NATIONAL CENTER FOR
THE MIDDLE MARKET

THE OHIO STATE
UNIVERSITY
FISHER COLLEGE
OF BUSINESS
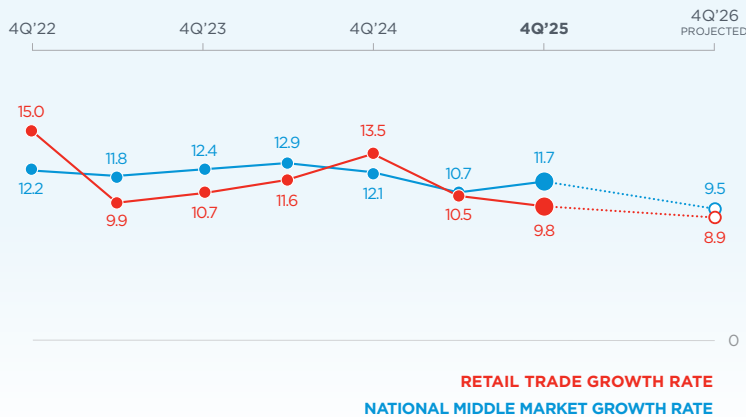
RETAIL TRADE

## MIDDLE MARKET INDICATOR

Year-End | 2025

Revenue

Compared to one year ago, a larger proportion of retail trade companies are reporting revenue increases. However, the rate of growth continues to decline, falling to single digits for the first time in two-and-a-half years. Most companies project continued growth in 2026, but they anticipate additional slowdowns in the rate of growth.

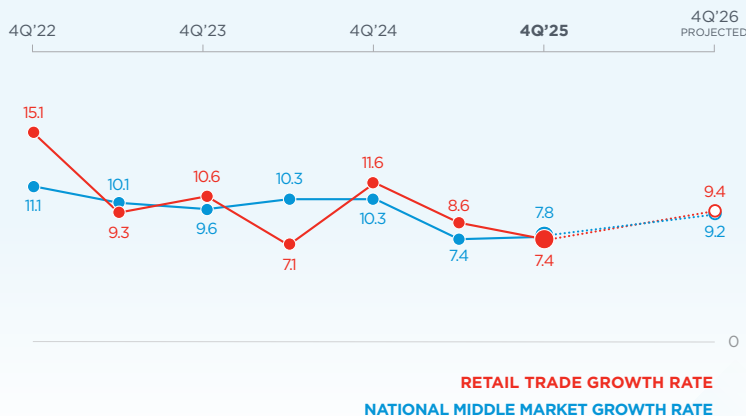**Past, current and projected revenue growth rates for the retail trade middle market and the national middle market (%)**

	4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED
Retail trade growth rate	15.0	9.9 / 10.7	11.6 / 13.5	10.5 / 9.8	8.9
National middle market growth rate	12.2	11.8 / 12.4	12.9 / 12.1	10.7 / 11.7	9.5

RETAIL TRADE GROWTH RATE
NATIONAL MIDDLE MARKET GROWTH RATE

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

| 4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED
95	87	85	82	71
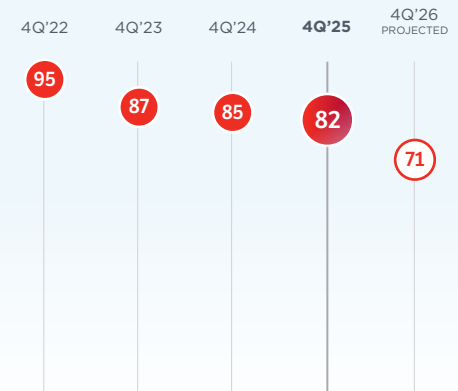
Employment

The rate of employment growth continues to decline, falling below the middle market average, with significantly fewer retail trade companies reporting workforce expansion. Retailers anticipate a hiring rebound in 2026, with three out of five companies projecting employment growth at a faster pace.

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

	4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED
Retail trade growth rate	15.1	9.3 / 10.6	7.1 / 11.6	8.6 / 7.4	9.4
National middle market growth rate	11.1	10.1 / 9.6	10.3 / 10.3	7.4 / 7.8	9.2

RETAIL TRADE GROWTH RATE
NATIONAL MIDDLE MARKET GROWTH RATE

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

4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED
72	72	68	53	59
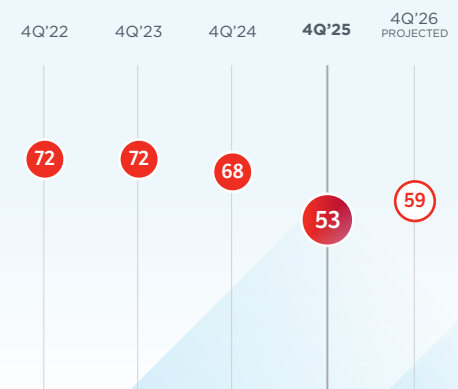
Artificial Intelligence (AI) Adoption and Use

Four out of five retailers currently use artificial intelligence in their businesses. Automating tasks and performing advanced data analytics remain the most common use cases, with nearly half of retailers leveraging AI in each area. Compared to six months ago, significantly fewer companies report using AI for multiple initiatives.

	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).

Retail Trade's Middle Market Defined

ANNUAL REVENUE
$10 MM–$1 B

REPRESENTS

0.9%

OF ALL RETAIL TRADE COMPANIES

MORE THAN
15,000
BUSINESSES

EMPLOYS

15.6%

OF THE RETAIL TRADE WORKFORCE

GENERATING
$510B
IN ANNUAL REVENUE

GENERATES

14.8%

OF ALL RETAIL TRADE BUSINESS REVENUE

Source: 2014 D&B Data