



# Fiserv Small Business Index™

## Monthly Overview | August 2024

### Small Business Sales Steady, Retail and Food Trend Upward

#### National Overview

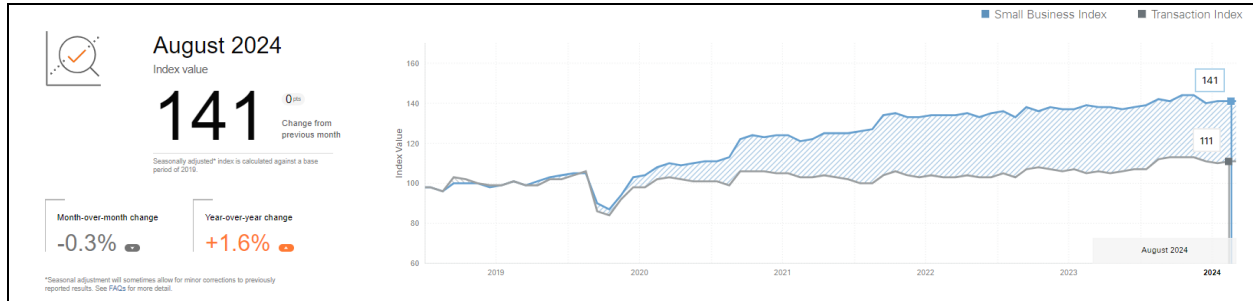
The Fiserv Small Business Index™ remained steady at 141 in August, unchanged from July. Sales growth was relatively flat at -0.3% month over month (MoM). Year-over-year (YoY) growth slowed to +1.6%, down from +3.5% in July. Consumer transactions (foot traffic) saw solid increases both MoM (+1.3%) and YoY (+5.7%). Essentially flat sales growth alongside healthy transactions growth implies lower average ticket size, which could be partly attributed to less inflation, which was at its lowest rate since early 2021. Consumers spent more on Retail (led by Food and Beverage, Gas and Clothing), Food Services, Transportation and Entertainment. However, Professional Services, Specialty Trade Contractors and Durable Goods saw declines compared to July.

#### Key Takeaways

What Happened This Month?	Why Does It Matter?	How Should We Interpret?
Overall, August small business sales growth was flat, and the annualized pace (+1.6%) was slower than the full year-to-date pace (+3.4%).	As we get closer to Q4 and the holiday period, seeing overall momentum increase would be favorable. Foot traffic is increasing, which is a good sign of enthusiasm.	Average ticket sizes have been declining, which is likely a “win” for most consumers. Small businesses should take advantage of increased foot traffic and develop strategies to build ticket size.
Restaurant sales rebounded significantly, delivering +2.7% over July and +4.9% YoY.	Restaurants typically are 10%-15% of total monthly small business volume. Patronage increased, and average tickets grew.	Usually considered a discretionary spend, this could be a more significant sign of growing consumer confidence.
Retail sales increased month over month (+1.0%) and grew even stronger year on year (+3.0%), driven primarily by transaction growth, which may be a response to inflation relief.	Foot traffic is a strong signal of enthusiasm. Retail makes up approximately 10%-12% of total small business volume.	Lenders and economists should find which retail categories and geographies are leading the expansion and lean in strategically.

## National Index Trends

**Figure 1**



**Figure 2: National snapshot**

Across the total U.S. small business sector, August 2024 sales growth (+1.6%) was slower than the year-to-date pace (+3.4%).

	Sales Index	Transaction Index	Sales Growth	Transaction Growth	Avg Ticket Growth
August 2024	141	111	1.6%	5.7%	-4.0%
YTD 2024 (Jan – Aug)	141	111	3.4%	5.0%	-1.6%

