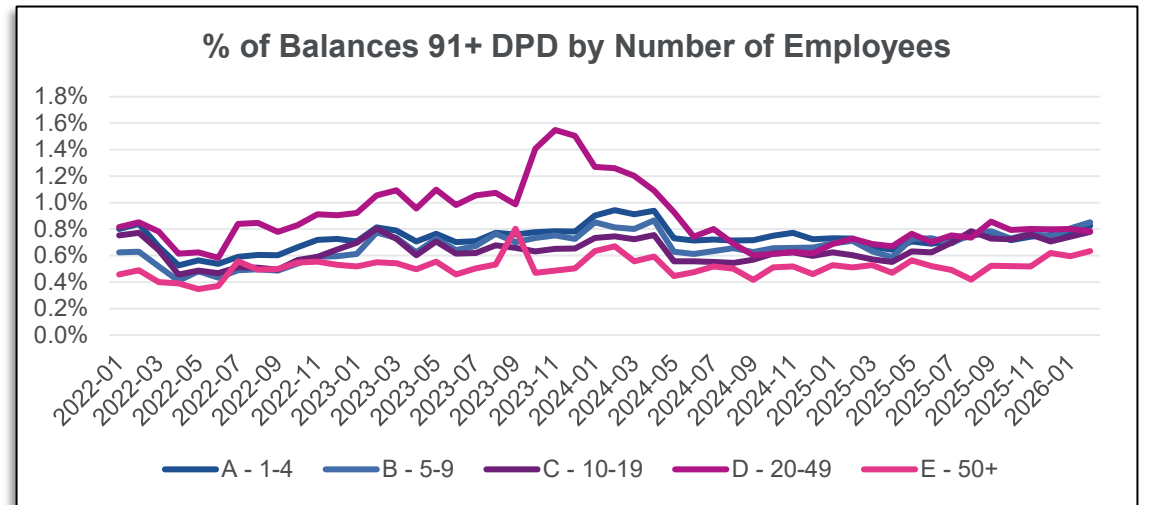
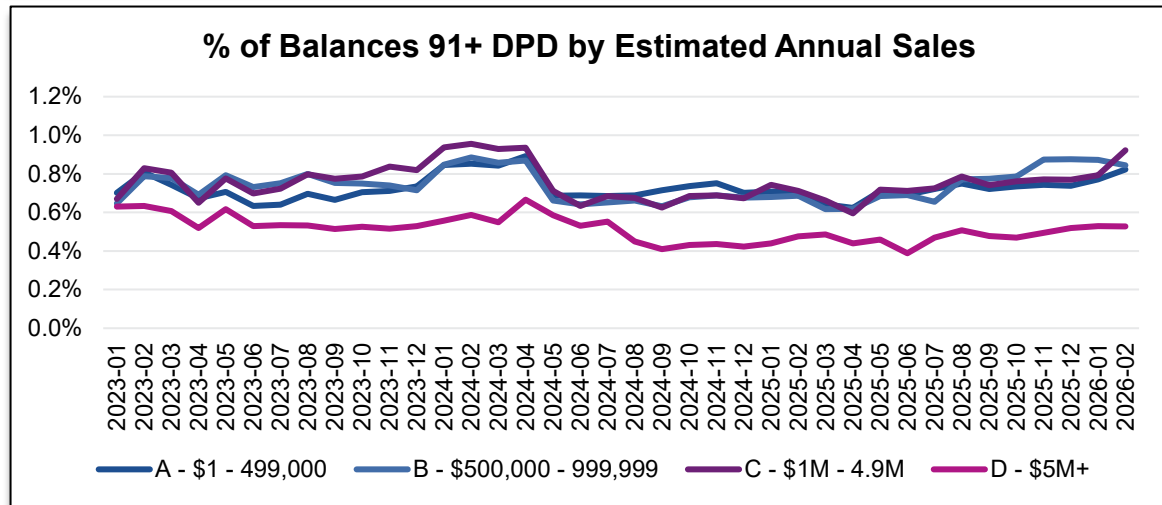
