



NATIONAL CENTER FOR
THE MIDDLE MARKET

February 11, 2026

2025 Year-End MMI Data and Insights

Doug Farren, Executive Director

IN COLLABORATION WITH



THE OHIO STATE UNIVERSITY
FISHER COLLEGE OF BUSINESS

CHUBB®

VISA

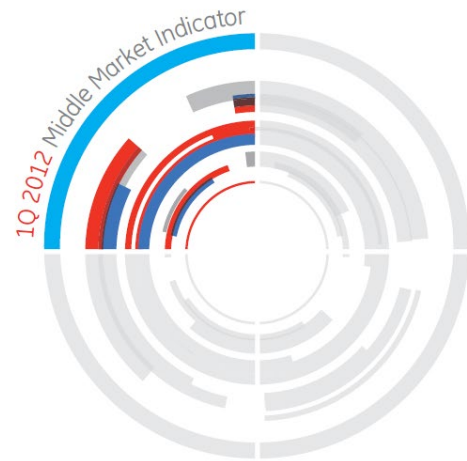
WELLS
FARGO

Today's Plan

- I. About – NCMM, Middle Market, and the MMI Report
- II. Middle Market Data
- III. What's Next –Projections
- IV. Issues – Uncertainty, AI, and Investment
- V. Wrap-Up

The NCMM Celebrates 15 Years in 2026!

NATIONAL CENTER
FOR THE MIDDLE MARKET



in collaboration with

 **FISHER**
COLLEGE OF BUSINESS

 GE Capital



1Q 2017

MIDDLE MARKET INDICATOR

UNPRECEDENTED GROWTH, CONFIDENCE & OPTIMISM


THE OHIO STATE UNIVERSITY
FISHER COLLEGE OF BUSINESS


SUNTRUST

 Grant Thornton

 CISCO




THE OHIO STATE
UNIVERSITY
FISHER COLLEGE
OF BUSINESS

Year-End | 2025

MIDDLE MARKET INDICATOR

Revenue Growth
and Investment Rebound

WITH FUNDING SUPPORT FROM

CHUBB

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The National Center for the Middle Market

The National Center for the Middle Market is a collaboration between The Ohio State University's Fisher College of Business, Chubb, Visa and Wells Fargo. It exists for a single purpose: to ensure that the vitality and robustness of Middle Market companies are fully realized as fundamental to our nation's economic outlook and prosperity.

The Center is the leading source of knowledge, leadership, and innovative research on the middle market economy, providing critical data analysis, insights, and perspectives for companies, policymakers, and other key stakeholders, to help accelerate growth, increase competitiveness and create jobs in this sector.

Middle Market Research & Data



Quarterly Middle Market Indicator



Research and Expert Perspectives



Interactive Benchmarking Tools

Expertise & Outreach



Share Research & Discuss Trends

Education



Executive Programs



Webinars and Podcasts

The Mighty Middle Market

U.S. MIDDLE MARKET DEFINED



Annual Revenues Range from

\$10MM - \$1B



Accounts for

60%

of All New
Private-Sector
Jobs



Nearly

200,000 in All Industry
Businesses Segments and
Geographies

Equivalent to the

5th LARGEST

global economy



Represents

1/3 of Private Sector
GDP and Employment



85%

of Companies
Are Privately Held



More than

\$10 trillion in annual revenue

Middle Market Indicator

What...

National Survey of C-Level Executives

How...

Self Administered Online Survey

Insight Areas

Past year growth
Confidence in the economy
Current state of the business
Outlook for the future

Who...

Financial decision makers
Private and Public Organizations
\$10 million-<\$1 billion in Gross Revenue

When...

Annual Field Periods	Wave 1	Wave 2
	June	December

Revenue Growth

Revenue growth dipped mid-2025, but stabilized in Q4, with most firms continuing to report year-over-year gains and improving growth expectations

Employment Growth

Hiring demand remains lower in 2025 (vs. 2024), but firms still report little evidence of broad workforce reductions

Economic Confidence

Economic confidence is mostly flat from Q2 to Q4, with a slight increase for global, suggesting cautious improvement rather than a strong rebound

Challenges

Inflationary pressures and economic uncertainty remain, but challenges related to technology integration are on the rise

Technology

Firms are placing more emphasis on technology/AI; it is more of a priority to strategic planning and is a key area for investments

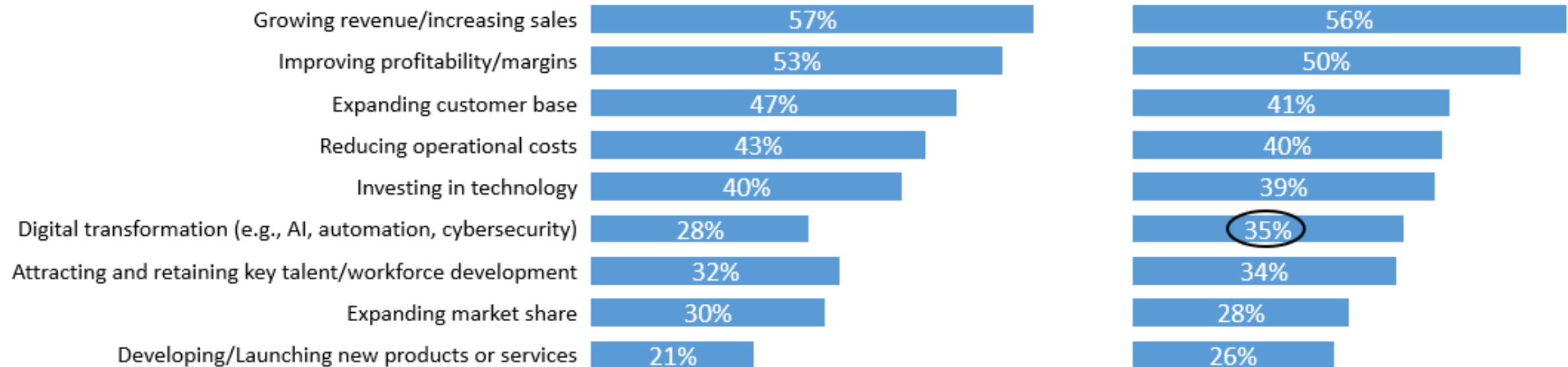
What's New?

Strategic Priorities

Important Strategic Objectives Ranked 1-5

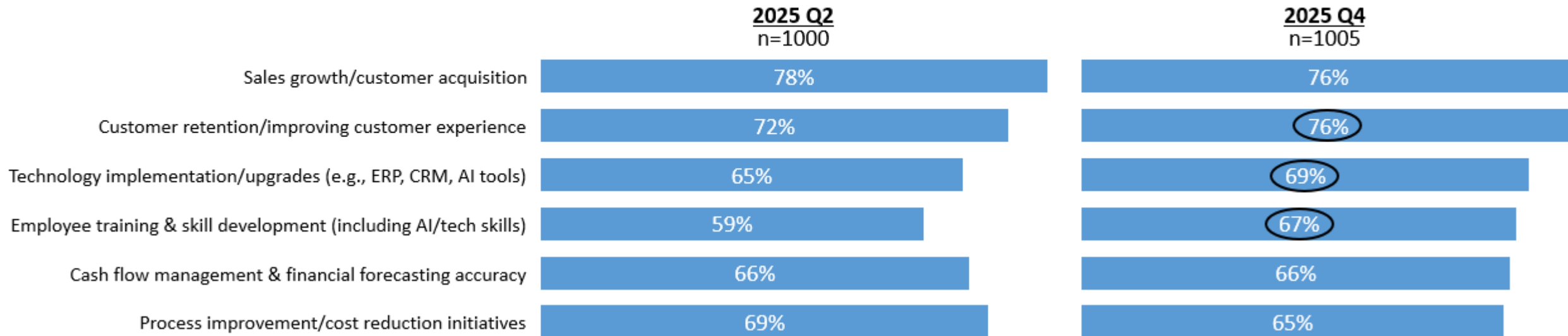
2025 Q2
n=1000

2025 Q4
n=1005



Operational Focus

Operational Areas (Very High/High Focus/Investment)



Industry Growth Perceptions

Confidence In Primary Industry Growth Prospects Over The Next 12 Months

2025 Q4

n=1005

Extremely/Very Confident

65%

Industry-specific confidence is slightly higher among Technology firms (76%)

Extremely confident

20%

Very confident

45%

Top 3 Box=92%

Somewhat confident

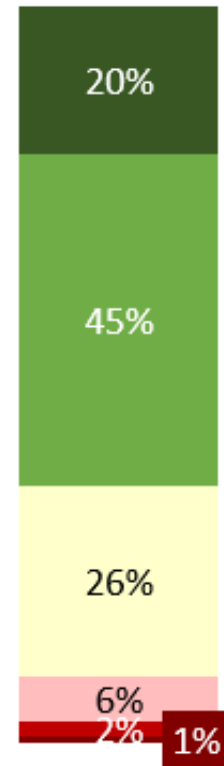
26%

Somewhat not confident
Not very confident
Not at all confident

6%

2%

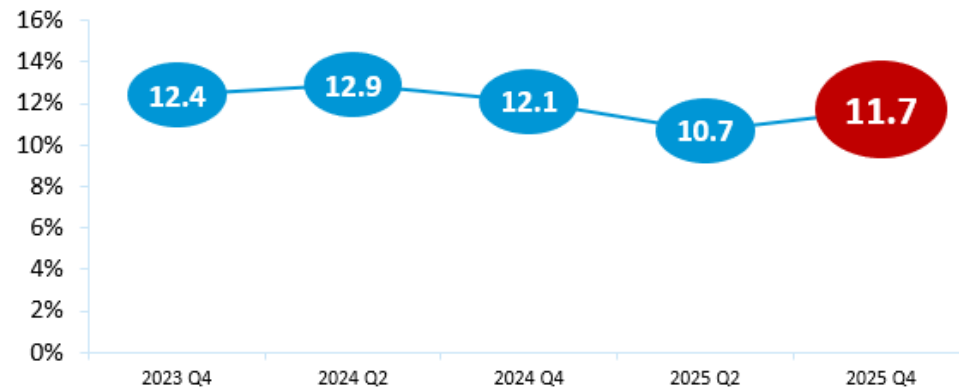
1%



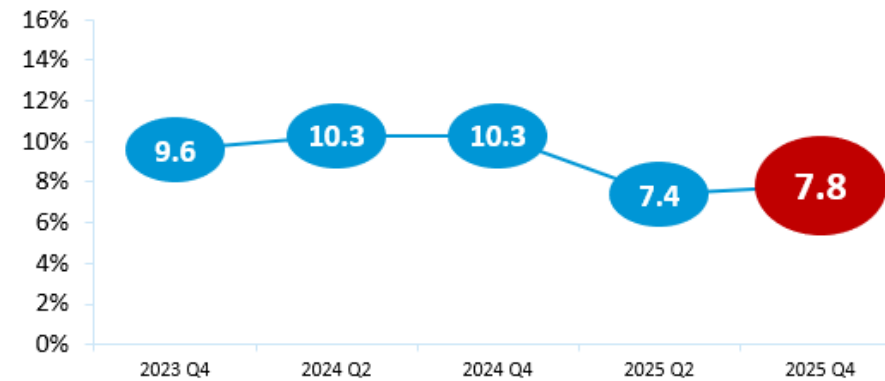
Key Performance Indicators

Middle-market performance shows stabilization, with improving current and projected revenue growth

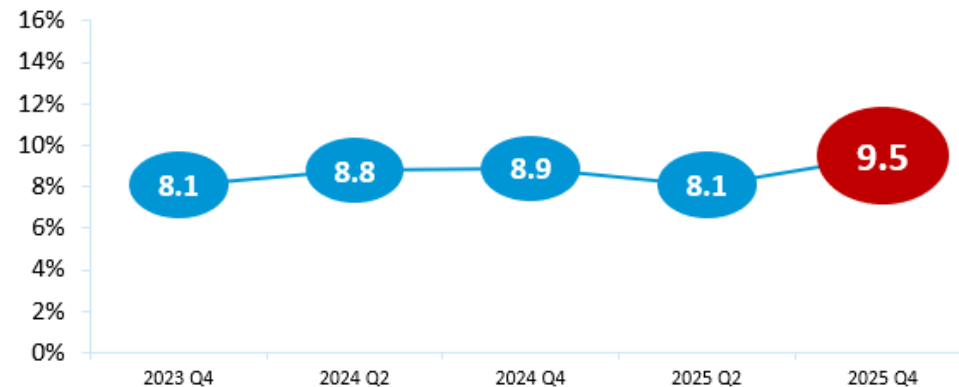
Revenue growth dipped mid-2025 but partially rebounded in Q4



