

Fiserv Small Business Index®

Monthly Overview | February 2025

Consumers Shift Focus to Retail Goods and Restaurants

National Overview

In February 2025, the Fiserv Small Business Index remained steady at 147, showing no change in month-over-month momentum from January. The transaction index gained 1 point, reaching 114. Sales growth was flat overall (+0.1%) compared to January. At +2.1%, year-over-year sales growth slowed considerably compared to a seasonally adjusted pace of +4.9% in January. Transactions accelerated by +1.6% over January and slowed to +4.0% year over year versus January's +6.4% pace. Growth in small businesses was broad, but the strongest month-to-month increased spending occurred in Restaurants, Sporting Goods, Auto Parts, Furniture and Clothing. Service-oriented spending declined in the areas of Professional Services, Administrative and Support Services, Performing Arts and Accommodation (Hotels). Food and Beverage Retailers also declined compared to January.

Key Takeaways

What Happened This Month?	Why Does It Matter?	How Should We Interpret?
Consumers shifted focus toward Retail and Restaurants.	This sudden demand shift was somewhat uncharacteristic for February. But key retail categories like Furniture, Electronics and Auto Parts have gotten a material boost in sales.	With sentiment and confidence surveys both signaling consumers' uncertainty about economic conditions, this flurry of spending may be a signal of anticipated price hikes due to expected fiscal policy changes.
Despite the near-term surge in Retail and Restaurant spending, year-over-year pace has continued to slow down for both sectors.	The year-over-year slowdown is not only contained to retail and restaurants. Other service sectors vital to the small business ecosystem, like Construction, Administrative Support, and Arts/Entertainment, have also slowed.	Consumers may be recalibrating their spending behaviors and household budgets to protect themselves – in case the overall economy starts slowing down.
Services spending stalled as consumers reallocated their dollars.	With uncertainty ramping up, spending on services may narrow even more to focus on essential needs, and less on discretionary services.	Services represent about 70% of all small business sales volume. The collective health and viability of services is important for overall small business growth.

National Index Trends

Figure 1: National Index

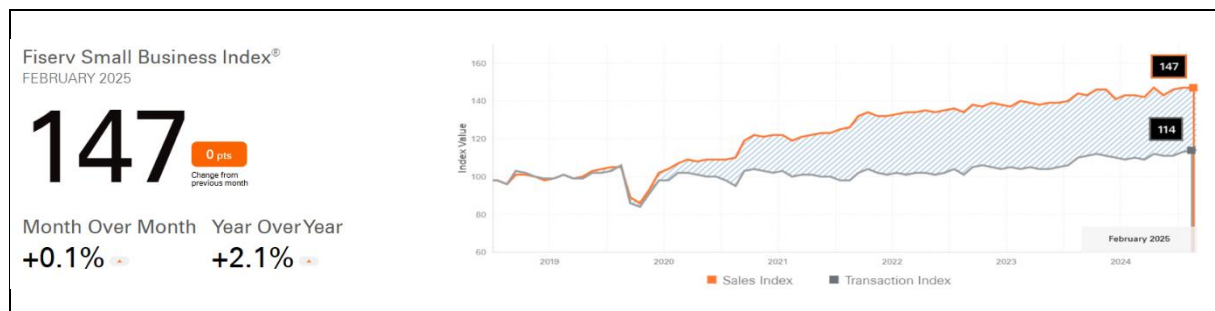


Figure 2: National Snapshot – February 2025

Across the total U.S. small business ecosystem, February 2025 year-over-year sales growth (+2.1%) lagged the January growth rate of +4.0%. Transactions also slowed to +4.0%, while average tickets declined by 1.9%.

	Sales Index	Transaction Index	Sales Growth	Transaction Growth	Avg. Ticket Growth
February 2025	147	114	2.1%	4.0%	-1.9%
January 2025	147	113	4.9%	6.4%	-1.5%

Figure 3: Sales Index YoY Growth – Past 12 Months

	M	A	M	J	J	A	S	O	N	D	J	F
Sales Index	143	146	146	141	143	143	142	147	143	146	147	147
Sales YoY	3.1%	6.7%	4.9%	2.1%	4.4%	2.2%	2.0%	6.2%	3.0%	4.8%	4.9%	2.1%
Transactions YoY	5.9%	5.4%	5.4%	5.0%	3.8%	5.9%	4.1%	7.8%	6.1%	5.6%	6.4%	4.0%
Avg. Ticket YoY	-2.8%	1.3%	-0.4%	-3.0%	0.6%	-3.7%	-2.1%	-1.6%	-3.1%	-0.8%	-1.5%	-1.9%
Inflation Rate (BLS.gov)	3.5%	3.4%	3.3%	3.0%	2.9%	2.5%	2.4%	2.6%	2.7%	2.9%	3.0%	

