



NATIONAL CENTER FOR
THE MIDDLE MARKET

August 6, 2025

Middle Market Update

Latest Data and Insights from the NCMM

Doug Farren, Managing Director

IN COLLABORATION WITH



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, Defensive Posture
- V. Wrap-Up

Welcome – Wells Fargo



Appreciative of Wells Fargo support as a project collaborator for the MMI

Follow-up to the Black-Owned Middle Market report published in 2024

Focus on Commercial Banking and Diverse Segments

Middle Market – In The News



Tariffs Are a Risk for Midsize Businesses, and Their Lenders

With the S&P 500 having entered correction territory, big-company stocks are pricing in the potential effects of policies such as tariffs in real time. But for a lot of investors, that isn't ...

www.wsj.com

THE WALL STREET JOURNAL.



America's Best Midsize Companies of 2025 - TIME

TIME and Statista have named 500 top performing U.S. companies In the U.S., large companies dominate headlines and industry discussions, but mid-sized companies, which have revenues between \$100 ...

time.com

TIME

Manufacturing

Tariff uncertainty puts middle-market suppliers in a bind



By Joshua Mann – Editor, The National Observer, The Business Journals
Jun 2, 2025

THE BUSINESS JOURNALS

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, and Visa. 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
2025 Q2- the survey has been revamped
preserving key KPI's

Insight Areas

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

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

Growth rates remain strong but are weaker than at any time since the pandemic.

Employment Growth

Firms indicate a reduced need for hiring new workers, but workforce reductions are not yet evident.

Economic Confidence

Confidence in the US economy is significantly lower than it was in December, largely due to increased uncertainty.

Expansion and Investment

As a result of the uncertainty, expansion activity is weaker

Challenges

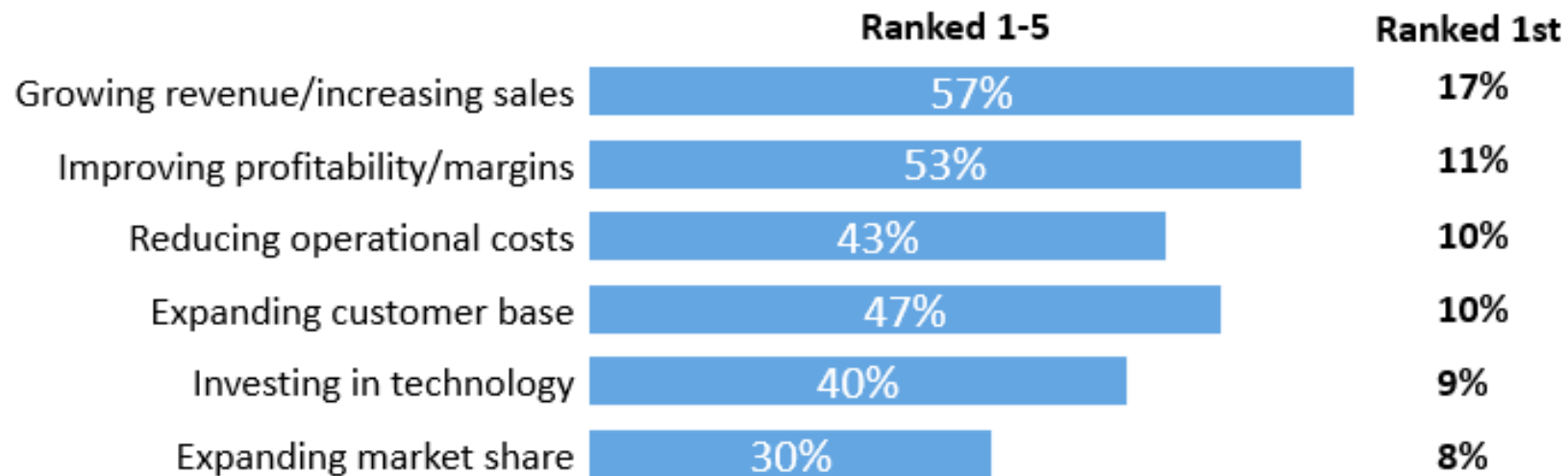
Inflation, economic uncertainty, and the impact of trade policy are the key challenges leaders face.

What's New?