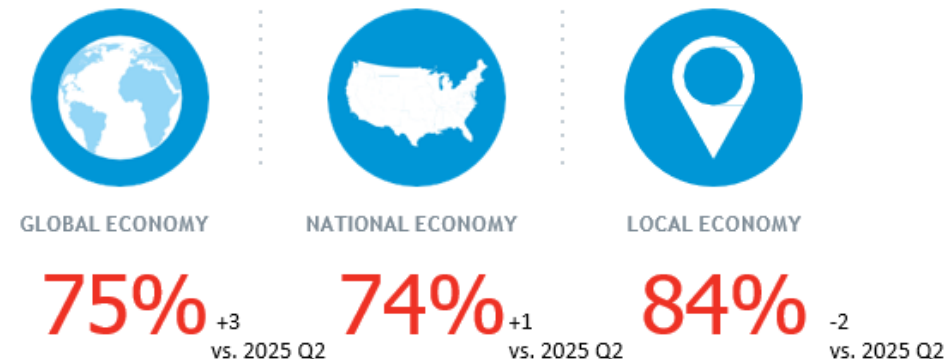
Hiring remains lower in 2025



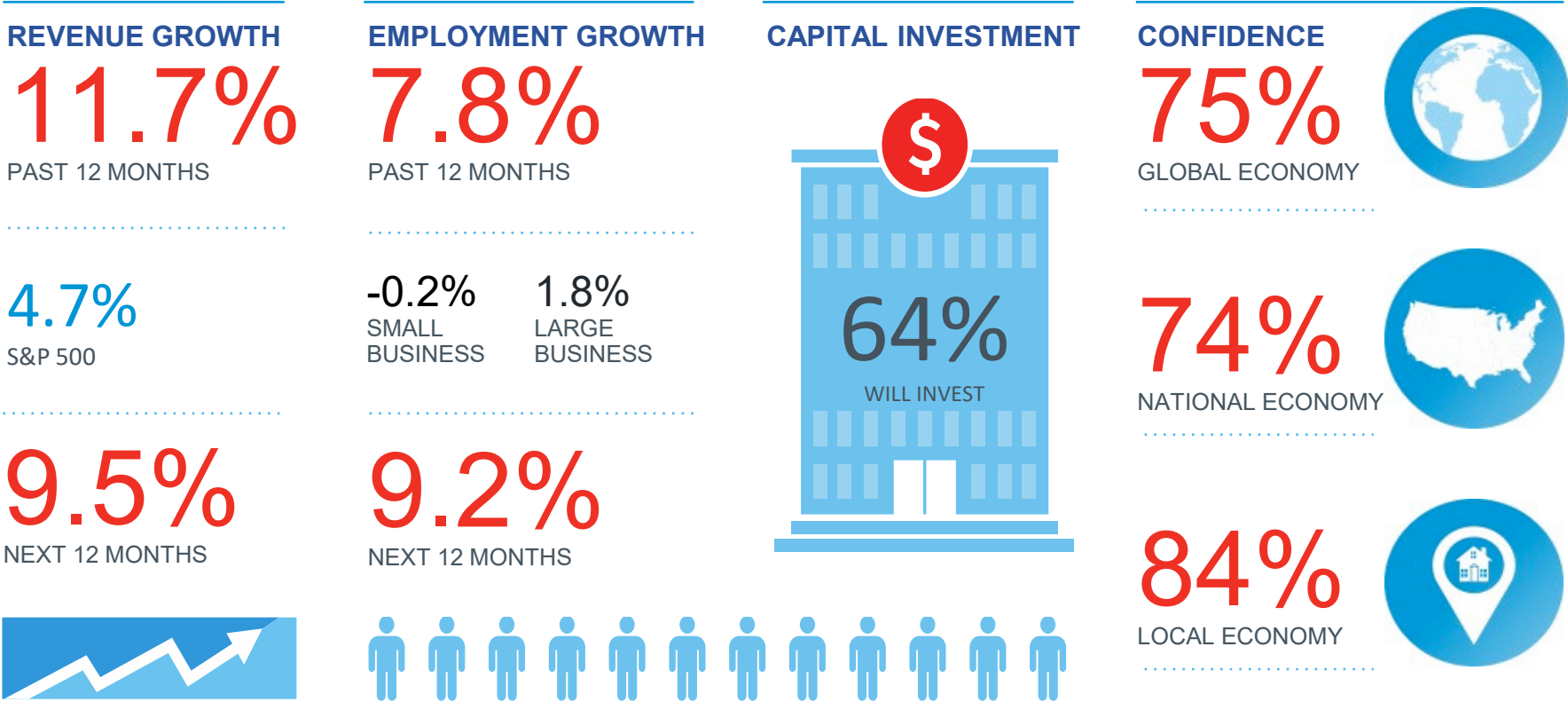
Future growth expectations have strengthened



Confidence has held steady vs. Q2



Overview—Past Performance and Forecasts



Trend Data

Middle Market Overview

OVERALL:

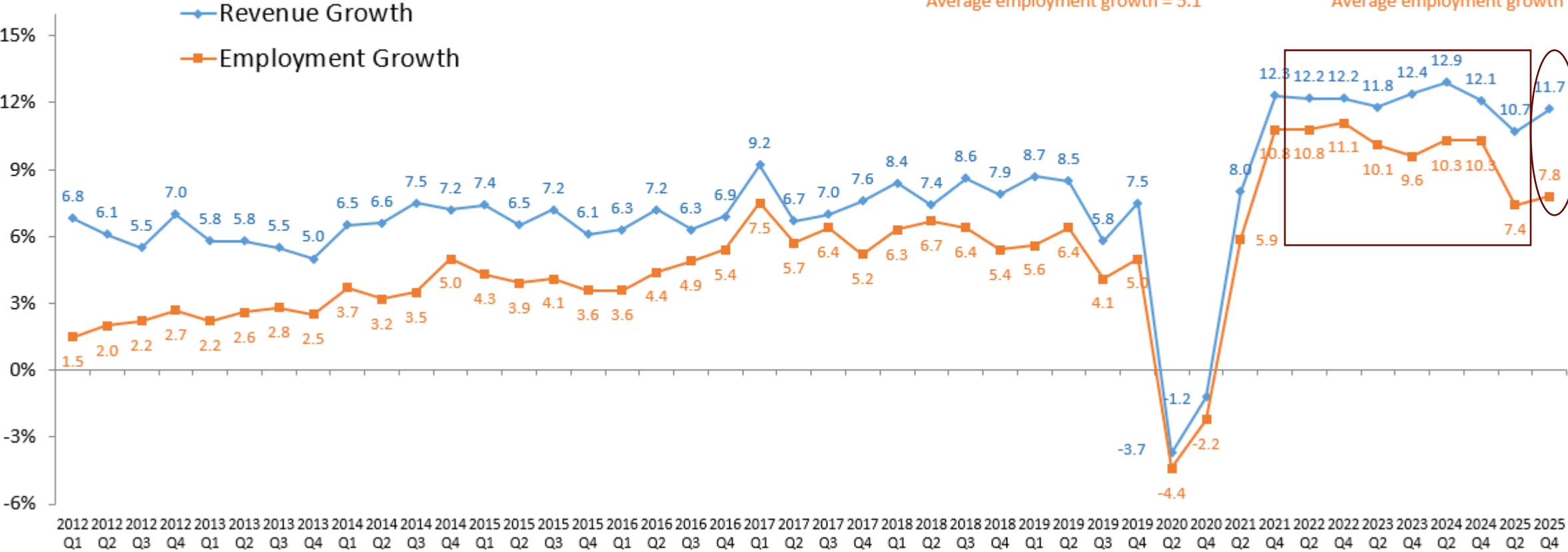
Average revenue growth = 7.6

Average employment growth = 5.1

POST-PANDEMIC (Since 2021 Q4):