Figure 3 shows the pace of year-over-year sales growth slowed to +2.1% in February, as consumers shifted their focus to Retail and Restaurant spending. Transactions also slowed in February, down to +4.0% from a pace of +6.4% the month prior. Average ticket declined further, down -1.9%. Consumers leaned into retail and wholesale subsectors that generally offer bigger ticket items. It is possible the national conversation surrounding impending tariffs and other potential trade disruptions have encouraged some of this behavior.

Figure 4: Fiserv Small Business Index NAICS Sectors (Level 2) – Sales Index (February 2025)

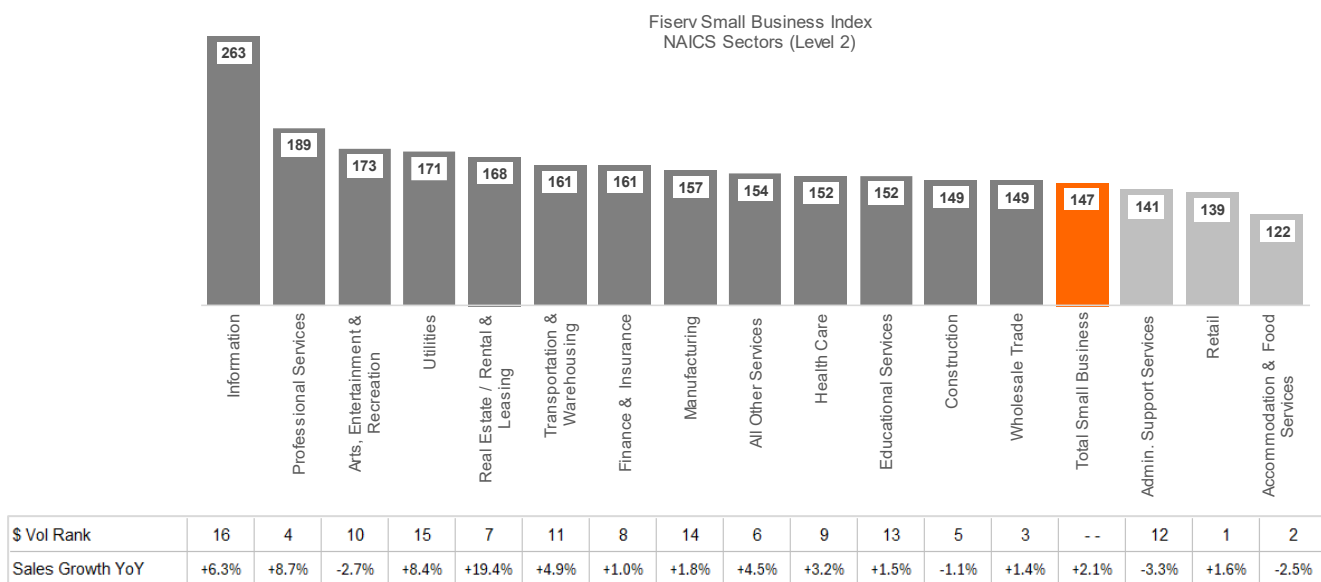


Figure 4 displays the Index results for Total Small Business and each of the 16 NAICS sectors tracked by the Fiserv Small Business Index (sorted in descending index order). The table contains the dollar-volume rank and the YoY sales-growth rate for each sector. Retail and Accommodations & Food Services - the two highest-volume sectors - are indexing lower than the national index, a signal that consumers changed the focus of their spending for this month to other areas within small business, presumably because of demand shifts.