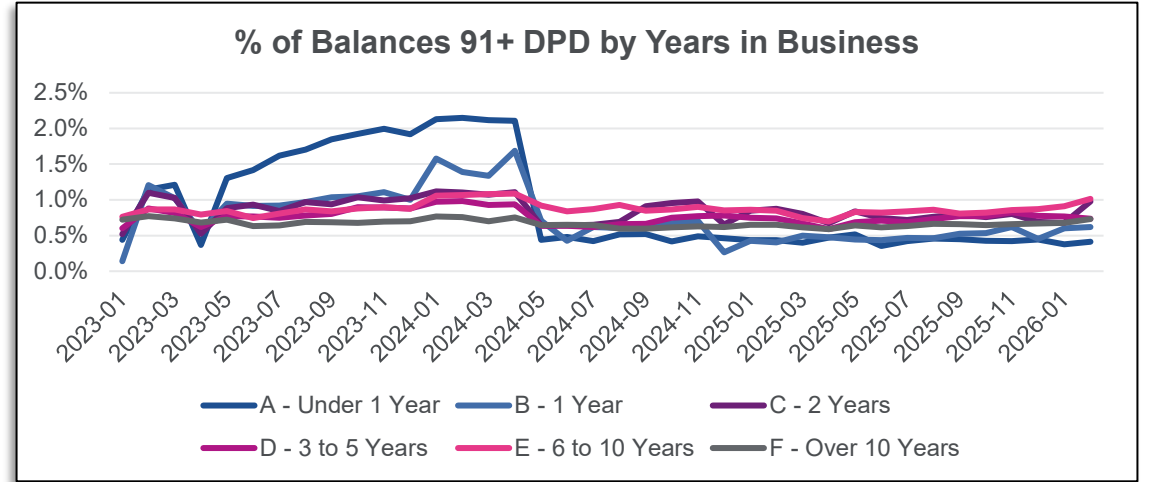
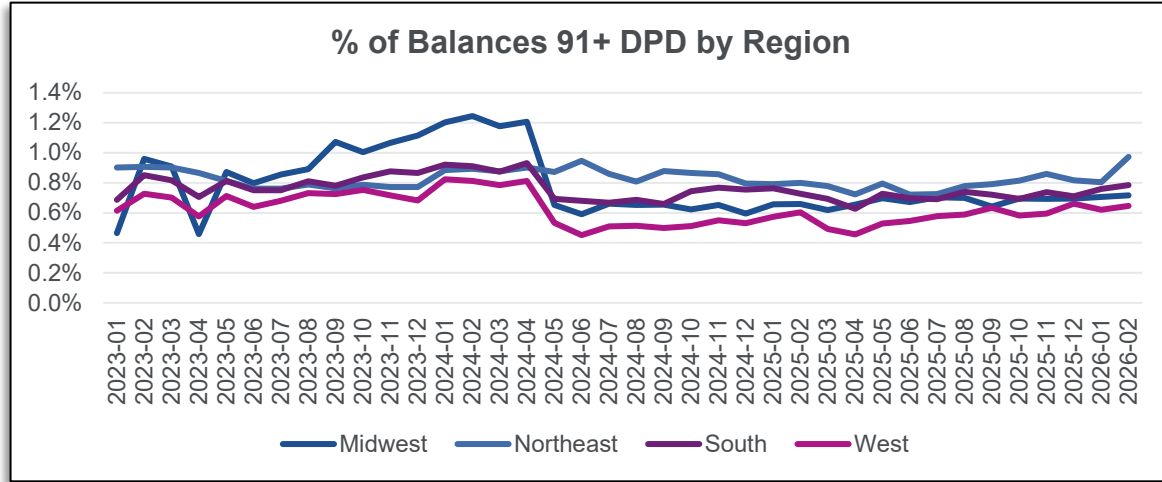


