NATIONAL CENTER FOR
THE MIDDLE MARKET
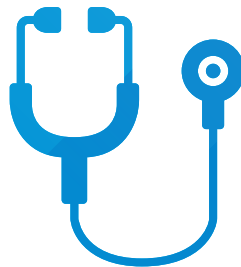
THE OHIO STATE
UNIVERSITY

FISHER COLLEGE
OF BUSINESS
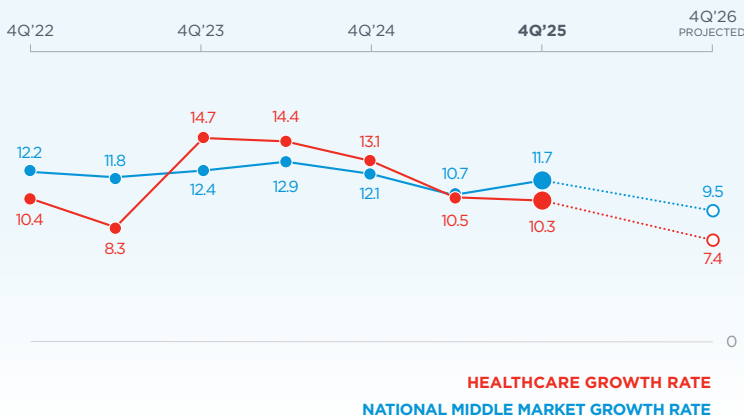
HEALTHCARE

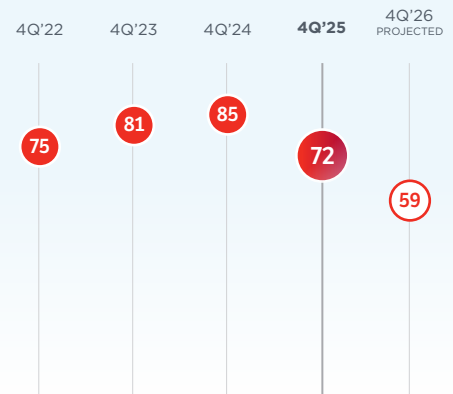## MIDDLE MARKET INDICATOR

Year-End | 2025

Revenue

Revenue growth continued to moderate for healthcare companies, in contrast to the uptick for the middle market overall. The proportion of companies reporting gains declined by 13 points year over year. While a majority of companies say they will grow revenues in 2026, the anticipated growth rate is the lowest of all middle market industries.

Past, current and projected revenue growth rates for the healthcare middle market and the national middle market (%)
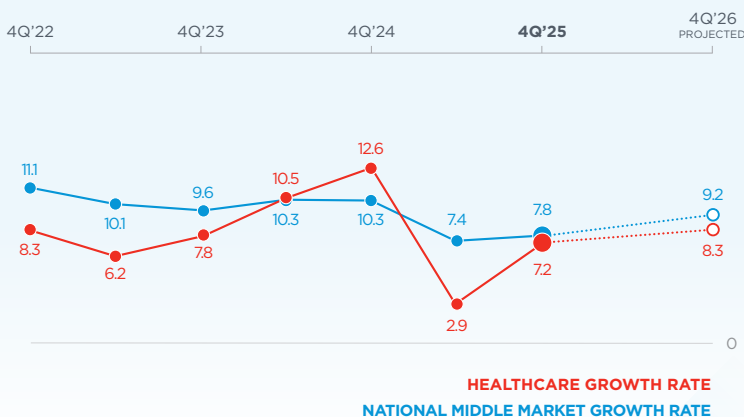
4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED

National middle market growth rate: 12.2, 11.8, 12.4, 12.9, 12.1, 10.7, 11.7, 9.5

Healthcare growth rate: 10.4, 8.3, 14.7, 14.4, 13.1, 10.5, 10.3, 7.4

HEALTHCARE GROWTH RATE
NATIONAL MIDDLE MARKET GROWTH RATE

% of healthcare middle market companies reporting/projecting year-over-year revenue growth

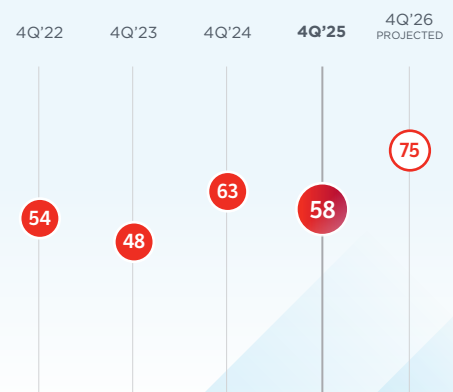| 4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED
75	81	85	72	59

Employment

Employment growth in healthcare surged from mid-year, but it remains below 2024 levels and the national average. Healthcare companies are more likely than those in any other industry to say they will expand their workforces in 2026, with three-quarters of businesses projecting growth, albeit at a lower anticipated rate compared to all other industries.

Past, current and projected employment growth rates for the healthcare middle market and the national middle market (%)

4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED

National middle market growth rate: 11.1, 10.1, 9.6, 10.3, 10.3, 7.4, 7.8, 9.2

Healthcare growth rate: 8.3, 6.2, 7.8, 10.5, 12.6, 2.9, 7.2, 8.3

HEALTHCARE GROWTH RATE
NATIONAL MIDDLE MARKET GROWTH RATE

% of healthcare middle market companies reporting/projecting year-over-year employment growth

4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED
54	48	63	58	75

Artificial Intelligence (AI) Adoption and Use

Four out of five healthcare companies are using AI, with a growing share experimenting across multiple use cases. While the use of individual AI applications declined from six months ago, the proportion deploying AI in multiple ways rose by 10 points.

	ALL MIDDLE MARKET COMPANIES	BUSINESS SERVICES	MANUFACTURING	RETAIL TRADE	CONSTRUCTION	FINANCIAL SERVICES	HEALTHCARE	TECHNOLOGY*
AUTOMATION OF ROUTINE TASKS	40%	49%	43%	46%	35%	39%	37%	48%
ADVANCED DATA ANALYTICS & PREDICTIVE MODELING	39%	45%	40%	46%	31%	46%	39%	53%
MACHINE LEARNING & DEEP LEARNING APPLICATIONS	27%	37%	30%	25%	39%	29%	24%	36%
NATURAL LANGUAGE PROCESSING & CONVERSATIONAL AI	28%	33%	23%	22%	35%	34%	23%	38%
ROBOTICS & PHYSICAL AUTOMATION	21%	24%	27%	20%	21%	22%	18%	23%
A COMBINATION OF THE ABOVE	21%	19%	20%	17%	20%	27%	24%	16%
NOT USING AI IN ANY WAY	17%	11%	16%	18%	29%	7%	19%	11%

*Includes companies also represented in other industries (e.g., computer manufacturers, IT services, healthtech, fintech).

Healthcare's Middle Market Defined

ANNUAL REVENUE
$10 MM–$1B

REPRESENTS
0.9%
OF ALL HEALTHCARE COMPANIES

MORE THAN
12,700
BUSINESSES

EMPLOYS
36.8%
OF THE HEALTHCARE WORKFORCE

GENERATING
$765B
IN ANNUAL REVENUE

GENERATES
44.1%
OF ALL HEALTHCARE BUSINESS REVENUE

Source: 2014 D&B Data