**Figure 3: Sales Index YoY growth – latest 12 months**

	S	O	N	D	J	F	M	A	M	J	J	A
	138	138	137	138	139	142	141	144	144	140	141	141
Sales	3.4%	1.8%	2.9%	2.5%	2.2%	6.5%	2.3%	5.4%	4.0%	1.6%	3.3%	1.6%
Transactions	2.8%	1.2%	2.6%	3.5%	2.0%	8.5%	5.6%	5.2%	5.2%	4.4%	3.3%	5.7%
Avg. Ticket	0.6%	0.7%	0.3%	-0.9%	0.2%	-2.1%	-3.3%	0.2%	-1.2%	-2.8%	0.0%	-4.0%
Inflation Rate* (BLS gov)	3.7%	3.2%	3.1%	3.4%	3.1%	3.2%	3.5%	3.4%	3.3%	3.0%	2.9%	

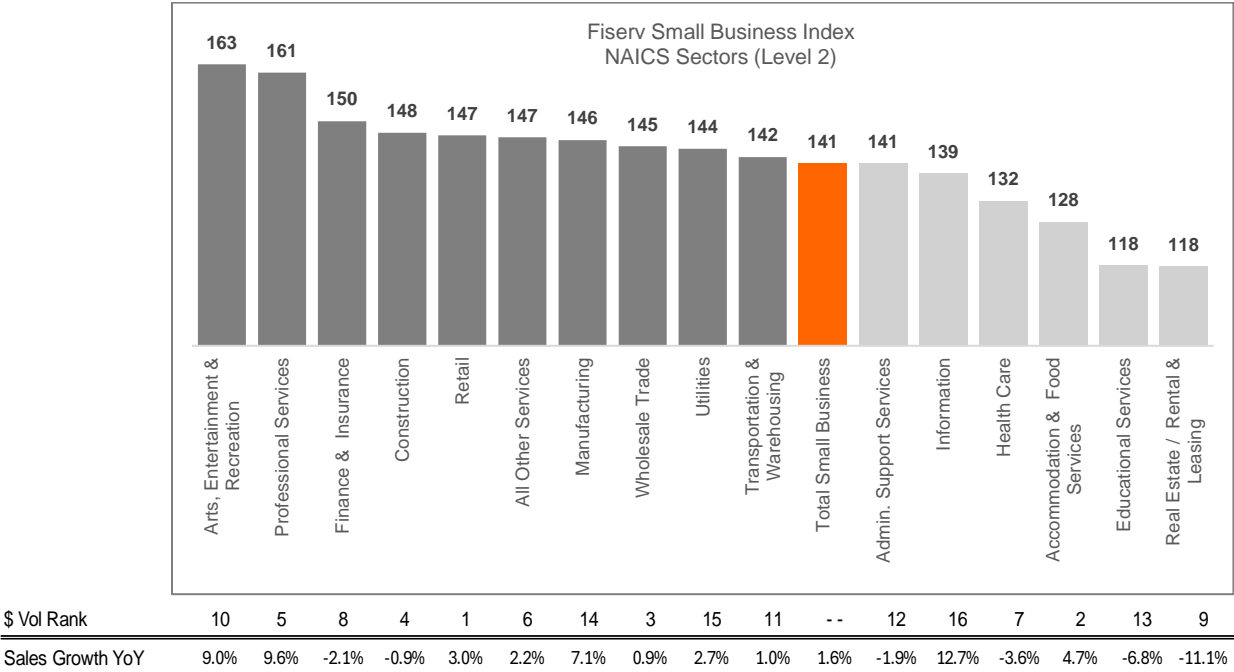
In fact, Figure 3 above shows how the pace of sales growth has been gradually slowing since a high point of +6.5% in February. The pace of transaction growth in August was +5.7% and has delivered +5.0% year-to-date. There are three probable factors contributing to these current dynamics:

1. The national inflation rate has been trending downward, reaching a nearly 3-year low of 2.9% as of July.
2. Average ticket sizes (consumer spend per transaction) have also been flat-to-trending downward, with a steep decline of -4.0% in August. This may be some combination of consumers being more frugal, consumers shifting the mix of their purchases to lower-priced items, and consumers benefiting from prices that have somewhat stabilized as inflation has abated.
3. Transactions (foot traffic) have expanded at an aggressive pace, potentially encouraged by lessening inflationary pressures, reflecting stronger consumer confidence.