Sources: Experian Commercial Credit Data



# Commercial Delinquency

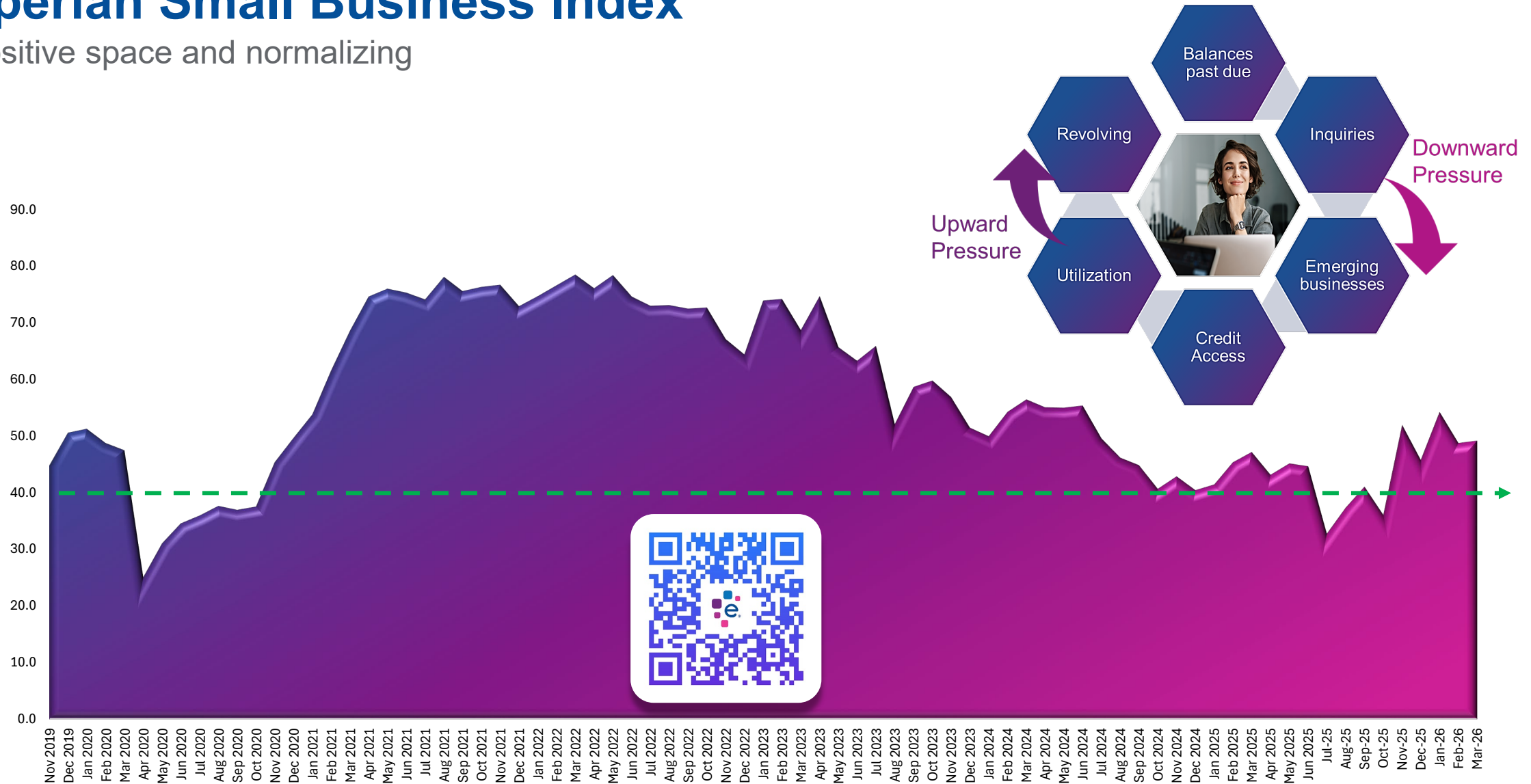
Trends remain stable



Sources: Experian Commercial Benchmarking

# Experian Small Business Index

In positive space and normalizing



Source: Experian Commercial Credit Data, *Experian Small Business Index*, *Experian Commercial Insight Hub*

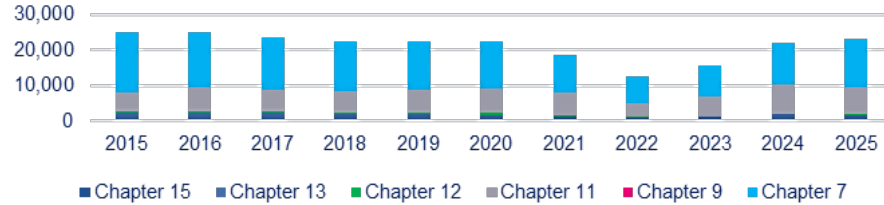
Poll Question



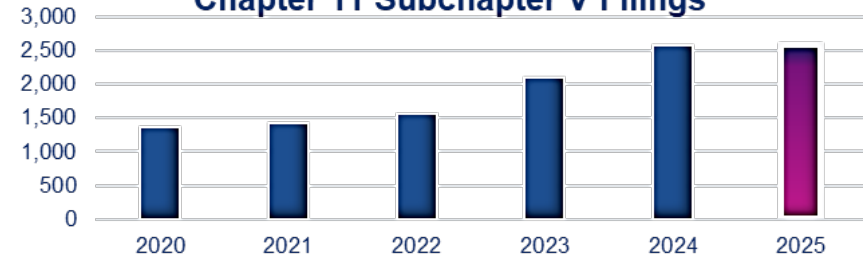
# Business Bankruptcies at 10-year high

As of 2019, Subchapter V legislation provides access for small and micro-business to file