Top Small Business Segments – Month-Over-Month Results

Figure 6: Top 10 Subsectors (Based on Sales Volume) – February 2025

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

Sales Volume Rank	Top 10 Subsectors (NAICS L3) (based on total dollar sales)	Sales Index	Index Point Chg.	Sales % Chg. MoM	Trans. % Chg. MoM	Avg. Ticket % Chg. MoM	Contr.	Primary Driver of MoM Sales Change
1	Food Services and Drinking Places	121	+3	2.3%	3.9%	-1.6%	14.1%	Transactions increase
2	Professional, Scientific, and Technical Services	189	-2	-0.9%	-2.2%	1.3%	8.4%	Transactions decrease
3	Specialty Trade Contractors	149	-	-0.2%	-2.7%	2.5%	7.5%	Transactions decrease
4	Merchant Wholesalers, Durable Goods	144	+2	1.6%	-3.0%	4.6%	5.8%	Average-ticket increase
5	Insurance Carriers and Related Activities	161	-1	-0.7%	-2.8%	2.0%	5.3%	Transactions decrease Average-ticket increase

6	Ambulatory Health Care Services	152	+2	1.5%	2.3%	-0.8%	4.6%	Transactions increase
7	Real Estate	182	-9	-4.8%	-0.9%	-4.0%	4.5%	Average-ticket decrease
8	Food and Beverage Retailers	149	-2	-1.2%	0.0%	-1.3%	4.5%	Average-ticket decrease
9	Accommodation	124	-2	-1.2%	-1.9%	0.7%	4.0%	Transactions decrease
10	Gasoline Stations and Fuel Dealers	136	-	-0.3%	0.1%	-0.4%	3.7%	Average-ticket increase
	Total Small Business	147	- -	0.1%	1.6%	-1.5%	100%	Average-ticket decrease

Figure 7: Discretionary vs. Nondiscretionary Spend (weighted)

	Wtd. Sales Index	Index Point Chg.	Sales % Chg. MoM	Trans. % Chg. MoM	Avg. Ticket % Chg. MoM	Share of Sales	Primary Driver of MoM Sales Change
Discretionary	140	- -	1.1%	2.4%	-1.3%	49%	Transactions increase
Nondiscretionary (essential)	160	+1	-0.8%	-0.2%	-0.6%	51%	Transactions decrease Average-ticket decrease

Figure 8: Goods vs. Services

	Wtd. Sales Index	Index Point Chg.	Sales % Chg. MoM	Trans. % Chg. MoM	Avg. Ticket % Chg. MoM	Share of Sales	Primary Driver of MoM Sales Change
Goods	143	+1	0.9%	-0.1%	1.0%	29%	Average-ticket increase
Services	153	-1	-0.2%	2.3%	-2.5%	71%	Transaction-count increase

Discretionary spending rose +1.1% over January. Consumers demonstrated willingness to spend on retail and wholesale goods and pulled back on nondiscretionary and service-related spending. The increase in discretionary spending was due to +2.4% transactions compared to January, while much of the increased spending on Goods was due to higher average-ticket sizes. It's not immediately clear if the higher average-ticket sizes are due to price increases, or consumers' demands for larger-ticket items.

Retail Performance: Consumer Demand Shifts Toward Retail in February

Figure 9

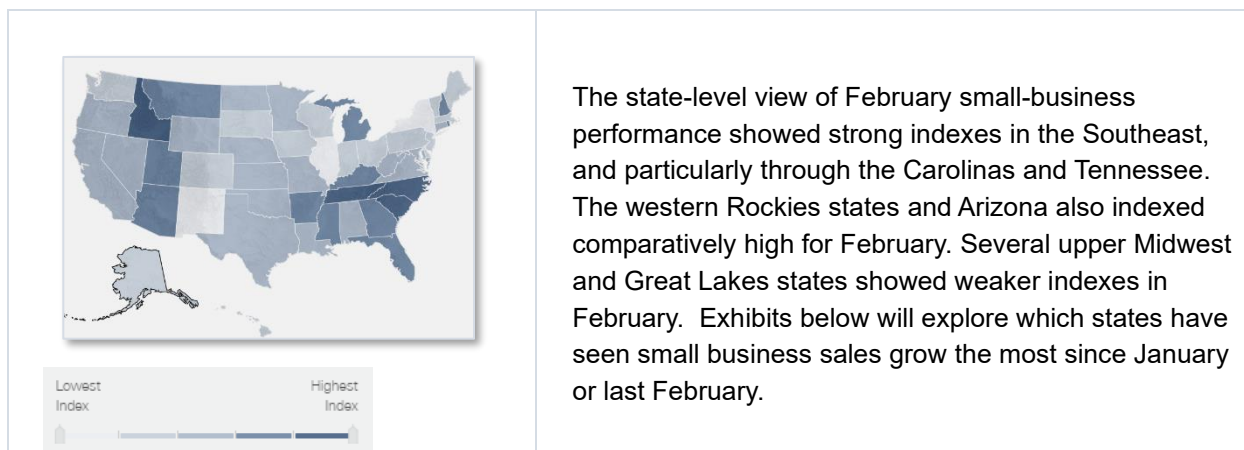
Rank	NAICS Level 3 Retail Category – Ranked on Sales Volume	Sales Index	Index Point Chg.	Sales % Chg. MoM	Sales % Chg. YoY
1	Food and Beverage Retailers	149	-1.8	-1.2%	0.8%
2	Gasoline Stations and Fuel Dealers	136	-0.4	-0.3%	-1.0%
3	Motor Vehicle and Parts Dealers	134	4.1	3.1%	2.2%
4	Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers	127	3.8	3.1%	3.6%
5	Building Material and Garden Equipment and Supplies Dealers	162	-0.2	-0.1%	1.6%
6	Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	116	3.5	3.1%	3.7%
7	Furniture, Home Furnishings, Electronics, and Appliance Retailers	129	6.1	5.0%	3.2%
8	General Merchandise Retailers	191	0.6	0.3%	7.3%
9	Health and Personal Care Retailers	126	-1.2	-0.9%	-1.6%
Total Retail		139	1	0.9%	1.6%
Total Small Business		147	--	0.1%	2.1%