## Sector-Level Momentum Drivers

**Figure 4:** Fiserv Small Business Index NAICS Sectors (Level 2)



The chart above displays the index results for Total Small Business and each of the 16 NAICS sectors tracked by the Fiserv Small Business Index (sorted in descending order). The table contains the dollar-volume rank and the YoY sales growth rate for each sector. Many of the high-volume sectors are indexing higher than the national index, a signal that consumers are staying engaged and have continued to spend confidently in the primary sectors that drive small business. One notable exception is Accommodations & Food Services (Hotels and Restaurants). The index for this sector has consistently underperformed the national index, despite it being the second highest volume sector for small business. A causal factor for this: Although the transaction count at Restaurants is more than four times that of the next biggest industry (Food & Beverage Retailers), it still has not recaptured the customer traffic it had pre-pandemic.

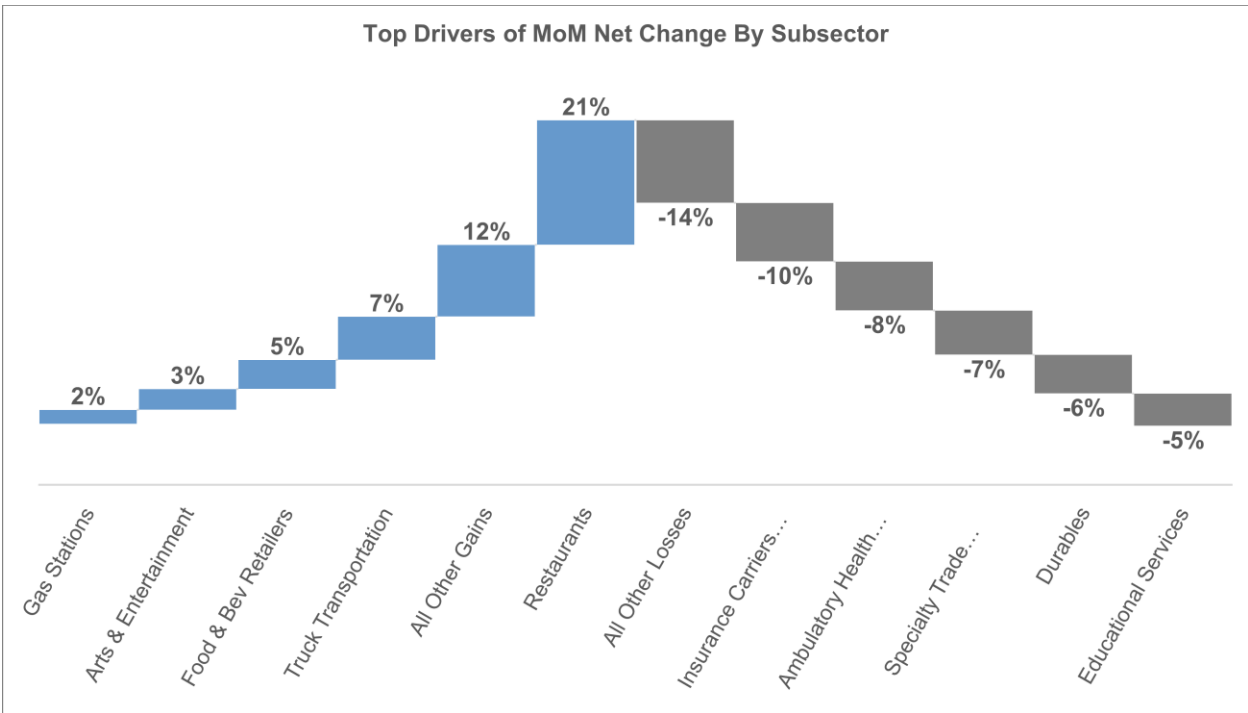
### Month-Over-Month Changes (August 2024 vs. July 2024)

Overall sales growth was -0.3%; Restaurants delivered the most incremental volume.