Average revenue growth = 12.0

Average employment growth = 9.8



Revenue Growth Trend

PAST 12 MONTHS

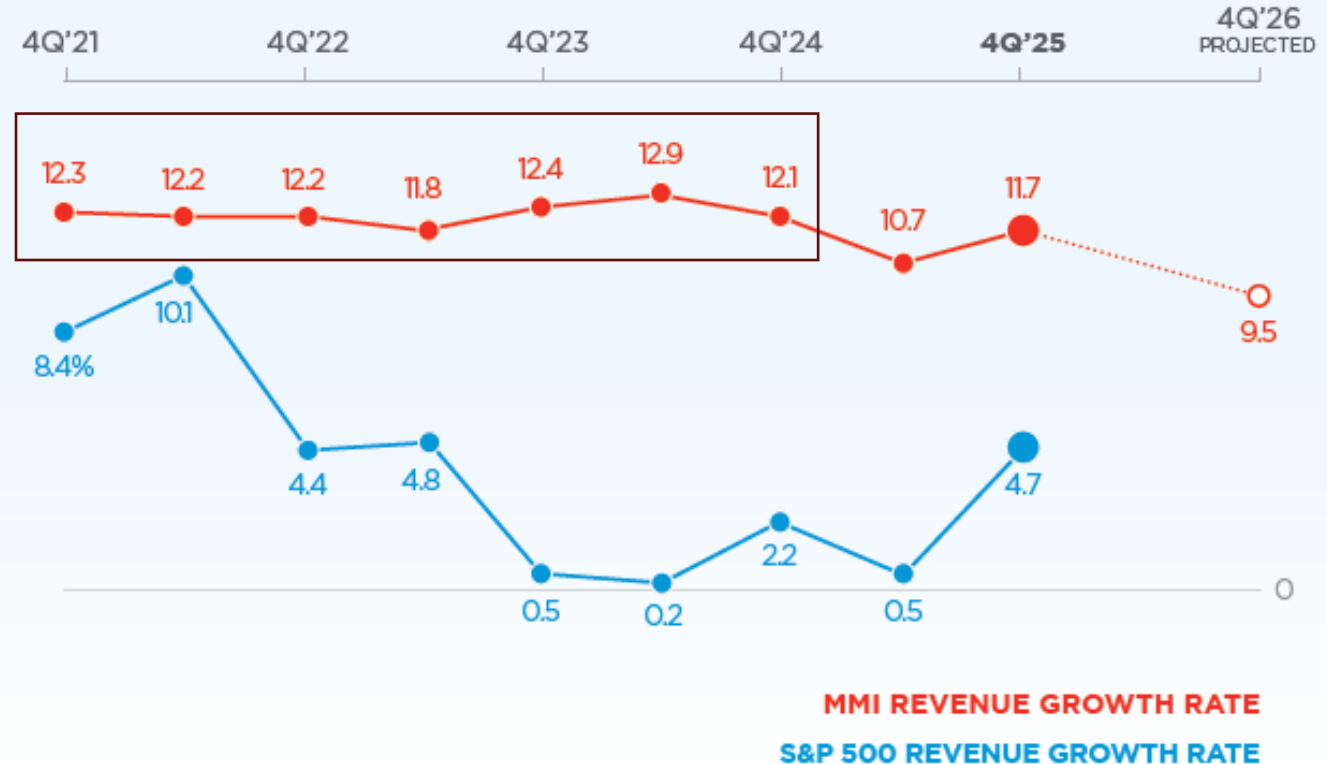
11.7%

U.S. MIDDLE MARKET

4.7%

S&P 500*

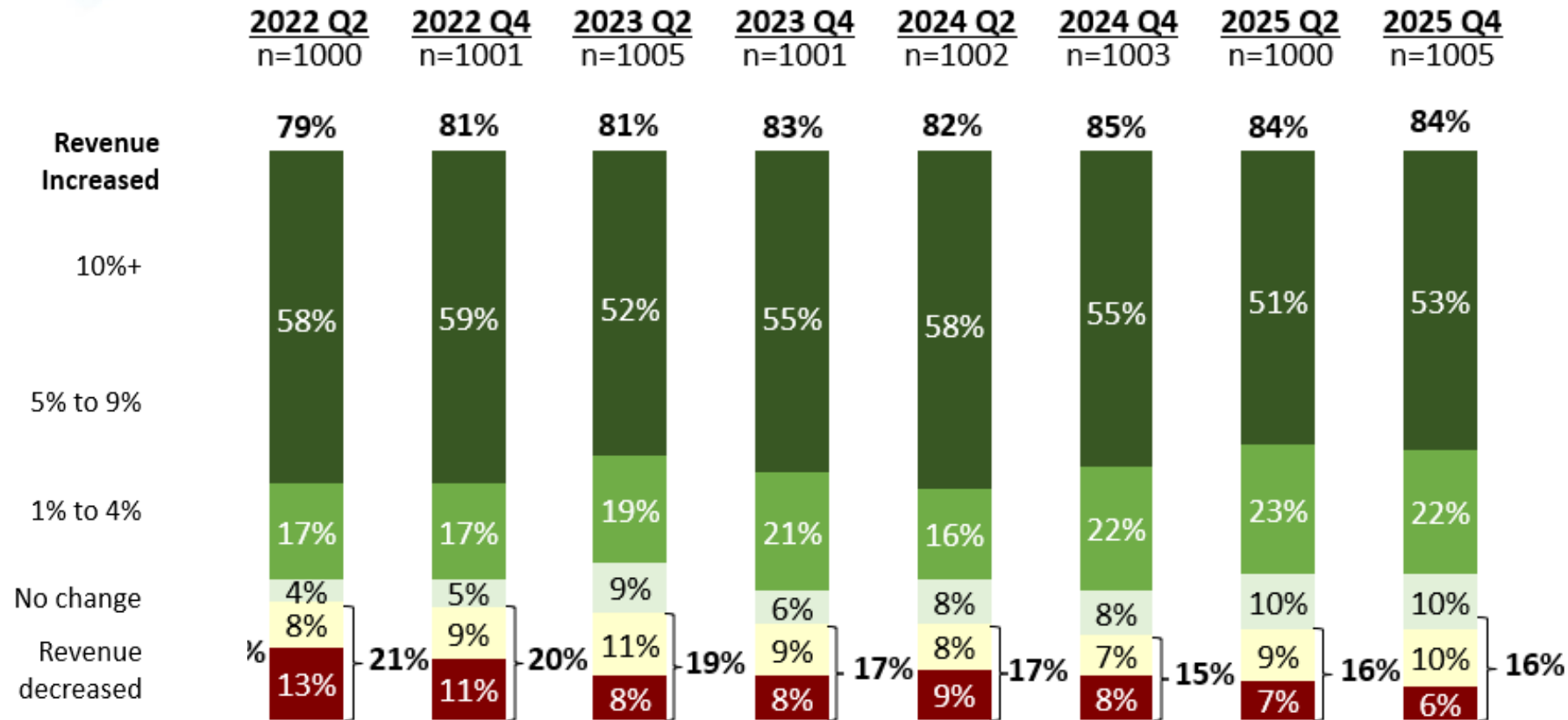
Past, current and projected revenue growth rates for the middle market and the S&P 500 (%)



Historical
Average
7.6%

2012-25

Growth Remains Steady



Growth Leaders
(10% or higher)

Down 2% since
Q4 2024

Struggling
(Declining)

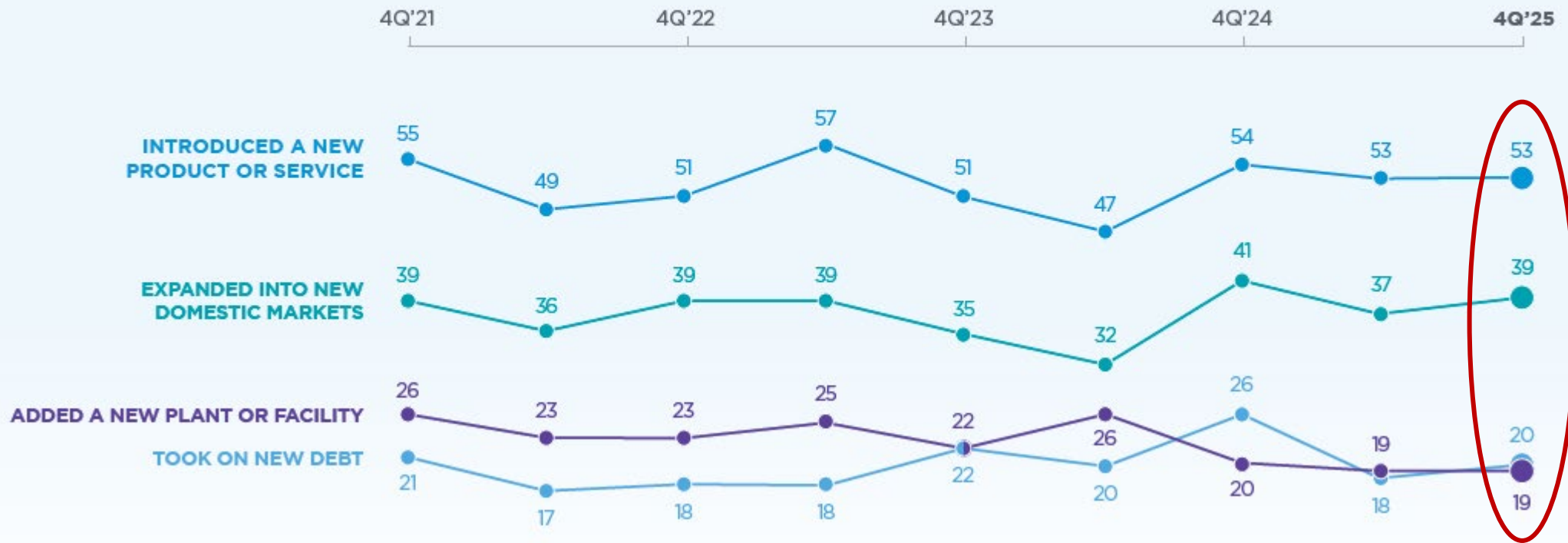
Flat vs. Q4 2024

Revenue by Industry

		REVENUE GROWTH				REVENUE GROWTH	
		PAST 12 MONTHS	NEXT 12 MONTHS			PAST 12 MONTHS	NEXT 12 MONTHS
SERVICES		12.6%	10.5%	CONSTRUCTION		12.5%	8.6%
MANUFACTURING		11.5%	8.2%	FINANCIAL SERVICES		16.1%	14.9%
WHOLESALE TRADE		N/A	N/A	HEALTHCARE		10.3%	7.4%
RETAIL TRADE		9.8%	8.9%	OTHER		11.0%	8.5%

Expansionary Activity Relatively Flat

Percent of middle market companies engaging in expansion activities over the past 12 months



Year-End MMI: Employment

PAST 12 MONTHS

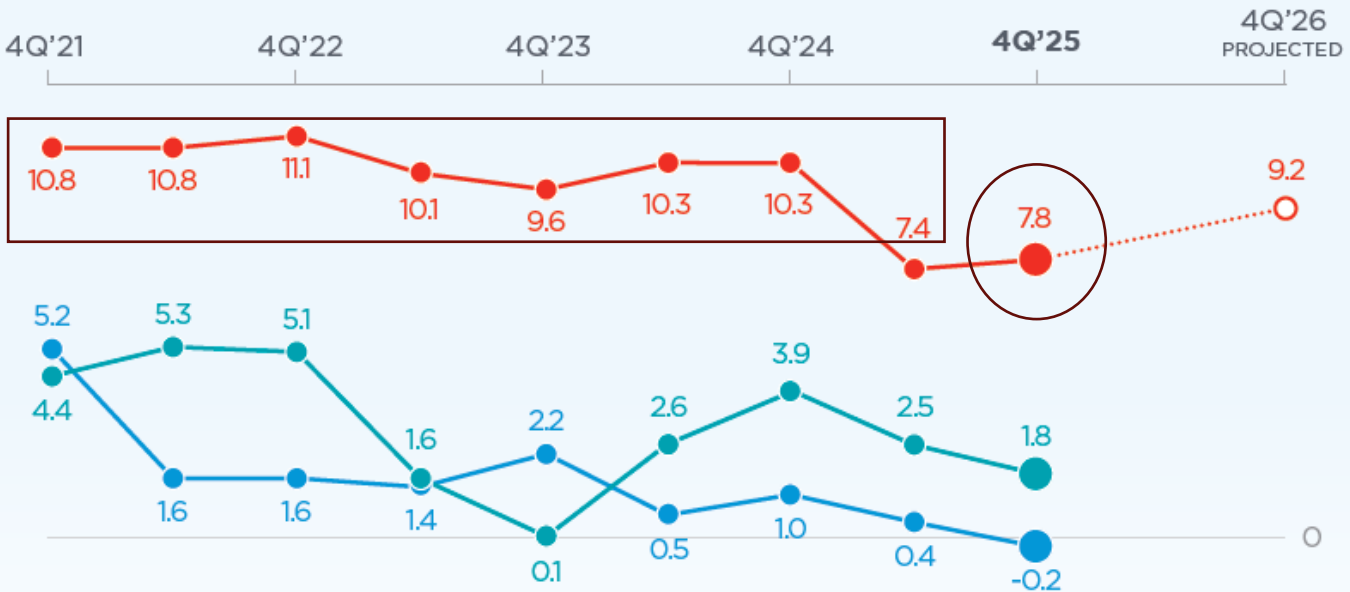
7.8%

U.S. MIDDLE MARKET

-0.2%
SMALL
BUSINESS

1.8%
LARGE
BUSINESS

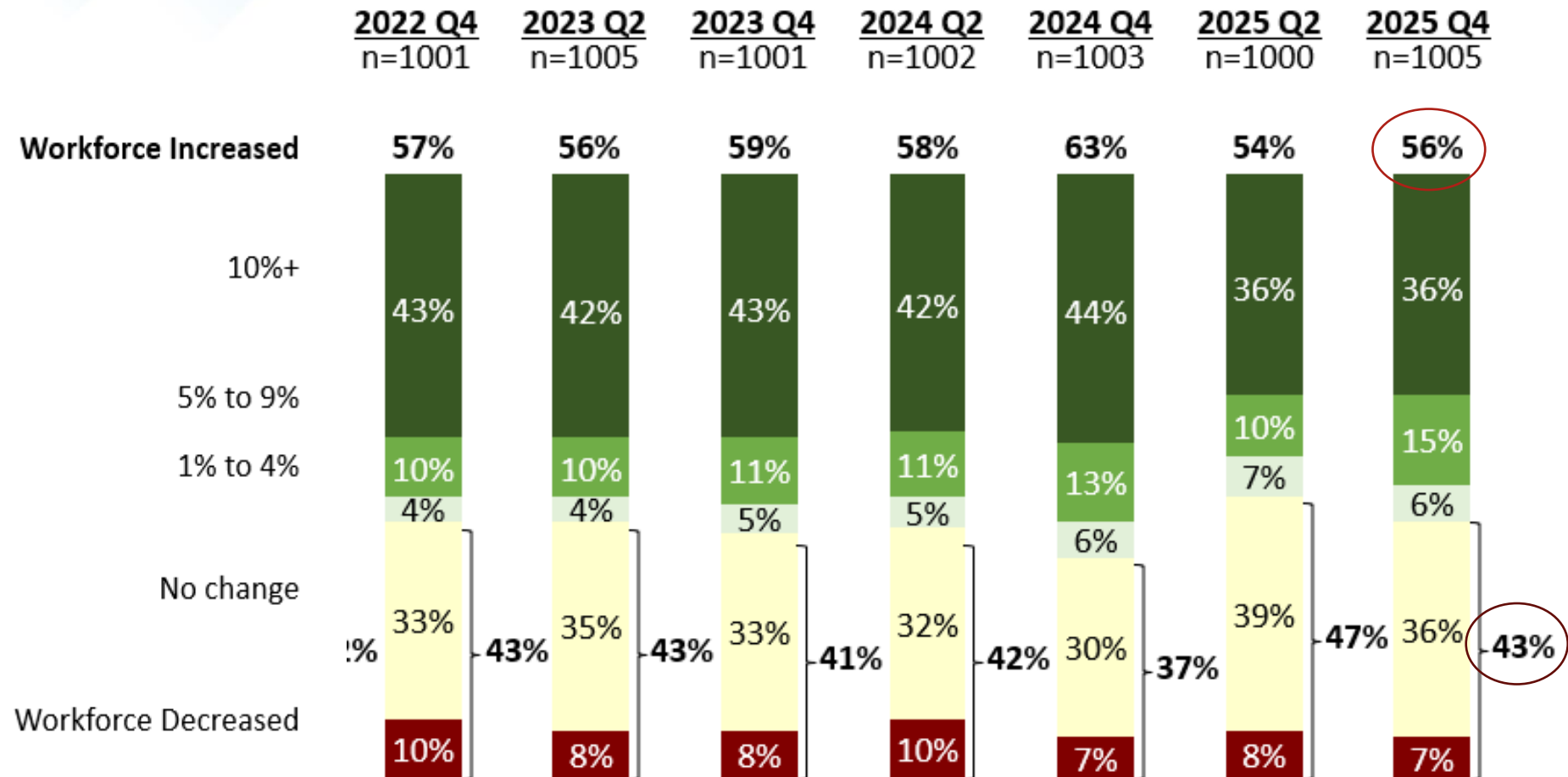
Past, current and projected employment growth rates for middle market, small and large companies (%)