Strategic Objectives

Important Strategic Objectives

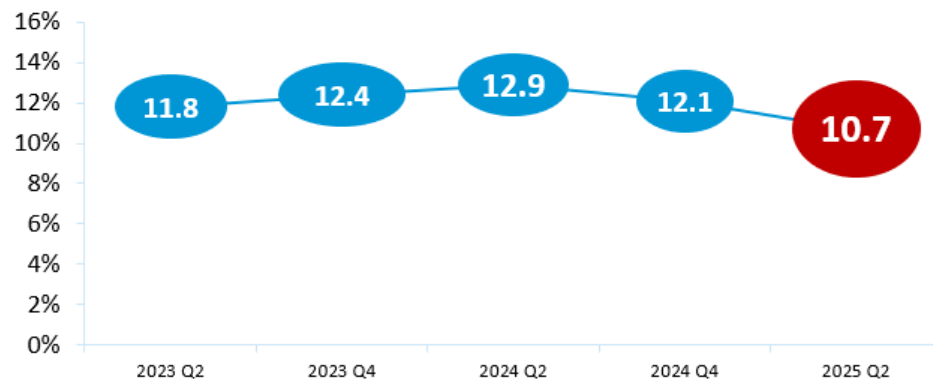
2025 Q2
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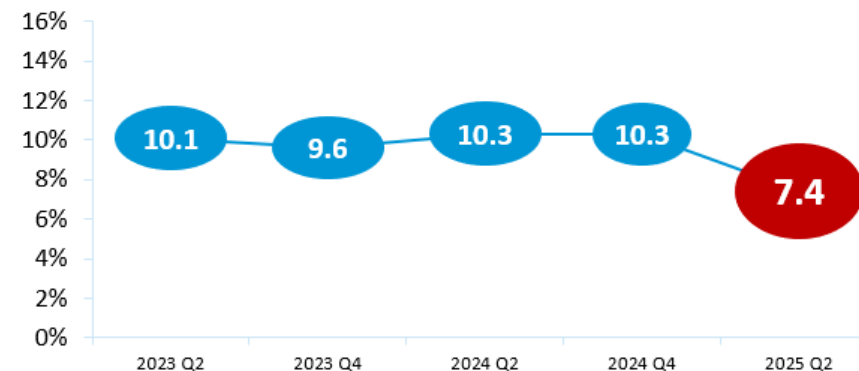
Key Performance Indicators