Overall sales growth was relatively flat at -0.3% MoM. There was an even split between the number of subsectors that posted sales gains and those that suffered sales declines as consumers moved from July into August. The chart below shows the distribution of the net change across the subsectors. The single biggest positive shift was at Restaurants (Food Services and Drinking Places), which delivered +2.7% sales growth MoM. Restaurant transaction counts also grew by +1.1% during the same period. Restaurants represented 21% of the net change across all small business sales.

Among the subsectors that experienced sales declines from July to August, Insurance Carriers & Related Activities had the biggest drop (-4.3%), led by lower average ticket, and this represented 10% of the net change. Other noteworthy subsector-level MoM shifts are indicated in Figure 5 below.

**Figure 5:** Top drivers of MoM net change by subsector



## Top Small Business Segments

**Figure 6:** Top 10 Subsectors (based on sales volume) – August 2024

The top 10 subsectors consistently represent between 61–63% of all small business sales volume.

Sales Volume Rank	Top 10 Subsectors - NAICS Level 3 (based on total dollar sales)	Sales Index	Index Point Chg	Sales % Chg. MoM	Trans. % Chg MoM	Avg Ticket % Chg MoM	Primary Driver of MoM Sales Change
1	Food Services and Drinking Places	126	+3	2.7%	1.1%	1.5%	Average ticket increase
2	Specialty Trade Contractors	148	-3	-2.2%	0.2%	-2.4%	Transaction count decline & average ticket decline
3	Professional, Scientific, and Technical Services	161	-2	-1.0%	-2.8%	1.7%	Transaction count decline
4	Merchant Wholesalers, Durable Goods	141	-4	-2.5%	5.8%	-8.3%	Average ticket decline
5	Ambulatory Health Care Services	134	-5	-3.4%	-3.0%	-0.4%	Transaction count decline
6	Insurance Carriers and Related Activities	150	-7	-4.3%	2.4%	-6.7%	Average ticket decline
7	Food and Beverage Retailers	158	+3	1.9%	1.3%	0.7%	Transaction count increase
8	Accommodation	133	+1	0.7%	1.0%	-0.4%	Transaction count increase
9	Gasoline Stations and Fuel Dealers	147	+2	1.1%	1.8%	-0.6%	Transaction count increase
10	Merchant Wholesalers, Nondurable Goods	151	-2	-1.4%	1.5%	-2.9%	Average ticket decline
	<b>Total Small Business</b>	<b>141</b>	<b>0</b>	<b>-0.3%</b>	<b>1.3%</b>	<b>-1.5%</b>	<b>Average ticket decline</b>

**Figure 7:** Discretionary vs non-discretionary spend

	Avg. Sales Index	Index Point Chg	Sales % Ch. MoM	Trans. % Chg MoM	Avg Ticket % Chg MoM	Primary Driver
<b>Discretionary</b>	<b>145</b>	<b>+1</b>	<b>1.0%</b>	<b>2.8%</b>	<b>-1.9%</b>	Transaction count increase
Non-Discretionary (essential)	139	-2	-1.3%	0.7%	-2.0%	Average ticket decline

**Figure 8:** Goods vs services

	Avg. Sales Index	Index Point Chg	Sales % Chg MoM	Trans. % Chg MoM	Avg Ticket % Chg MoM	Primary Driver
Goods	146	0	0.3%	2.5%	-2.3%	Transaction count increase
Services	140	0	-0.4%	1.4%	-1.7%	Average ticket decline

Small business in August was noticeably stronger in discretionary spending (+1.0%) compared to spending on non-discretionary (essential) needs (-1.3%). The sales volume was split equally across discretionary and non-



discretionary purchases. MoM spending growth rates across goods and services were comparatively more balanced, at +0.3% and -0.4%, respectively. Goods accounted for 30% of sales volume and 70% of spend went to services.