Historical
Average
5.2%

2012-25

Employment Growth Remains Stalled



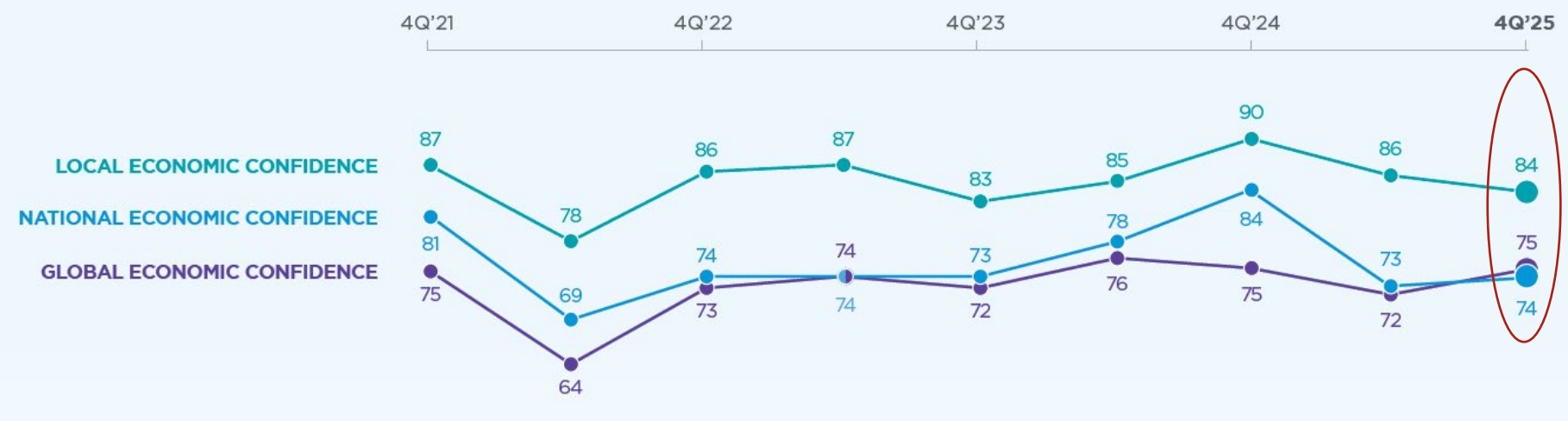
Year-End MMI: Employment by Industry

EMPLOYMENT GROWTH			EMPLOYMENT GROWTH		
	PAST 12 MONTHS	NEXT 12 MONTHS		PAST 12 MONTHS	NEXT 12 MONTHS
 SERVICES	8.6%	10.0%	 CONSTRUCTION	6.9%	8.7%
 MANUFACTURING	7.4%	9.5%	 FINANCIAL SERVICES	10.0%	11.6%
 WHOLESALE TRADE	N/A	N/A	 HEALTHCARE	7.2%	8.3%
 RETAIL TRADE	7.4%	9.4%	 OTHER	7.5%	8.2%

Economic Confidence Down vs. 2024 YE

Confidence in Economy

Percent of middle market leaders expressing confidence in the global, national and local economies



GLOBAL ECONOMY
75%
Flat vs. 2024

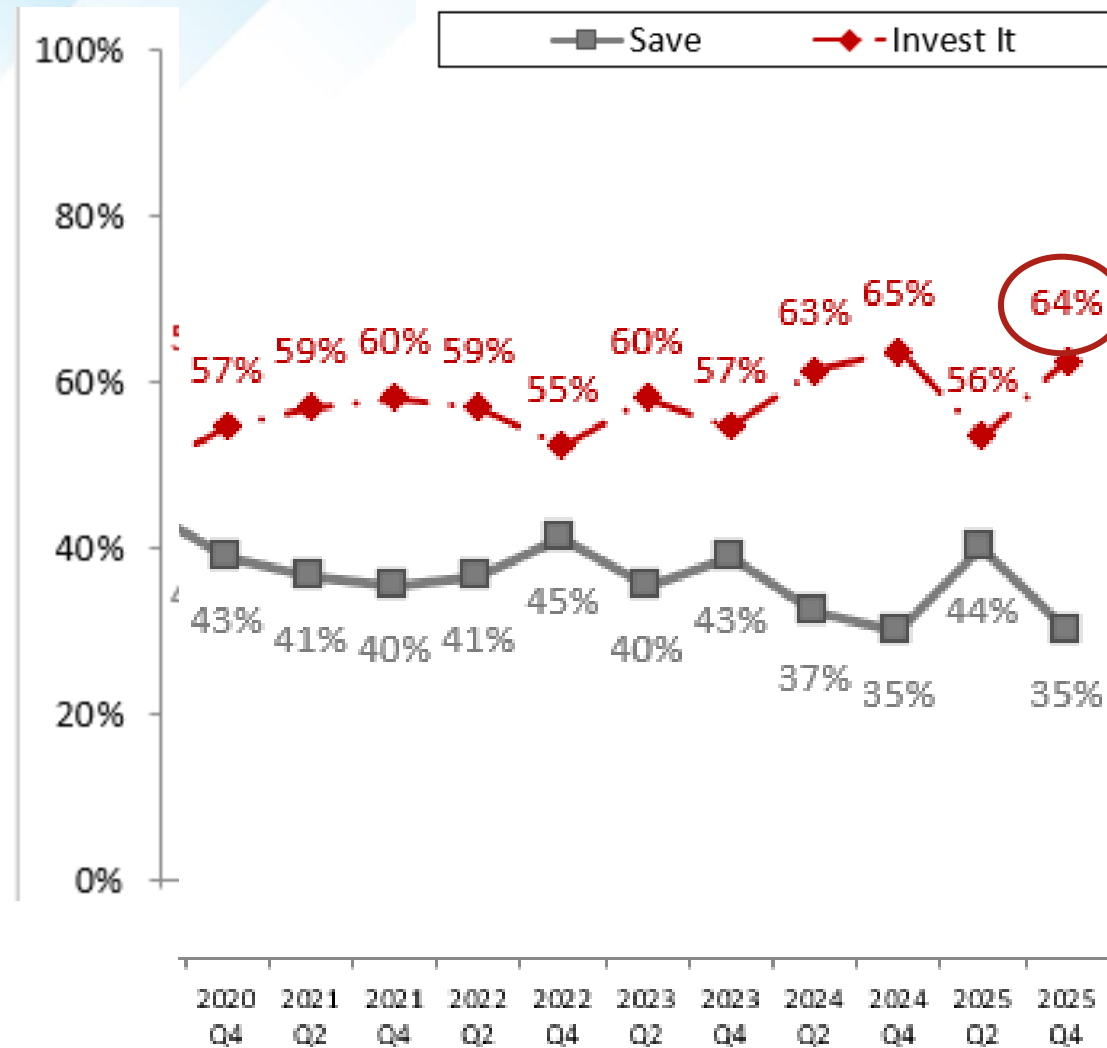


NATIONAL ECONOMY
74%
-10% vs. 2024



LOCAL ECONOMY
84%
-6% vs. 2024

Investment Plans Rebounded

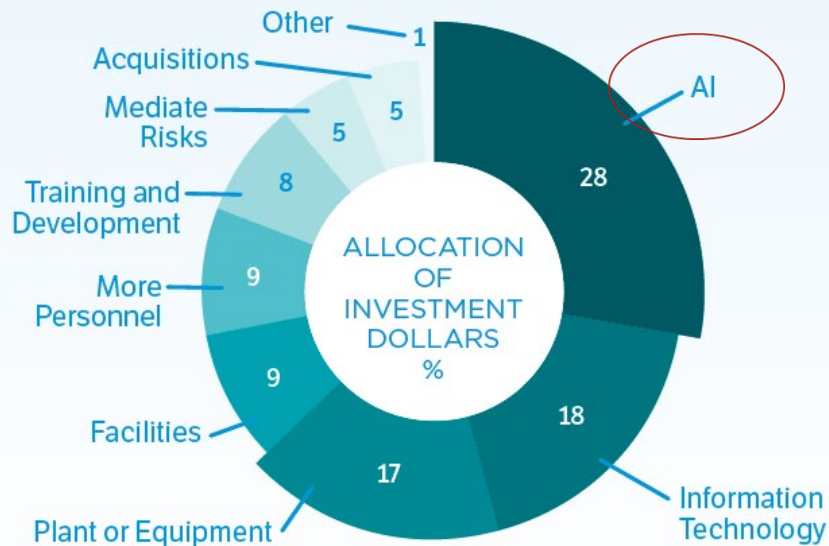


Source: Year End Middle Market Indicator Report

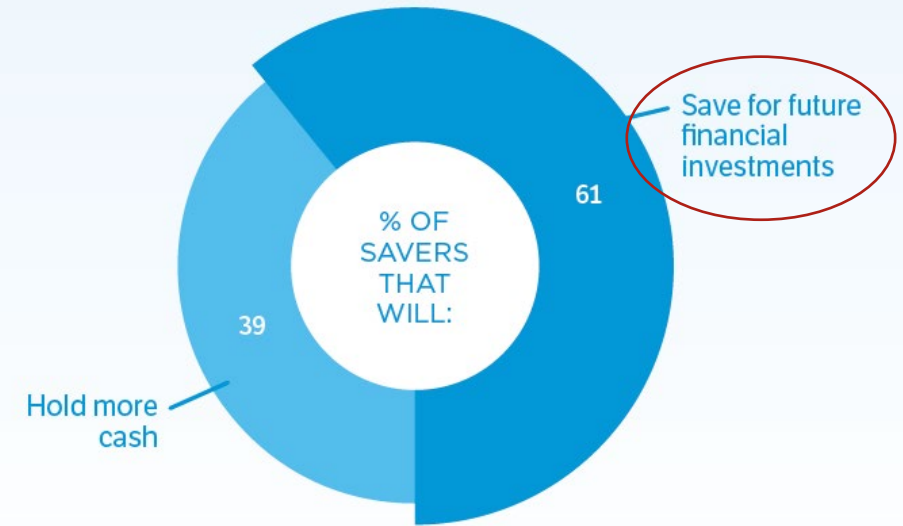
Technology – specifically AI - are Top Targets for Investment Dollars

WHAT WOULD YOU DO WITH AN EXTRA DOLLAR TO INVEST?

Artificial intelligence continues to increase its dominance as the leading destination for investment dollars.