Core KPIs of Middle Market performance are lower

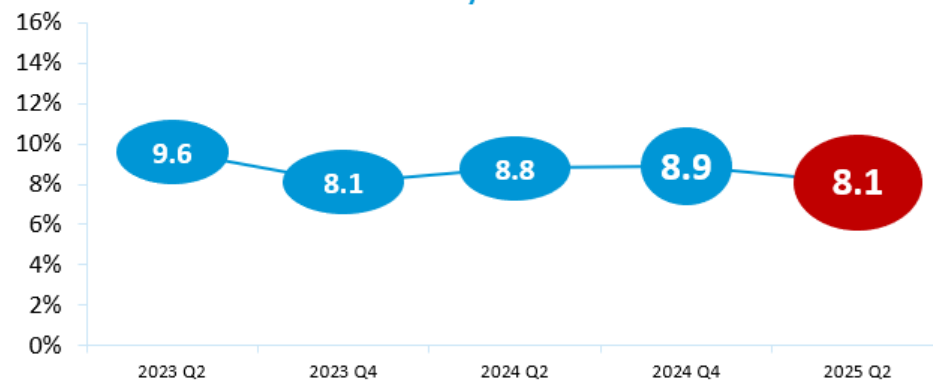
Revenue growth is significantly lower



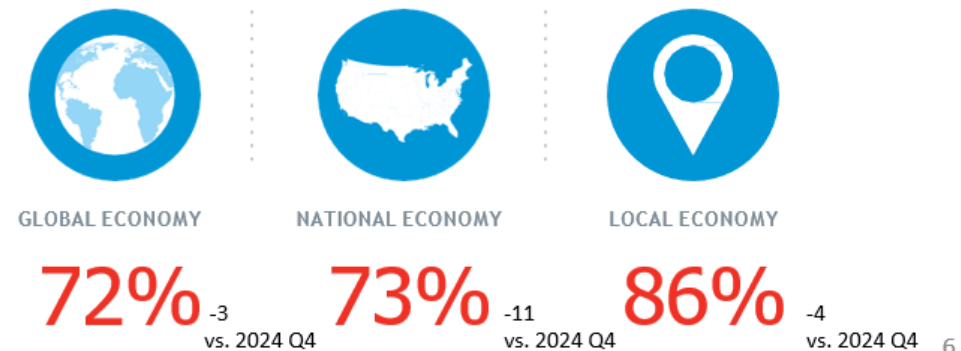
Hiring is slowing significantly



Future growth perspectives are eighty basis points lower than they were in last wave