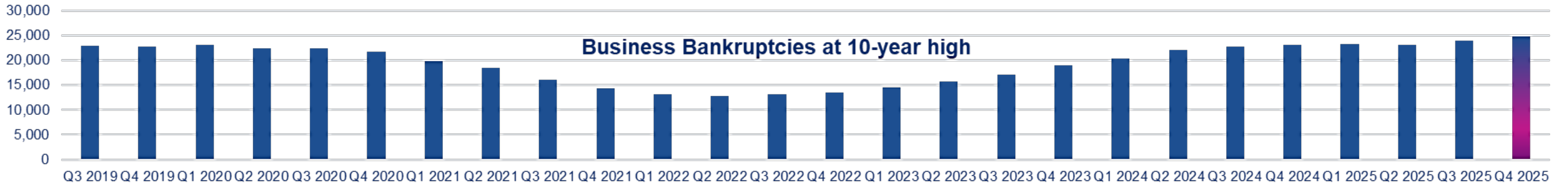
### Bankruptcy Cases Filed, By Chapter, During the 12-Month Period



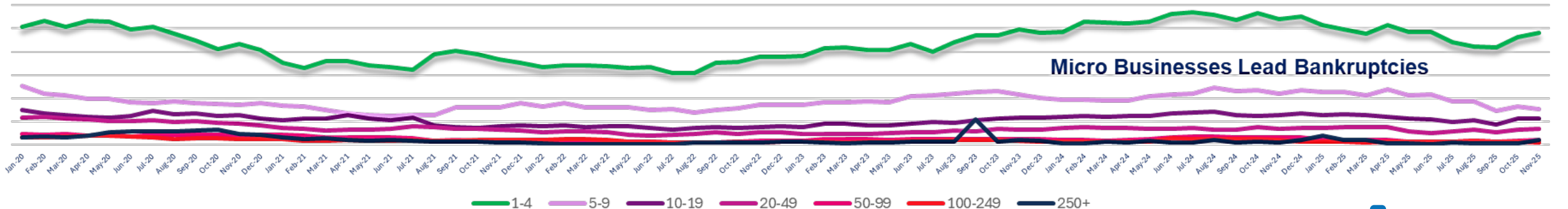
### Chapter 11 Subchapter V Filings



### Business Bankruptcies at 10-year high



### Micro Businesses Lead Bankruptcies



Source: Experian Commercial Benchmark, Administrative Office of the U.S. Courts, American Bankruptcy Institute