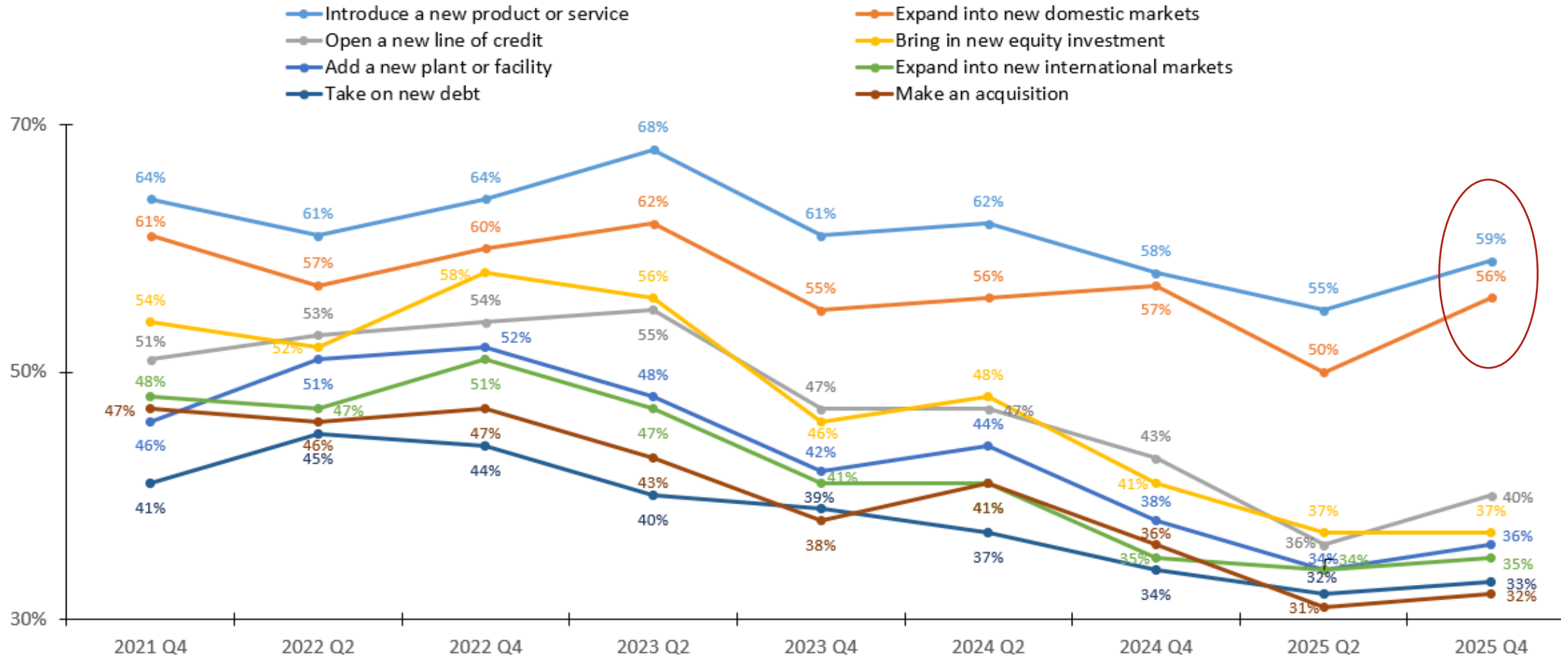


The proportion of companies holding cash has dropped eight points since mid-year, with most savers earmarking funds for future investments.



Future Expansion Uptick

Expansion Extremely/Very Likely in Next 12 Months (Total MM)



Source: Year End Middle Market Indicator Report

Challenges: Policy, Inflation, Uncertainty

ECONOMIC & FINANCIAL CHALLENGES

- Inflation, rising costs of materials, services and inputs, economic uncertainty

WORKFORCE & TALENT CHALLENGES

- Attracting and hiring qualified talent, retaining employees, cost and availability of benefits

OPERATIONAL & TECHNOLOGY CHALLENGES

- Adopting and integrating new technology, data privacy and cybersecurity threats

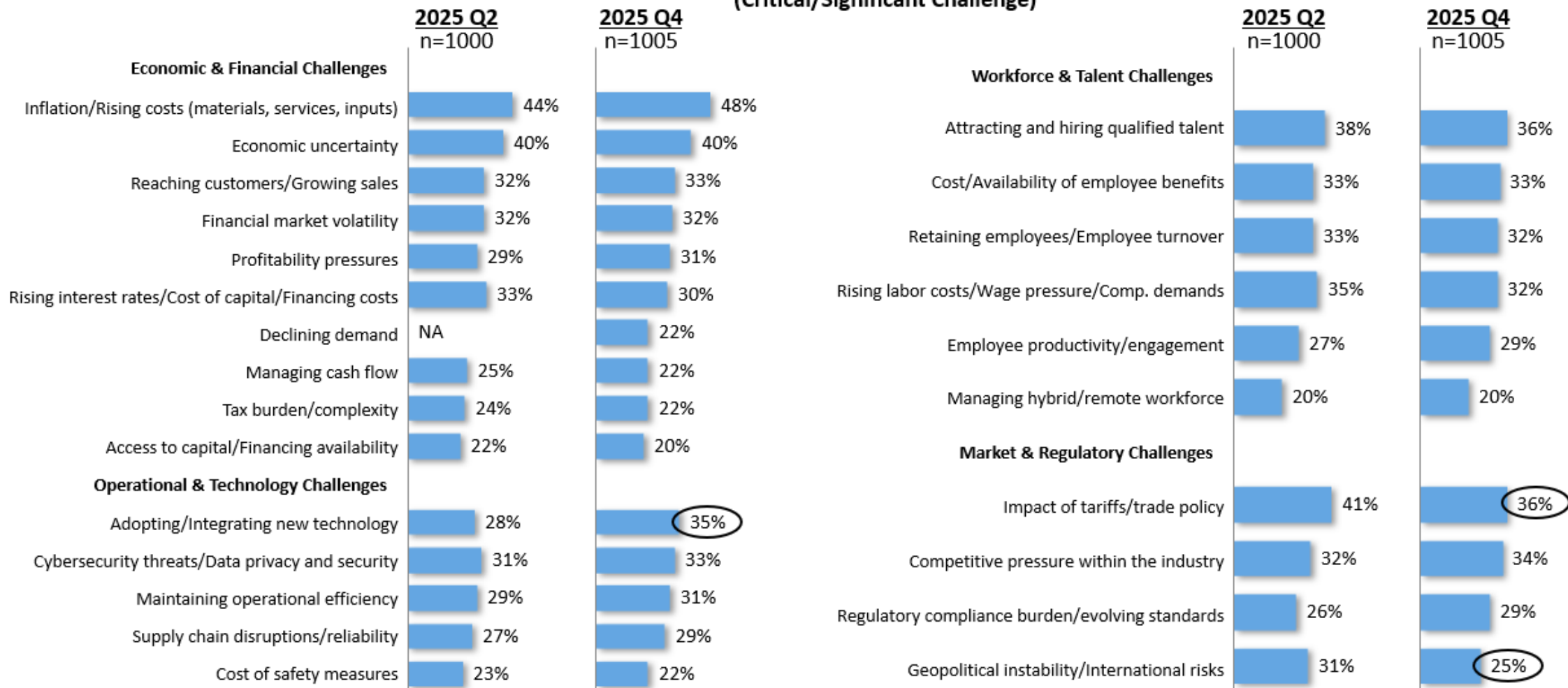
MARKET & REGULATORY CHALLENGES

- Impact of tariffs and trade policies, competitive pressure

Core Business Issues

Top Challenges

Business Challenges (Critical/Significant Challenge)



Cyber and Digitization Top Emerging Risks



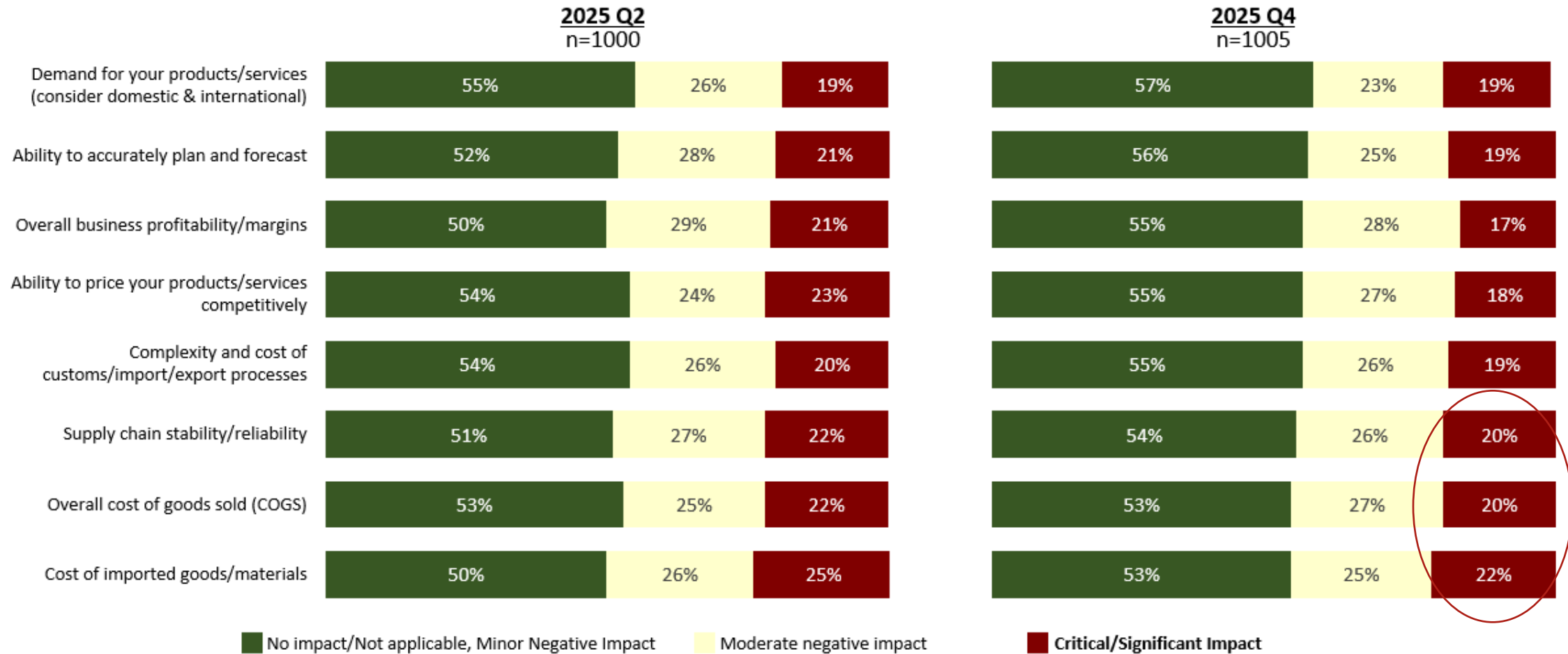
Tariffs

Effects Experienced/Anticipate Due To Recent Or Potential Tariffs/Trade Policy Changes