## Retail Performance: Continued Growth in August

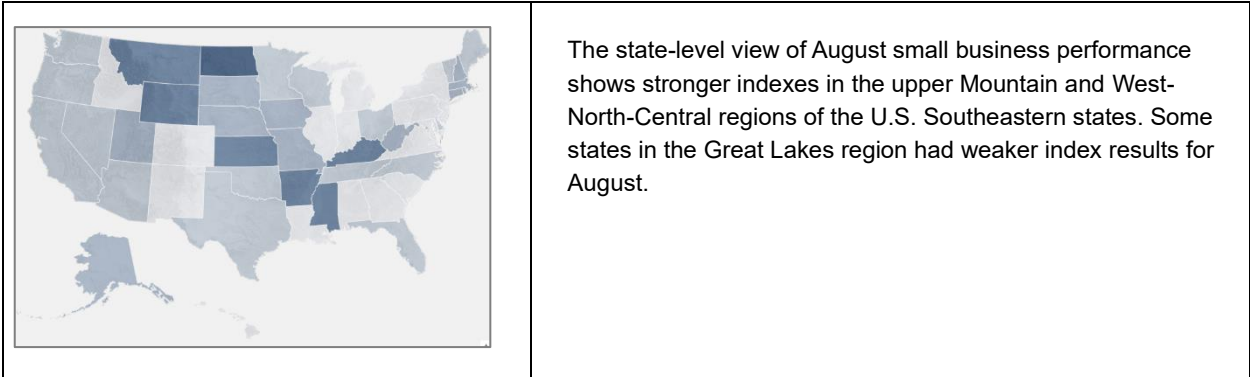
Figure 9

Rank	NAICS Level 3 Retail Category	Sales Index	Index Point Chg	Sales % Chg MoM	Sales % Chg YoY
1	Food and Beverage Retailers	158	+3	1.9%	7.9%
2	Gasoline Stations and Fuel Dealers	147	+2	1.1%	-2.8%
3	Motor Vehicle and Parts Dealers	135	+1	0.5%	-0.7%
4	Building Material and Garden Equipment and Supplies Dealers	167	+1	0.5%	2.8%
5	Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers	148	+1	0.9%	5.6%
6	Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	129	+3	2.1%	2.3%
7	Furniture, Home Furnishings, Electronics, and Appliance Retailers	139	+2	1.3%	3.8%
8	Health and Personal Care Retailers	127	-1	-1.0%	2.6%
9	General Merchandise Retailers	164	-1	-0.5%	8.8%
	<b>Total Small Business Retail</b>	<b>147</b>	<b>+1</b>	<b>1.0%</b>	<b>3.0%</b>

The August Retail Index rose one point to 147. Sales grew by +1.0% MoM and +3.0% YoY. Average ticket sizes fell (-0.5% for the month, -4.3% for the year) as transactions increased both monthly (+1.5%) and annually (+7.3%). Back-to-school shopping, favorable inflation rates and rising consumer confidence likely contributed to this growth for small businesses. Categories with the biggest gains over July included Clothing (+2.1%), Food and Beverage Stores (+1.9%) and Furniture (+1.3%). Annual growth highlighted a different mix of consumer priorities, with General Merchandise Retailers (+8.8%) and Sporting Goods (+5.6%) joining Food and Beverage Stores (+7.9%) in capturing the most attention.

## State-Level Overview – August 2024

Figure 10



## Top 5 States

Figure 11-A: Based on sales growth MoM

State Rank (\$\$)	Top 5 States Based on MoM Sales % Chg	Sales Index	Index Point Chg	Sales % Chg MoM	Sales % Chg YoY
5	Illinois	138	+6	4.6%	2.9%
31	Nevada	143	+4	2.6%	-0.2%
46	South Dakota	147	+3	2.3%	9.9%
9	Georgia	137	+3	2.2%	3.2%
10	Massachusetts	153	+3	2.0%	4.3%

Figure 11-B: Based on total sales volume

State Rank (\$\$)	Top 5 States Based on Total Sales Volume	Sales Index	Index Point Chg.	Sales % Chg MoM	Sales % Chg YoY
1	California	140	0	-0.1%	2.7%
2	Florida	142	-1	-0.8%	1.6%
3	Texas	143	1	0.6%	1.5%
4	New York	132	-4	-2.9%	0.0%
5	Illinois	138	6	4.6%	2.9%

Typically, smaller-volume states will show the most aggressive month-over-month sales change. As Figure 11-A shows, in August, 3 of the top 5 growth states were also among the top 10 states across the U.S. for small business sales volume. Collectively, these states represented 11% of total U.S. small business volume in August.