Confidence in the US Economy is 11% points lower than December



Overview—Past Performance and Forecasts

REVENUE GROWTH

10.7%

PAST 12 MONTHS

0.5%

S&P 500

8.1%

NEXT 12 MONTHS



EMPLOYMENT GROWTH

7.4%

PAST 12 MONTHS

0.4%

SMALL
BUSINESS

2.5%

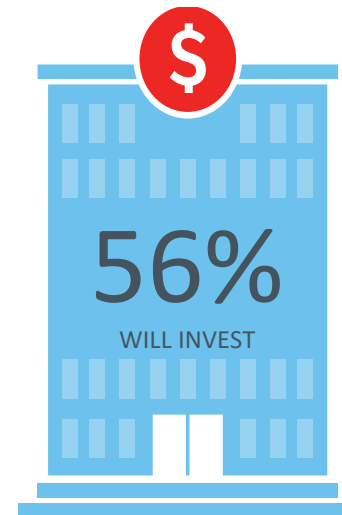
LARGE
BUSINESS

7.6%

NEXT 12 MONTHS



CAPITAL INVESTMENT



CONFIDENCE

72%

GLOBAL ECONOMY



73%

NATIONAL ECONOMY



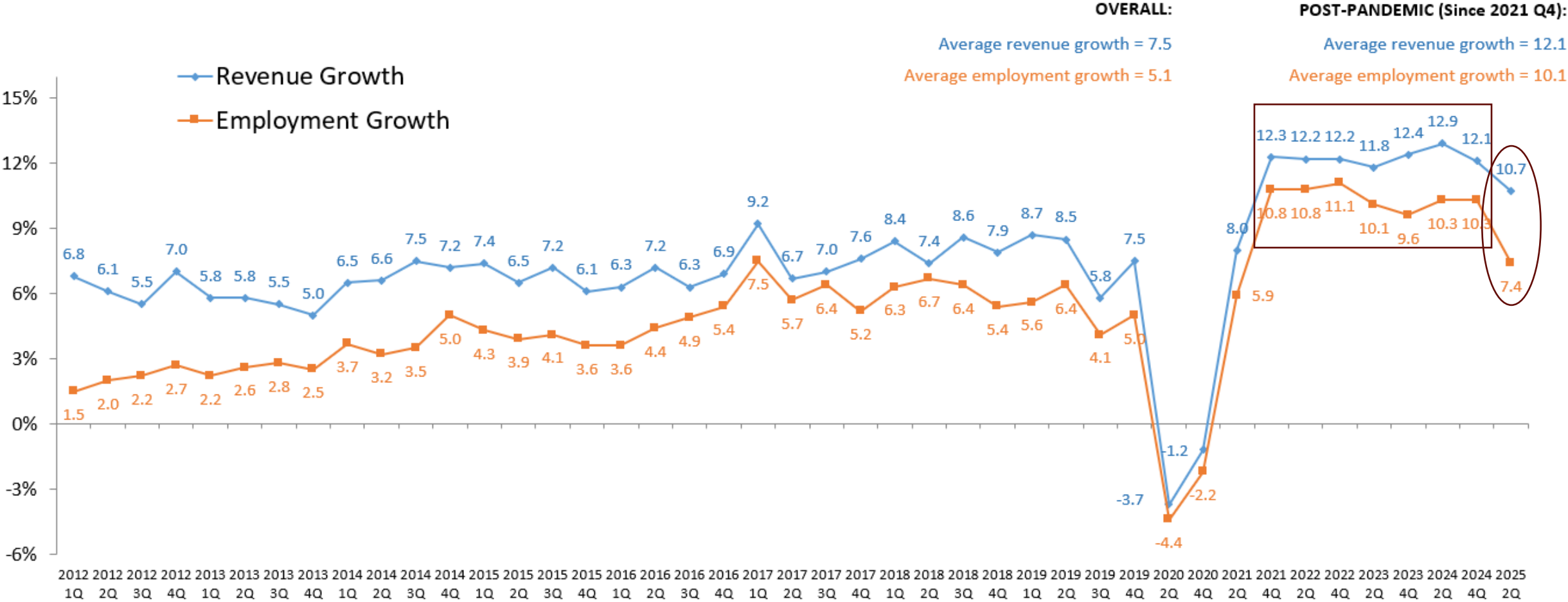
86%

LOCAL ECONOMY



Trend Data

Middle Market Overview



Revenue Growth Trend

PAST 12 MONTHS

10.7%

U.S. MIDDLE MARKET

0.5%

S&P 500*

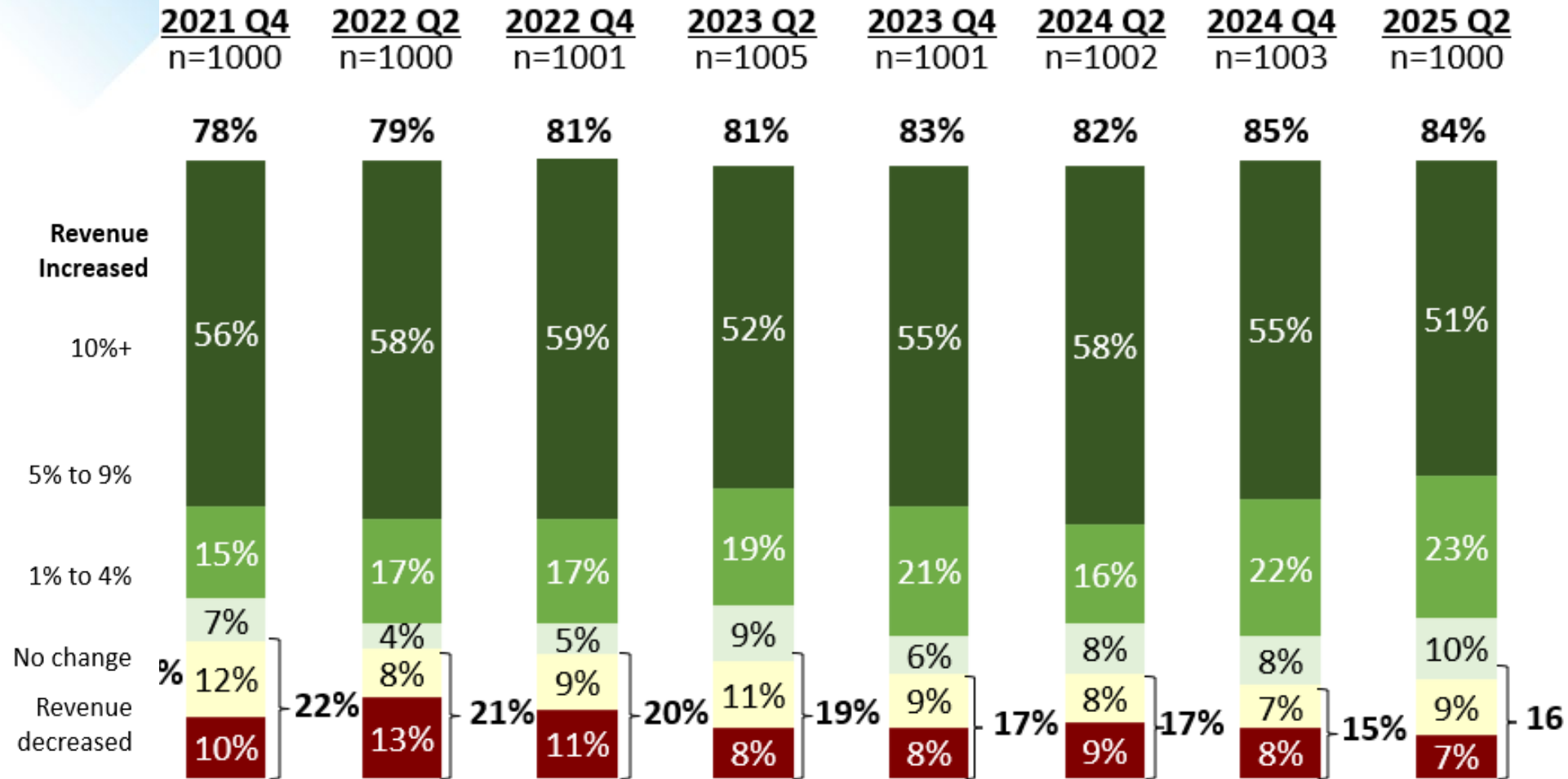
Past, current and projected revenue growth rates for the middle market and the S&P 500 (%)