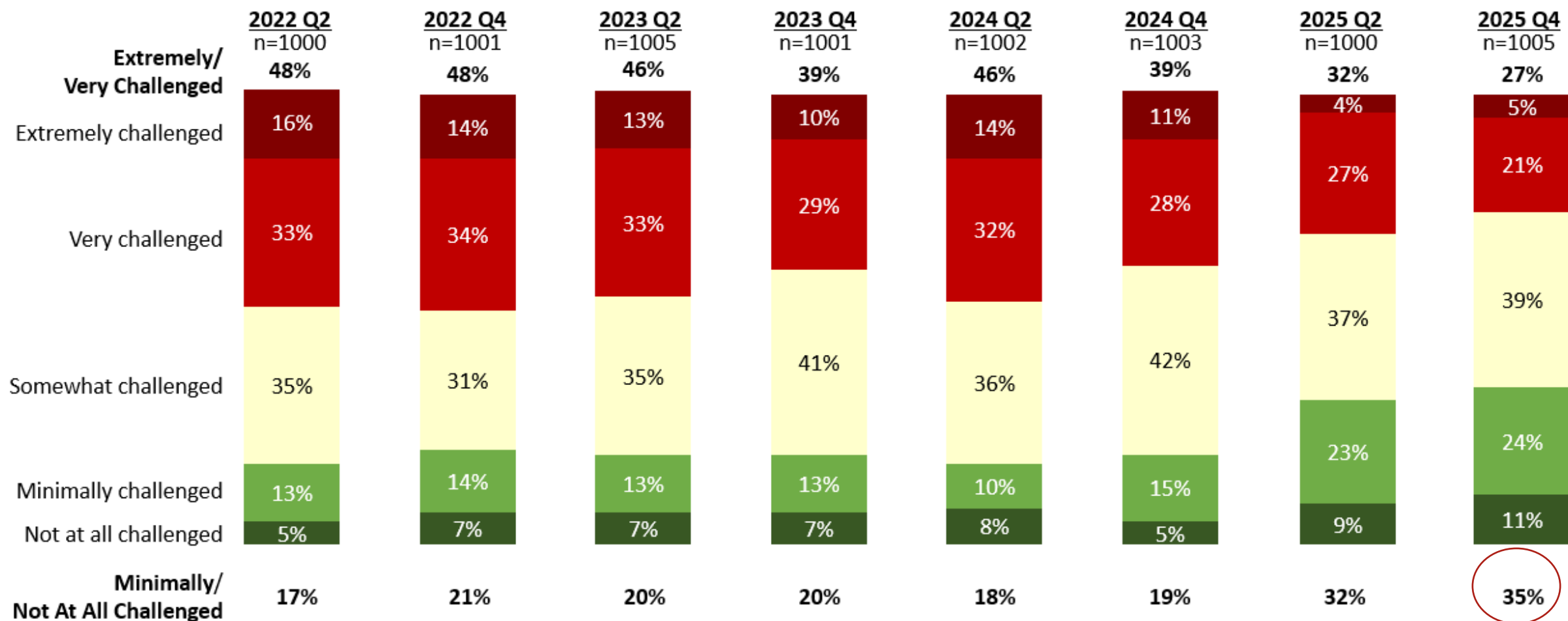
Tariffs

Current Or Anticipated Impact Of Tariffs And Trade Policy On The Following Aspects Of Business



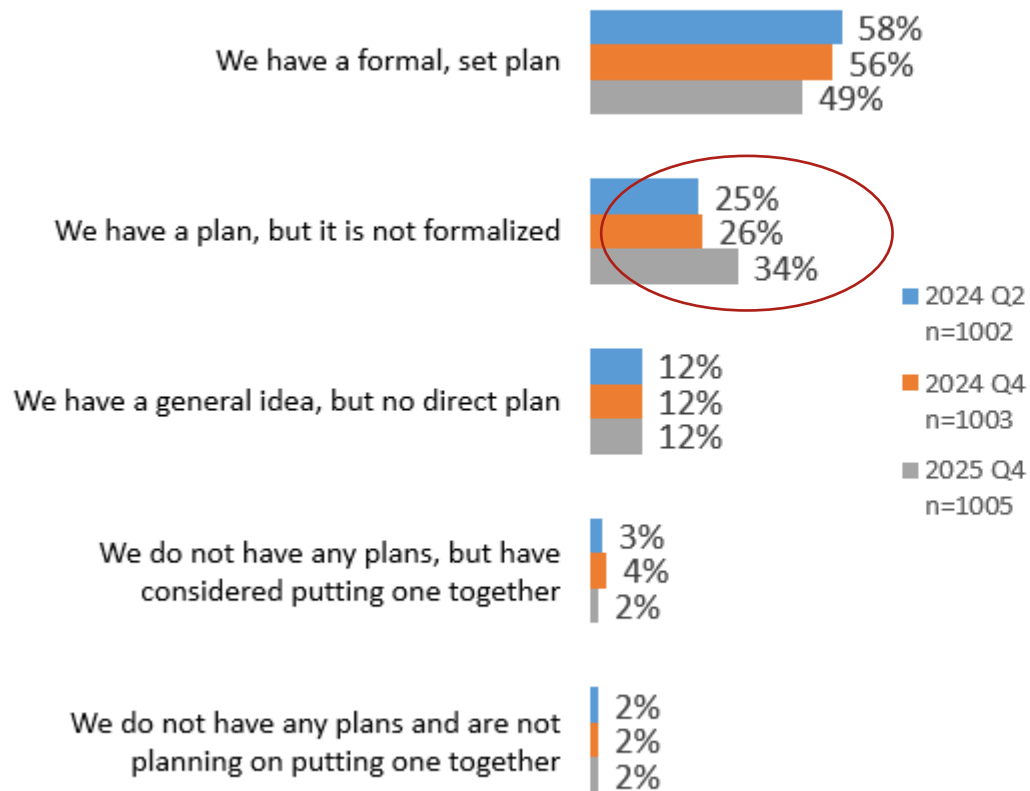
Skills Gap Continues to Shrink

Degree of Challenge to Find Right Skilled Workforce

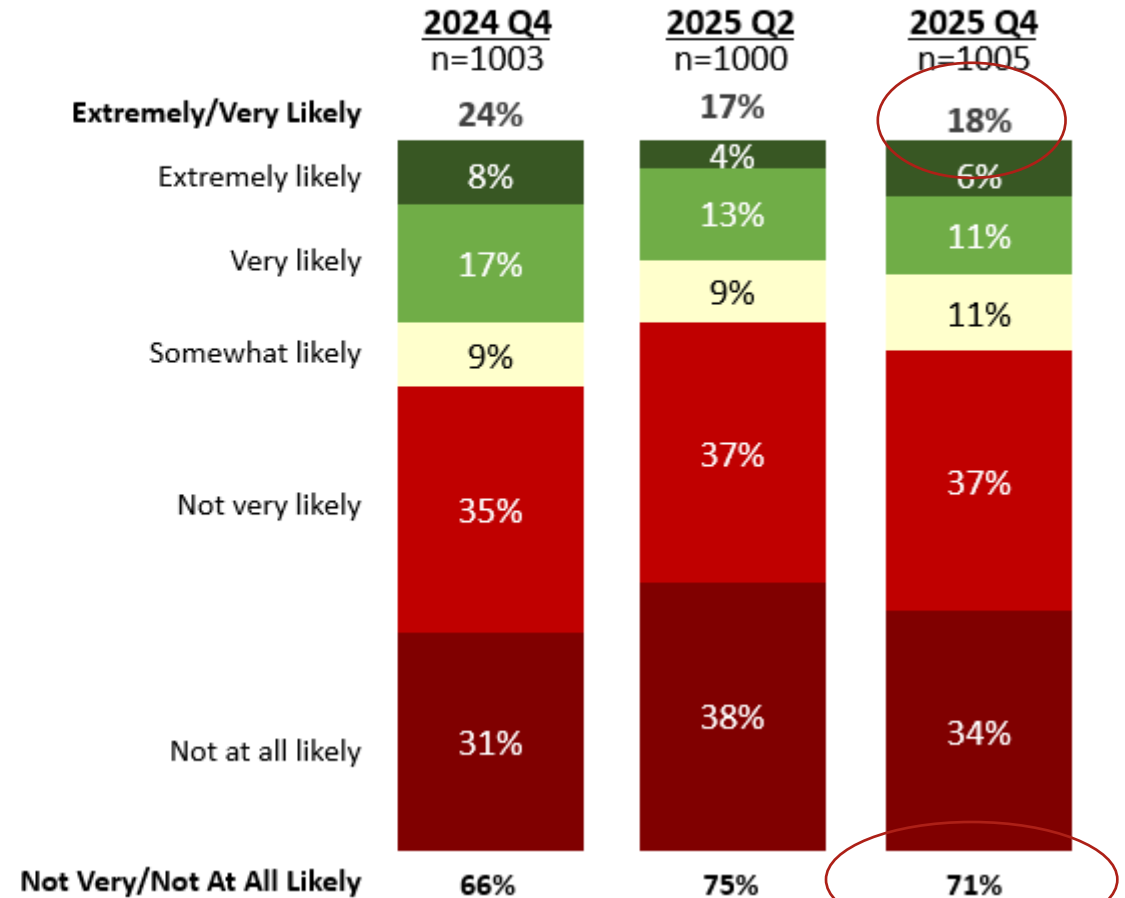


Business Transitions

Succession Planning



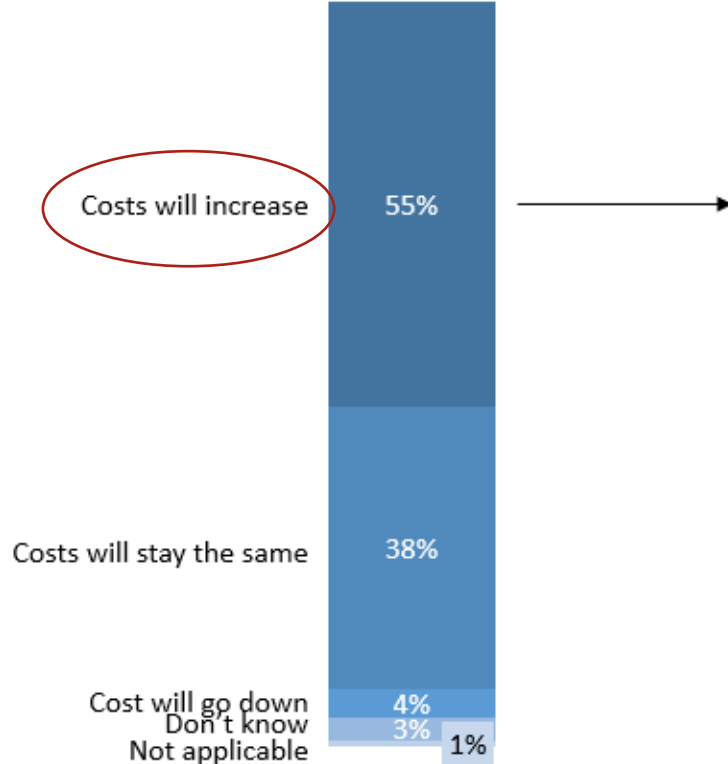
Likelihood To Transition Ownership In The Next 24 Months



Healthcare Costs

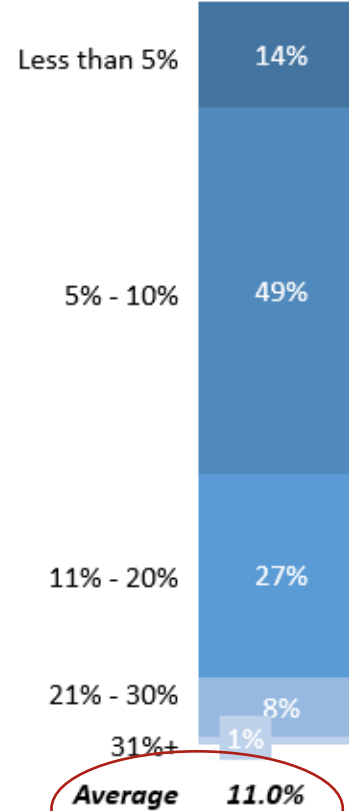
Changes In Organization's Healthcare Costs In 2026