Figure 11-B lists the top 5 states in the U.S. based on sales volume in August. Apart from Illinois, the other states in this list had flat to declining sales compared to July. Collectively these states represent 38% of total U.S. small business volume in August.



## Top Metro Markets Overview – August 2024

Figure 12: Top ten metro markets

Rank*	Top Metro Markets	Sales Index	Index Point Chg	Sales % Chg MoM	Sales % Chg YoY
1	New York-Newark-Jersey City NY-NJ-PA	130	-4	-3.1%	-1.9%
2	Los Angeles-Long Beach-Anaheim CA	145	+1	0.4%	3.1%
3	Chicago-Naperville-Elgin IL-IN-WI	139	+7	5.6%	0.1%
4	Miami-Fort Lauderdale-Pompano Beach FL	147	-0	-0.2%	3.7%
5	Dallas-Fort Worth-Arlington TX	145	-2	-1.5%	0.2%
6	Washington-Arlington-Alexandria DC-VA-MD-WV	134	-0	-0.3%	-0.4%
7	Boston-Cambridge-Newton MA-NH	156	+1	0.9%	4.0%
8	Atlanta-Sandy Springs-Alpharetta GA	136	+3	2.4%	3.9%
9	Philadelphia-Camden-Wilmington PA-NJ-DE-MD	134	-1	-0.5%	-2.0%
10	San Francisco-Oakland-Berkeley CA	127	-1	-0.7%	-5.8%

\* Top 10 ranked on total market sales volume



## Sector Performance at State Level – August 2024

**Figure 13:** Top five states and bottom five states by sector

	Top 5 states by sector			Bottom 5 states by sector		
	State	Sales % Chg MoM	Sales % Chg YoY	State	Sales % Chg MoM	Sales % Chg YoY
<b>Retail</b>	TX	3.1%	4.6%	UT	-0.6%	1.4%
	IL	3.4%	5.0%	CT	-0.7%	5.5%
	CA	0.7%	4.3%	MI	-0.5%	2.9%
	VA	3.1%	3.8%	KS	-2.6%	-2.8%
	MN	2.8%	5.6%	NJ	-0.8%	0.5%
<b>Construction</b>	HI	10.6%	-0.6%	OR	-4.5%	-3.3%
	SD	11.2%	3.6%	VA	-4.9%	-1.6%
	OH	1.4%	0.5%	FL	-1.9%	-1.9%
	LA	2.9%	-5.0%	NY	-4.1%	-2.5%
	TX	0.5%	2.1%	CA	-4.2%	3.0%
<b>Professional Services</b>	GA	5.3%	16.4%	CA	-0.6%	9.9%
	OR	2.2%	17.4%	MA	-3.3%	5.6%
	TN	1.8%	22.0%	IL	-2.4%	-2.0%
	MO	1.5%	11.8%	FL	-1.9%	6.3%
	TX	0.3%	7.4%	NY	-5.1%	6.9%
<b>Food Services &amp; Drinking Places</b>	FL	3.5%	3.0%	DC	-2.6%	3.7%
	TX	2.3%	4.8%	ME	-0.4%	7.7%
	CA	1.3%	5.4%	MT	-0.6%	5.8%
	GA	3.6%	3.2%	WY	-2.0%	0.4%
	IL	2.9%	6.7%	HI	-1.0%	-11.7%

The tables above rank states based on MoM absolute sales gains and losses for each sector shown. For example, Retail in Texas (3.1%) ranked higher than Illinois (3.4%) because the total incremental dollar sales in August was larger in Texas.

### Learn more

Read the full report online and [explore the data](#) based on national, state, local or NAICS sectors. [Subscribe now](#) to stay informed with the latest updates.

**Questions?** Contact us at [FiservSmallBusinessIndex@Fiserv.com](mailto:FiservSmallBusinessIndex@Fiserv.com).

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