# Supply Chain

Back to expansion in 2026

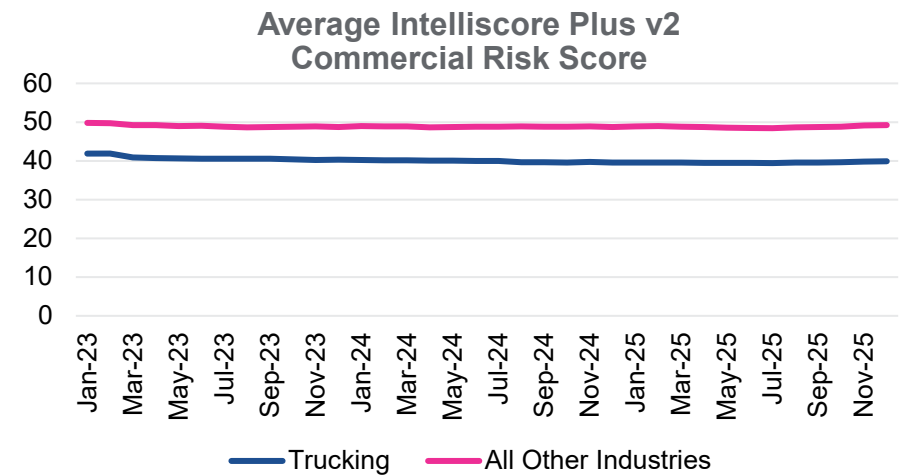
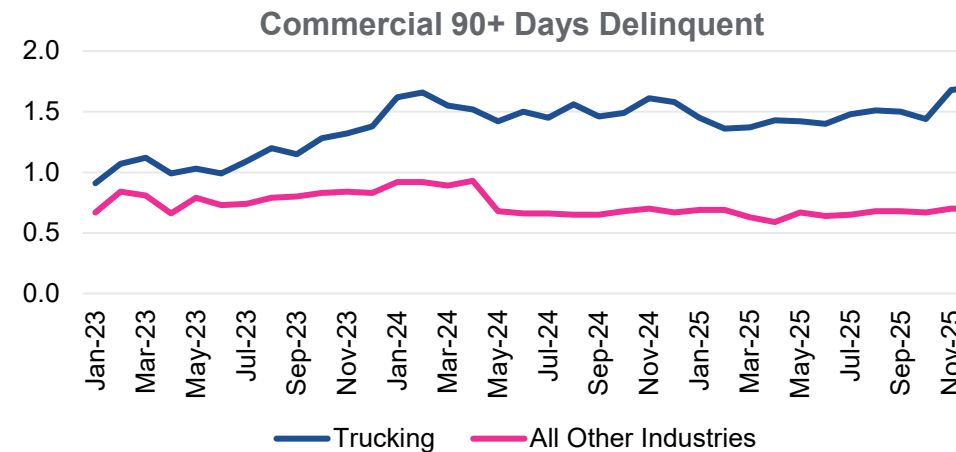
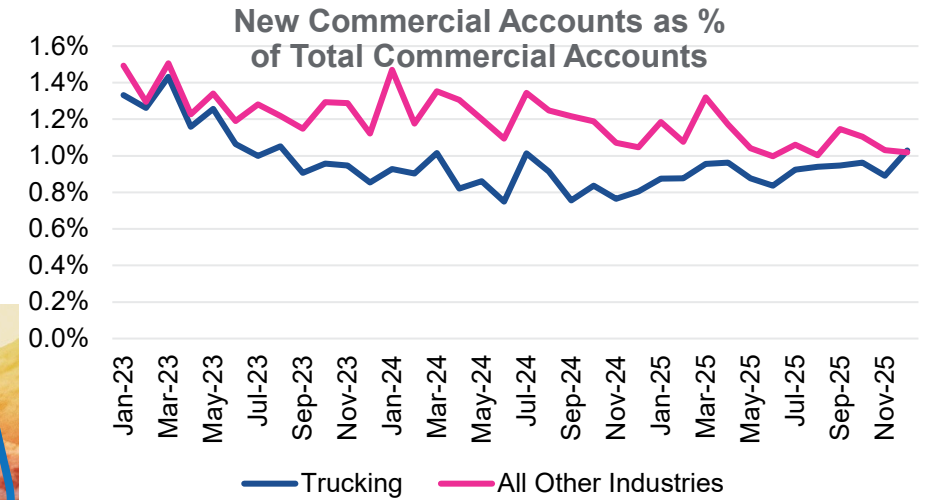
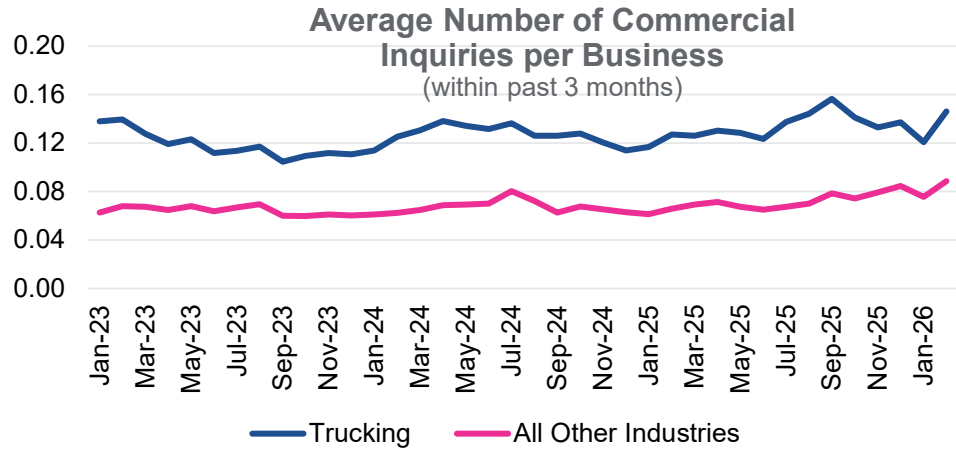
Logistics Managers' Index (LMI)



