

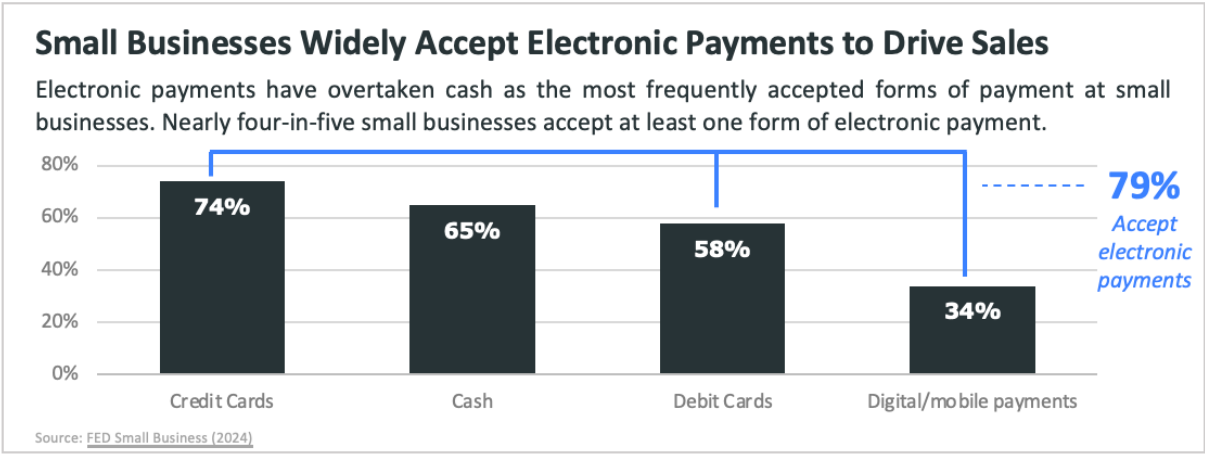


NATIONAL SMALL BUSINESS WEEK ANNUAL REPORT

New data from the **Small Business Payments Alliance** once again reaffirms the value of credit cards for small businesses. According to consumer surveys and research gathered over the first quarter of 2025, small businesses rely on credit cards to drive sales and expand growth. Small businesses also rely on electronic payments to protect against fraud and unlock e-commerce opportunities. Consumers value the availability of electronic payment options. Most notably, credit cards are becoming increasingly important for younger generations. Credit cards are an essential part of doing business in a modern payment ecosystem and provide key rewards to customers.

Small Businesses and Consumers Benefit from Credit Cards

Consumers prefer using electronic payments when making purchases at small businesses. As consumer preferences continue to shift towards using cards and digital payment apps over cash, small businesses that accept these payments offer a better customer experience and generate higher sales, allowing them to better compete with larger firms.



Consumers Value Availability of Electronic Payment Options

The availability of preferred payment methods has a large impact on where consumers choose to shop. As preferences skew towards electronic payments, small businesses stand to gain from accepting cards.

55%

Of consumers choose where to shop based on the availability of their preferred payment method.

75%

Of consumers prefer to use credit or debit cards rather than cash for in-person payments.

Sources: PYMNTS (2025), Federal Reserve (2024)

Electronic payments reduce fraud costs for small businesses. Smaller companies are more vulnerable to check fraud than larger businesses, highlighting the importance of accepting electronic payments to reduce fraud costs that can otherwise put a major dent in profitability.

Small Businesses are More Vulnerable to Check Fraud

One-in-four small businesses reported suffering from check fraud last year, making them far more prone to this risk than larger firms. Electronic payments are far more secure and less prone to fraud than checks.

25%

Of small businesses reported check fraud in 2024, vs. 15% of the general population.



\$24B

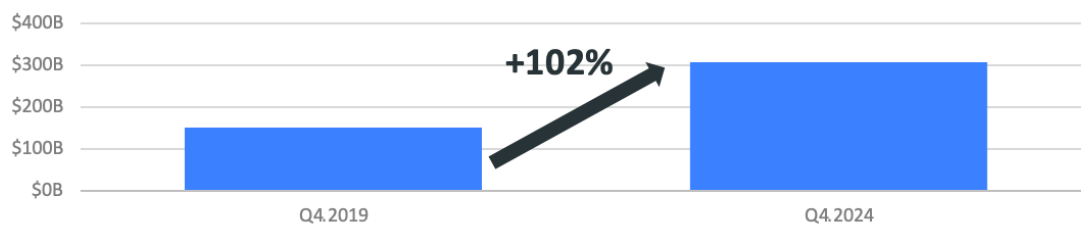
Estimated losses from check fraud in 2023 across all businesses.

Source: PYMNTS (2025)

Electronic payments provide new sales channels to small businesses. The rapid growth in e-commerce over the last five years highlights the shift in consumer preferences to online purchases and is heavily dependent on electronic payments. By accepting card payments, small businesses can engage in the e-commerce market and its expanded revenue potential.

Electronic Payments Allow Small Businesses to Unlock E-Commerce

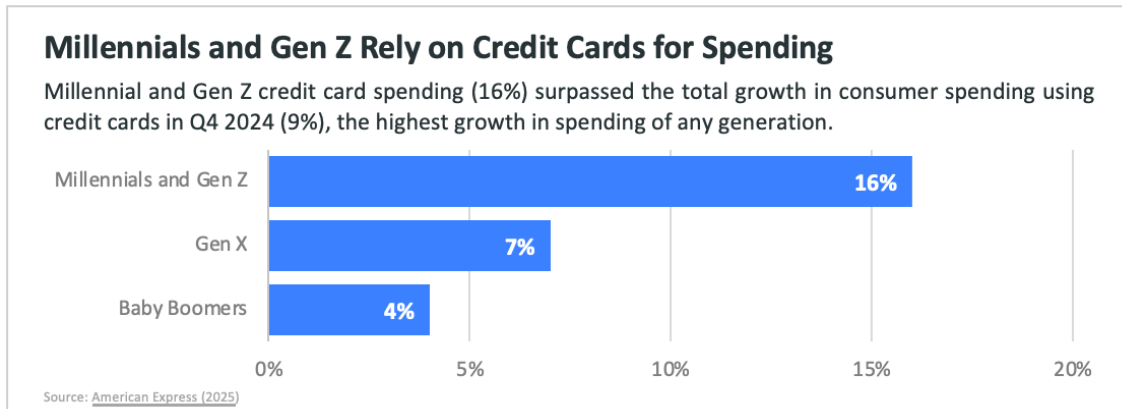
Quarterly e-commerce sales have grown to over \$300B, a market solely reliant on electronic payments. Accepting electronic payments allows small business owners to engage in this growing market.



Sources: Census Bureau (2025)

Credit Cards are Increasingly Important for Younger Generations

Younger generations are driving the growth in credit card spending. Credit card spending is on the rise, largely because of increased utilization by Millennials and Gen Z. Younger generations use their credit cards differently than older generations: Gen Z focuses more on shopping and dining, while Baby Boomers focus more on fuel and lodging.



Gen Z consumers care more about rewards than older generations, especially when it comes to travel. More than 60% of Millennial and Gen Z consumers use the credit cards in a manner that maximizes travel rewards, compared to just 36% of Gen X and Baby Boomers.



Conclusion

Once again, the latest research affirms the value of credit cards for small businesses. Small businesses rely on credit cards to drive sales, expand growth through e-commerce, and protect against fraud. Consumers enjoy a better customer experience with electronic payments, as credit cards becoming increasingly important for younger generations. Small business owners and consumers continue to rely on the security and reliability of credit cards.