Retail Performance

In February, the Fiserv Small Business Index for Retail Trade notched ahead by 1 point to 139. Sales grew by +1.6% year-over-year. Transactions increased by +1.2% year-over-year and average tickets increased by +0.4%. February 2025 marks the first month since January 2023 that overall retail average tickets have shown a year-over-year increase at small businesses. This could be a result of the mix of goods that consumers bought, or evidence of price creep on routinely purchased goods. Retail sales growth year over year was led by General Merchandise (+7.3%), Clothing (+3.7%) and Sporting Goods/Miscellaneous Retailers (+3.6%). However, compared to January, the most noticeable acceleration in sales growth came from Motor Vehicle and Parts Dealers (+3.1%) and Furniture, Home Furnishings and Electronics (+5.0%). Consumers slowed their pace of spending compared to January for Food and Beverage, Health and Personal Care, and Gas.

State-Level Overview – February 2025

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
48	North Dakota	149	12	8.8%	11.8%
25	Louisiana	146	8	5.7%	3.5%
3	Texas	152	6	4.3%	2.8%
20	Indiana	141	5	4.0%	1.3%
28	Alabama	149	5	3.6%	4.6%

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	146	-1	-0.7%	5.4%
2	Florida	163	-1	-0.6%	5.3%
3	Texas	152	6	4.3%	2.8%
4	New York	120	0	0.2%	-2.1%
5	Illinois	130	-3	-2.0%	2.8%

Figure 11-A shows the top 5 states in February 2025 based on their acceleration of sales growth from November. Smaller states (in terms of small-business representation) like North Dakota (+8.8%) and Louisiana (+5.7%) grew much faster than the national month-over-month growth pace of +0.1%.

Figure 11-B lists the top 5 states in the U.S. based on total sales volume for small business in February. While Texas fared well among heavily populated states, California (-0.7%), Florida (-0.6%) and Illinois (-2.0%) experienced declines in small-business sales growth compared to January.

Top Metro Markets Overview – February 2025

Figure 12: Top 10 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	117	0	0.0%	-5.7%
2	Los Angeles-Long Beach-Anaheim CA	149	-2	-1.3%	2.8%
3	Chicago-Naperville-Elgin IL-IN-WI	125	-2	-2.2%	-1.2%
4	Miami-Fort Lauderdale-Pompano Beach FL	161	-2	-1.3%	5.3%
5	Dallas-Fort Worth-Arlington TX	151	+7	4.6%	-0.5%
6	Washington-Arlington-Alexandria DC-VA-MD-WV	137	0	0.1%	-1.4%
7	Atlanta-Sandy Springs-Alpharetta GA	168	+8	3.2%	14.4%
8	Boston-Cambridge-Newton MA-NH	135	-5	-3.2%	-6.0%
9	Philadelphia-Camden-Wilmington PA-NJ-DE-MD	139	+1	1.2%	5.0%
10	San Francisco-Oakland-Berkeley CA	121	-5	-4.1%	0.2%

*Top 10 ranked on total market sales volume

Learn More

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