2025 Q4
n=1005



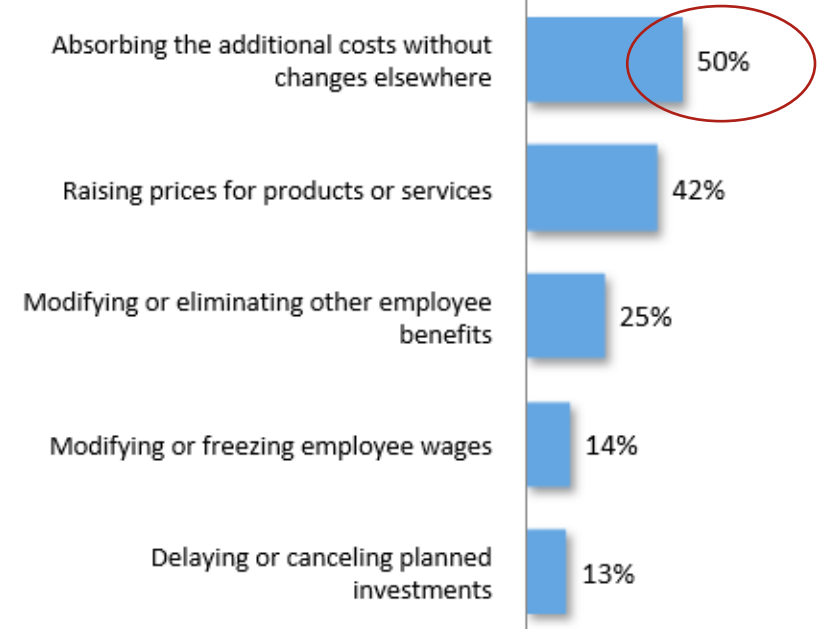
Expected Costs Increases

2025 Q4
n=548



Trade-offs Making To Pay For Anticipated Higher Healthcare Costs

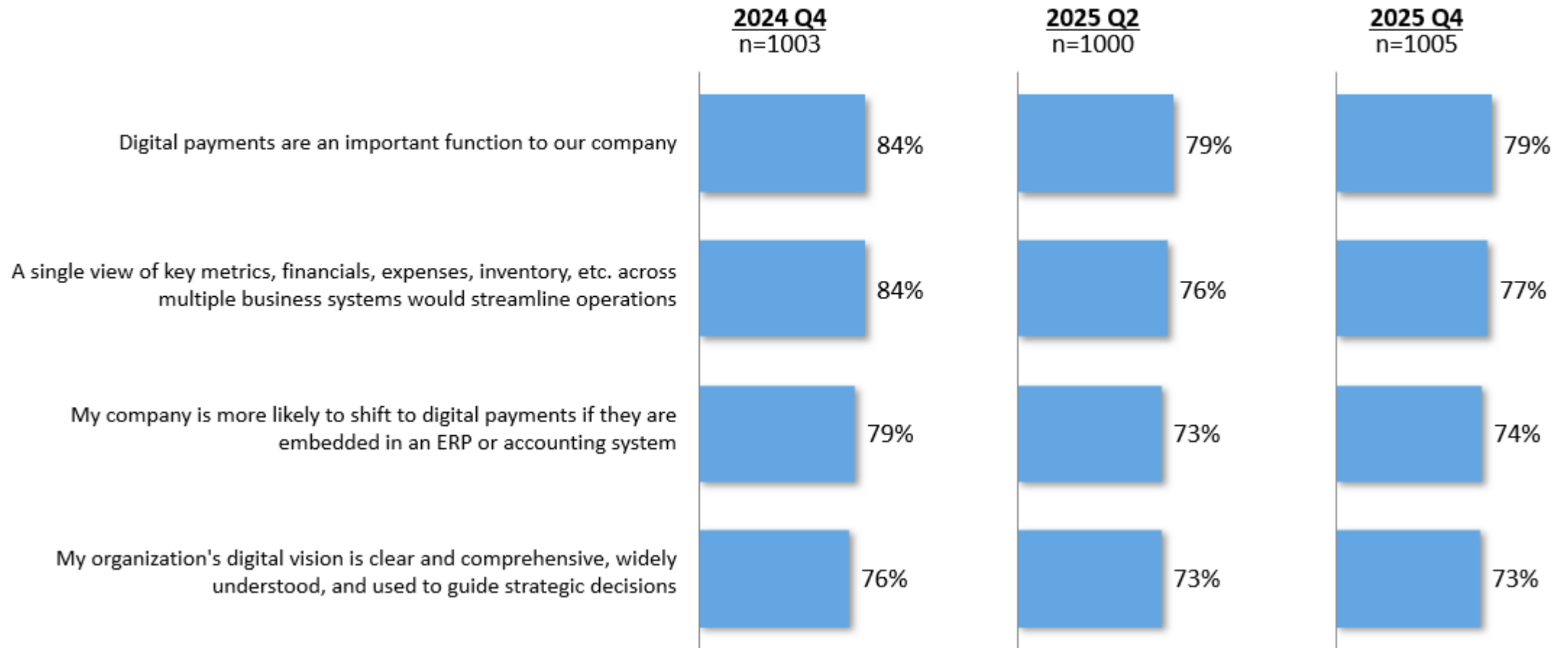
2025 Q4
n=548



Digitization and AI

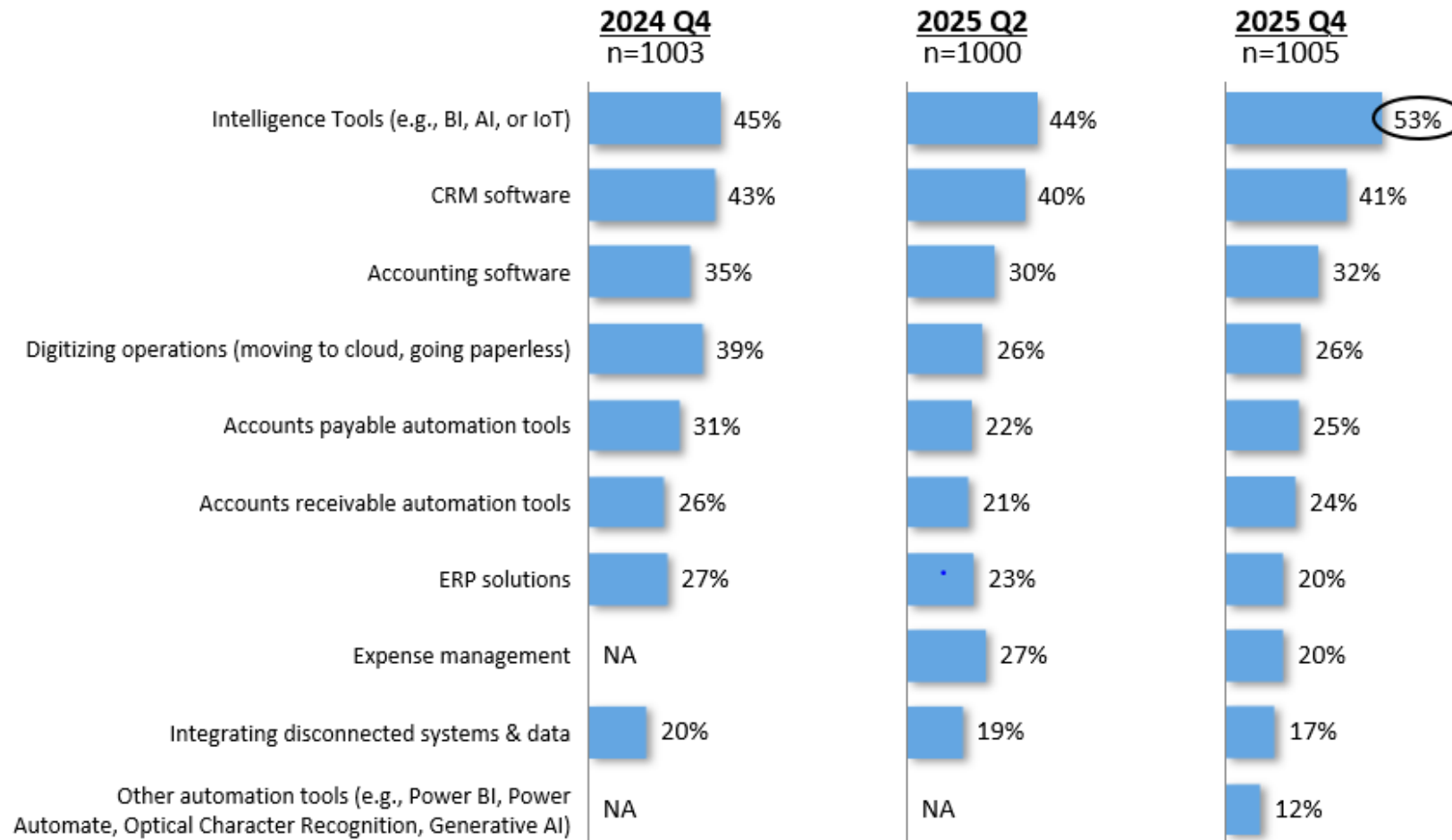
Digital Plans

Agreement with Statements about Company's Digitization (Strongly/Somewhat Agree)