Historical
Average
7.5%

2012-25

Growth Remains Steady



Growth Leaders
(10% or higher)

Down 7% since
Q2 2024

Struggling
(Declining)

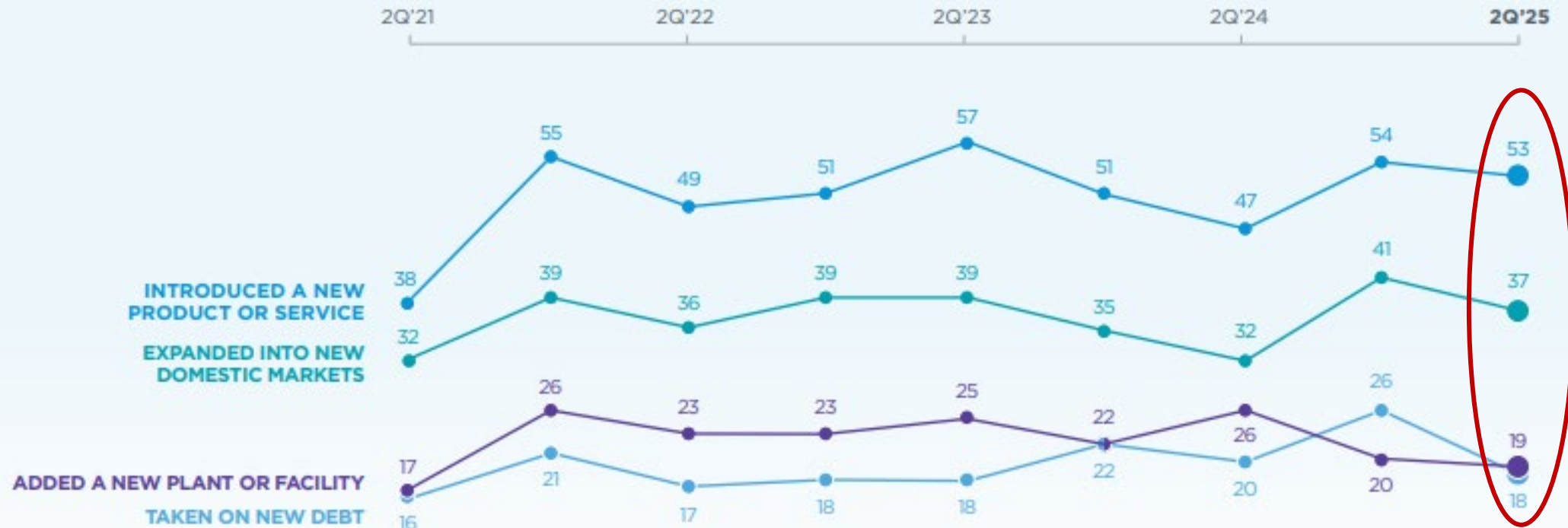
Flat vs. Q2 2024

Revenue by Industry

		REVENUE GROWTH				REVENUE GROWTH	
		PAST 12 MONTHS	NEXT 12 MONTHS			PAST 12 MONTHS	NEXT 12 MONTHS
SERVICES		12.7%	8.6%	CONSTRUCTION		10.8%	8.6%
MANUFACTURING		11.7%	9.7%	FINANCIAL SERVICES		12.6%	10.8%
WHOLESALE TRADE		N/A	N/A	HEALTHCARE		10.6%	7.2%
RETAIL TRADE		10.5%	8.9%	OTHER		9.2%	5.7%