Source: Logistics Managers' Index

# Commercial Credit Trends - Trucking

Businesses in the Trucking sector tend to be riskier than other industries



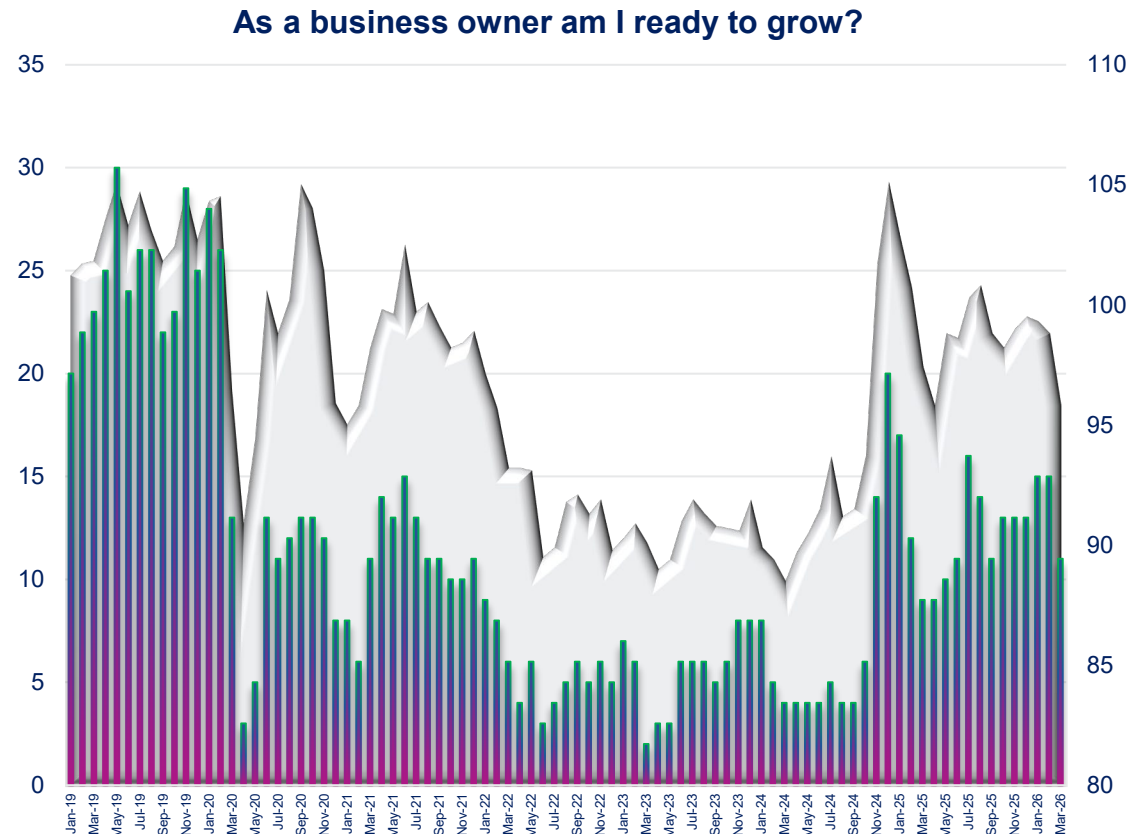
Sources: Experian Commercial Benchmarking

Sources: Experian Commercial Benchmarking, SBFE



# Will small businesses grow in 2026

Businesses will closely monitor consumer spending as inflation pressures and AI allows for more streamlining



- ✓ Optimism trending down with high uncertainty
- ✓ Business health still mostly good
- ✓ More businesses looking to expand
- ✓ Short-term loan rates eased lower
- ✓ Hiring plans retreated back to average
- ✓ Job creation plans stayed steady



Please take a moment to ask any questions. If we do not answer them here, we will route them to our experts and get back to you after the webinar.



# Commercial Insights Hub



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