Technology Focus

Technology Areas Plan To Invest In For The Near Future



Benefits and Barriers

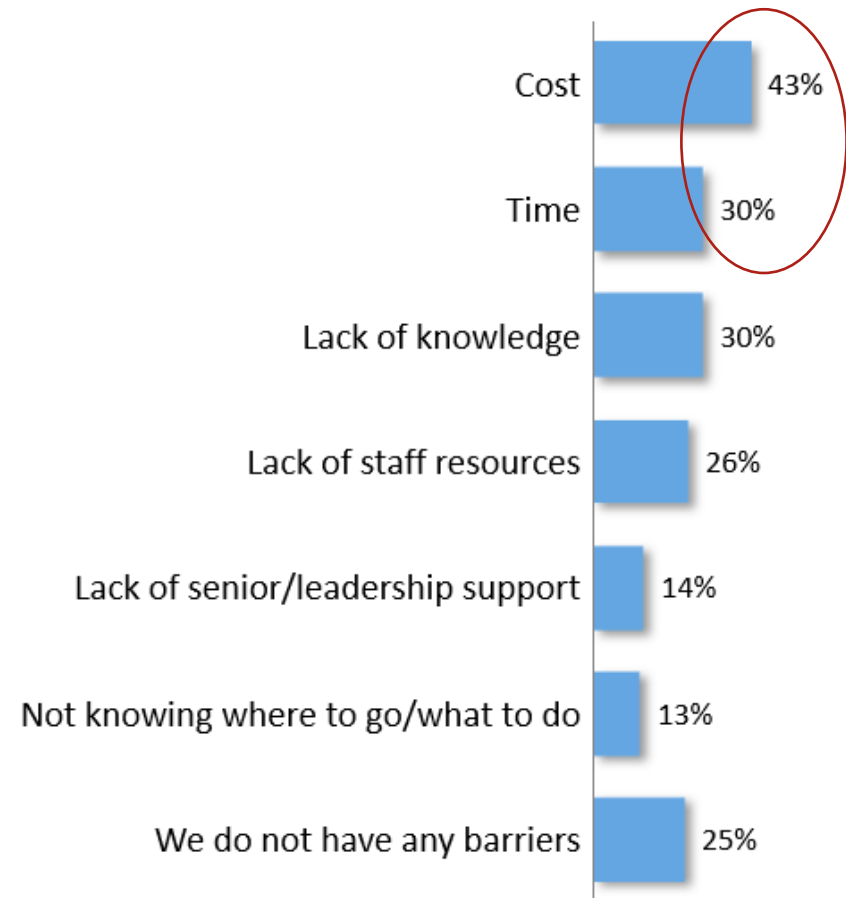
Benefits Of Digitization

2025 Q2
n=1000



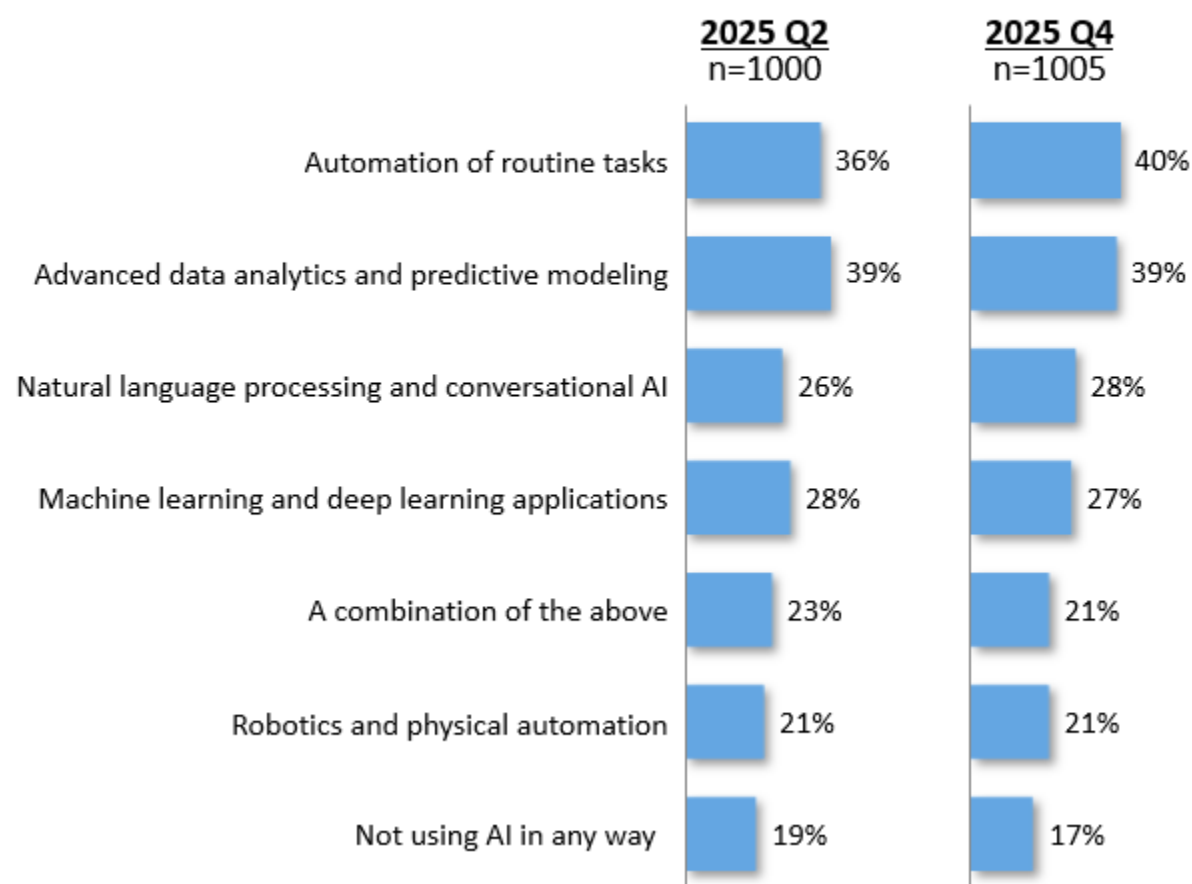
Barriers To Digitization

2025 Q2
n=1000

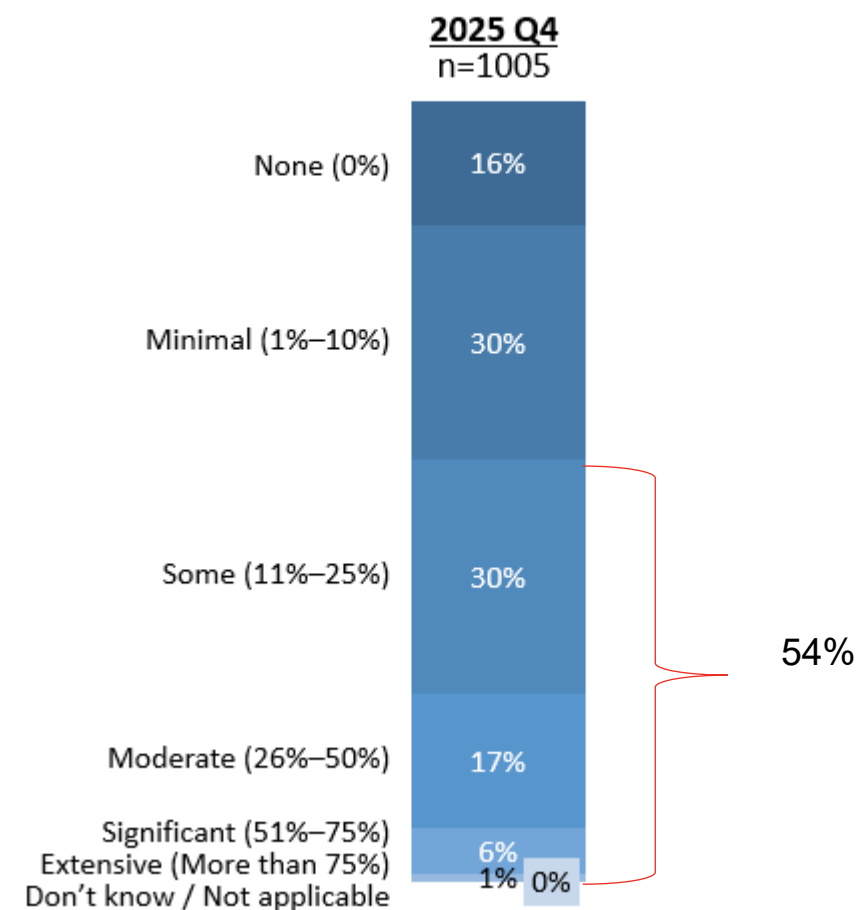


AI Utilization

Use of Artificial Intelligence (AI)

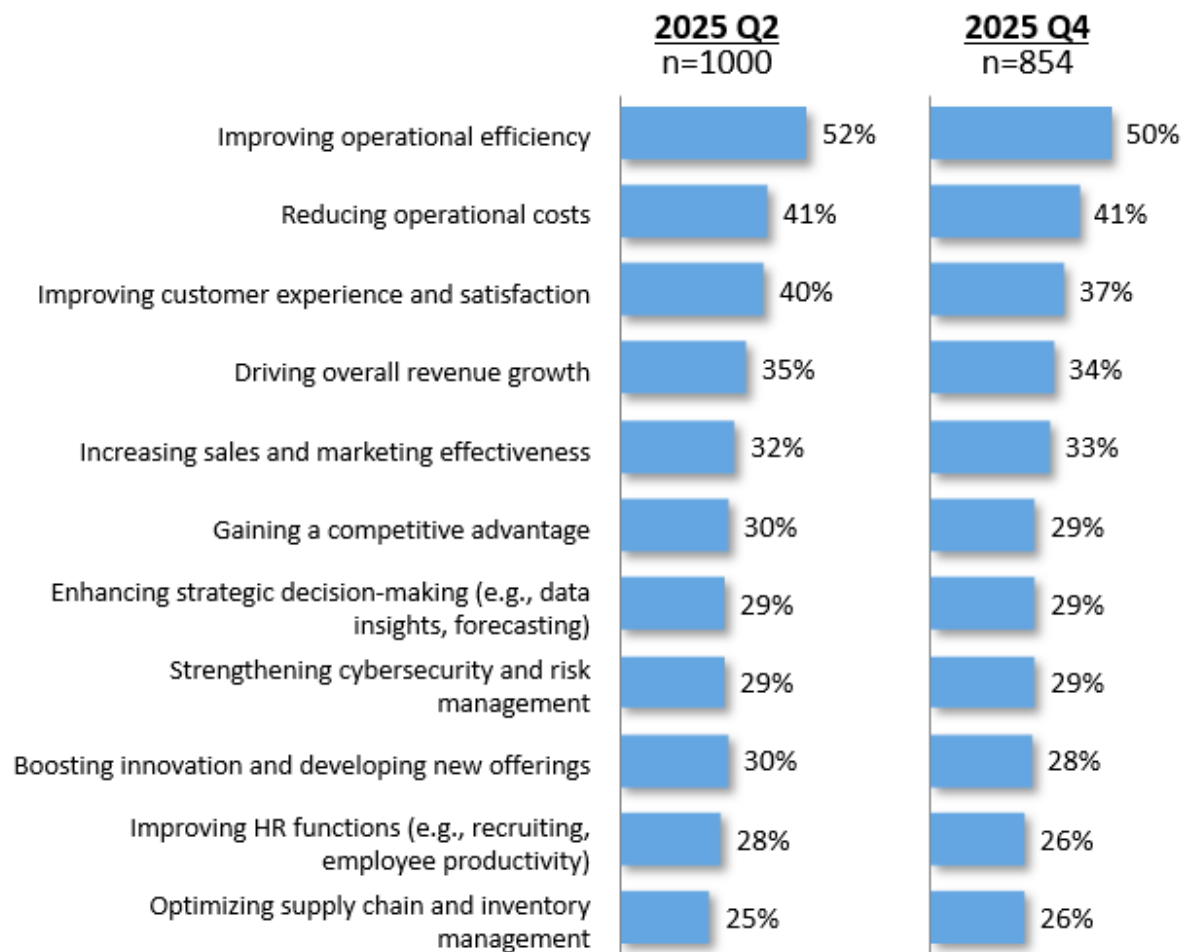


Extent To Which AI Replaced Or Reduced The Need For Human Employees

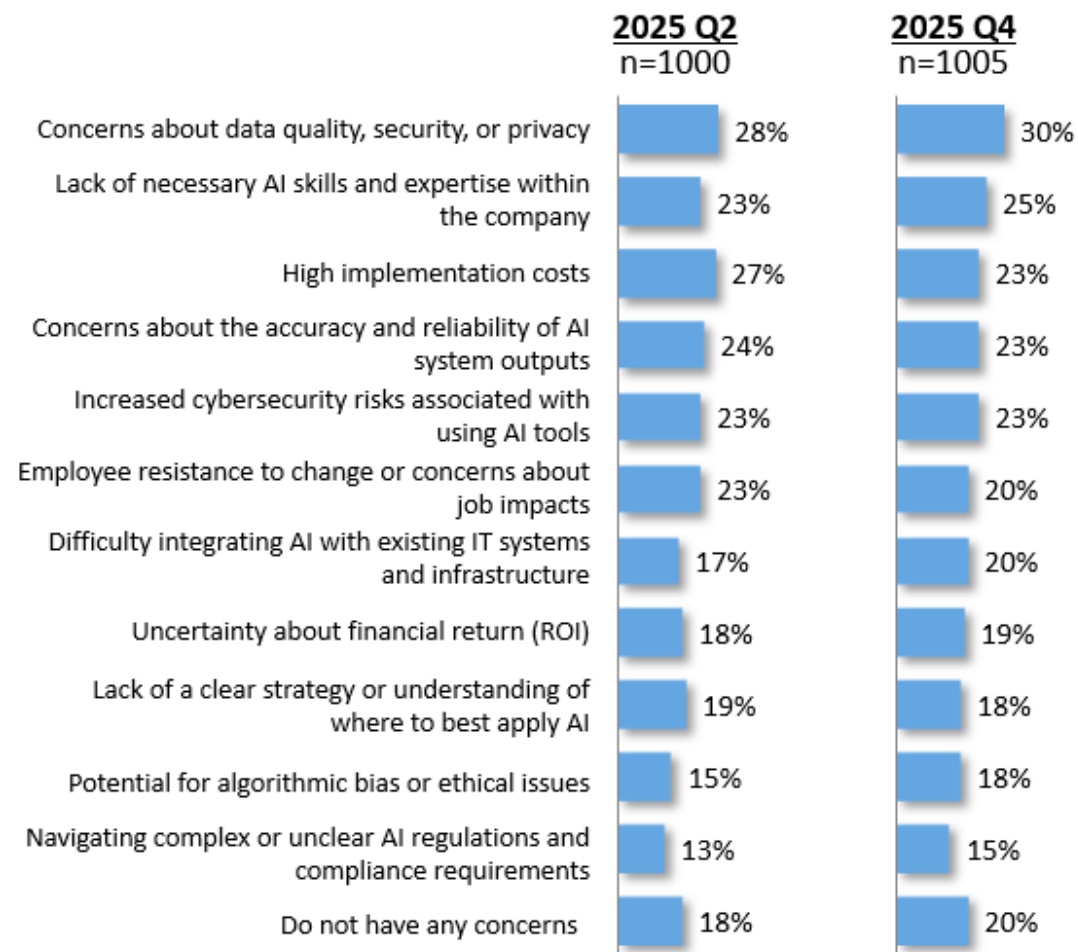


Artificial Intelligence - Perspectives

AI Benefits



AI Concerns



Summary

- Middle Market demonstrates its resilience:
 - Growth – rebounds from mid-year, both topline revenue and hiring
 - Confidence remains relatively flat, although declining locally from past waves
 - Future expansion focused on products/services, new markets, and technology investments
- Biggest challenges include talent retention, AI adoption and ROI, and rising costs
- AI continues to outweigh other investments for middle market companies. The opportunity to address costs and talent gaps balanced with concerns about effective implementation, privacy, and data security challenges.

Research Projects

Future Standard®



Published October 2025



Middle Market Decision-Making: Tradeoffs
and Priorities
Scheduled for March 2026



Evolution of the Middle Market
Profiles and Personas
October 2026



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