Expansionary Activity Slows

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



Year-End MMI: Employment

PAST 12 MONTHS

7.4%

U.S. MIDDLE MARKET

0.4%
SMALL
BUSINESS

2.5%
LARGE
BUSINESS

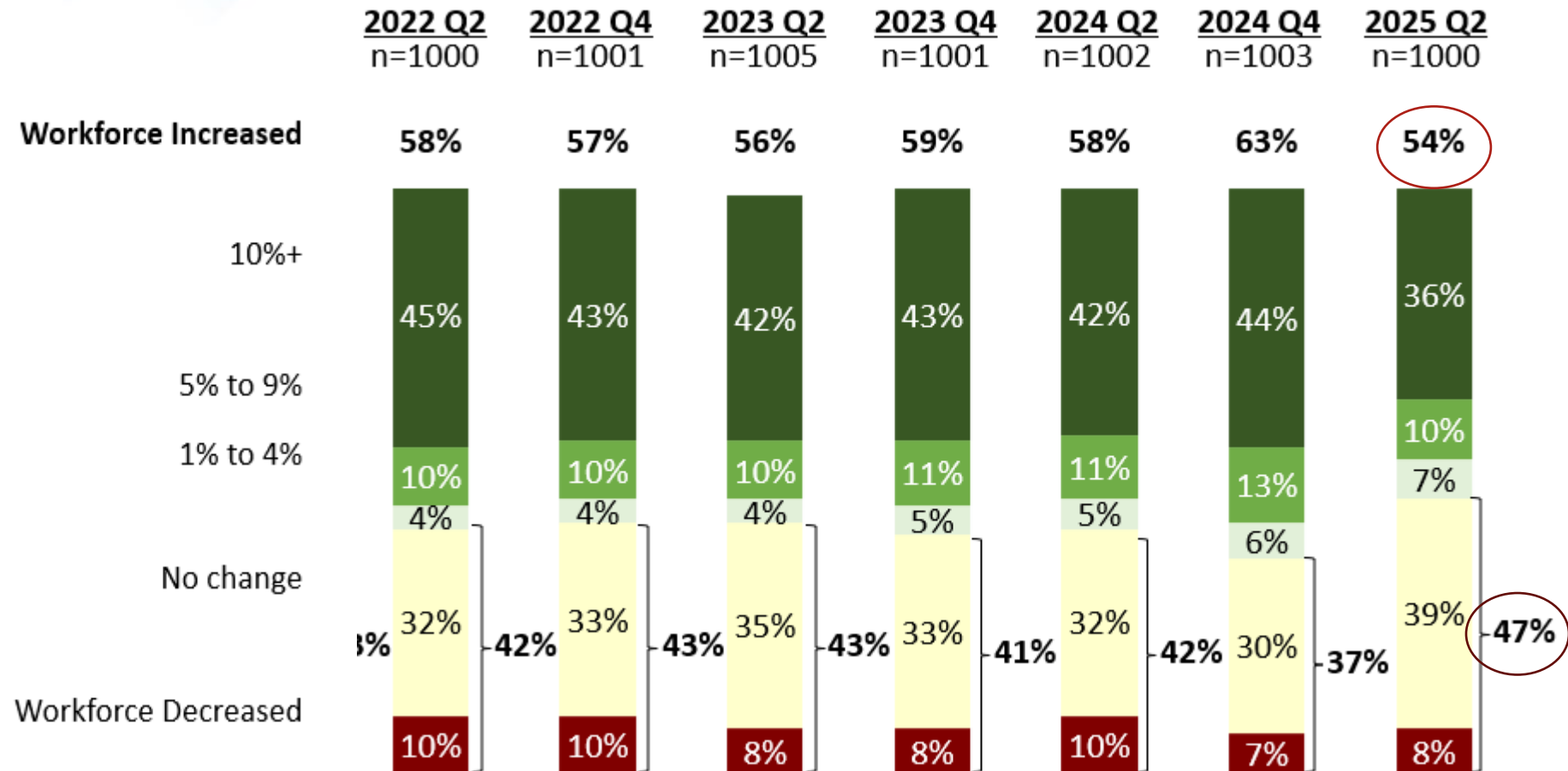
Past, current and projected employment growth rates for middle market, small and large companies (%)



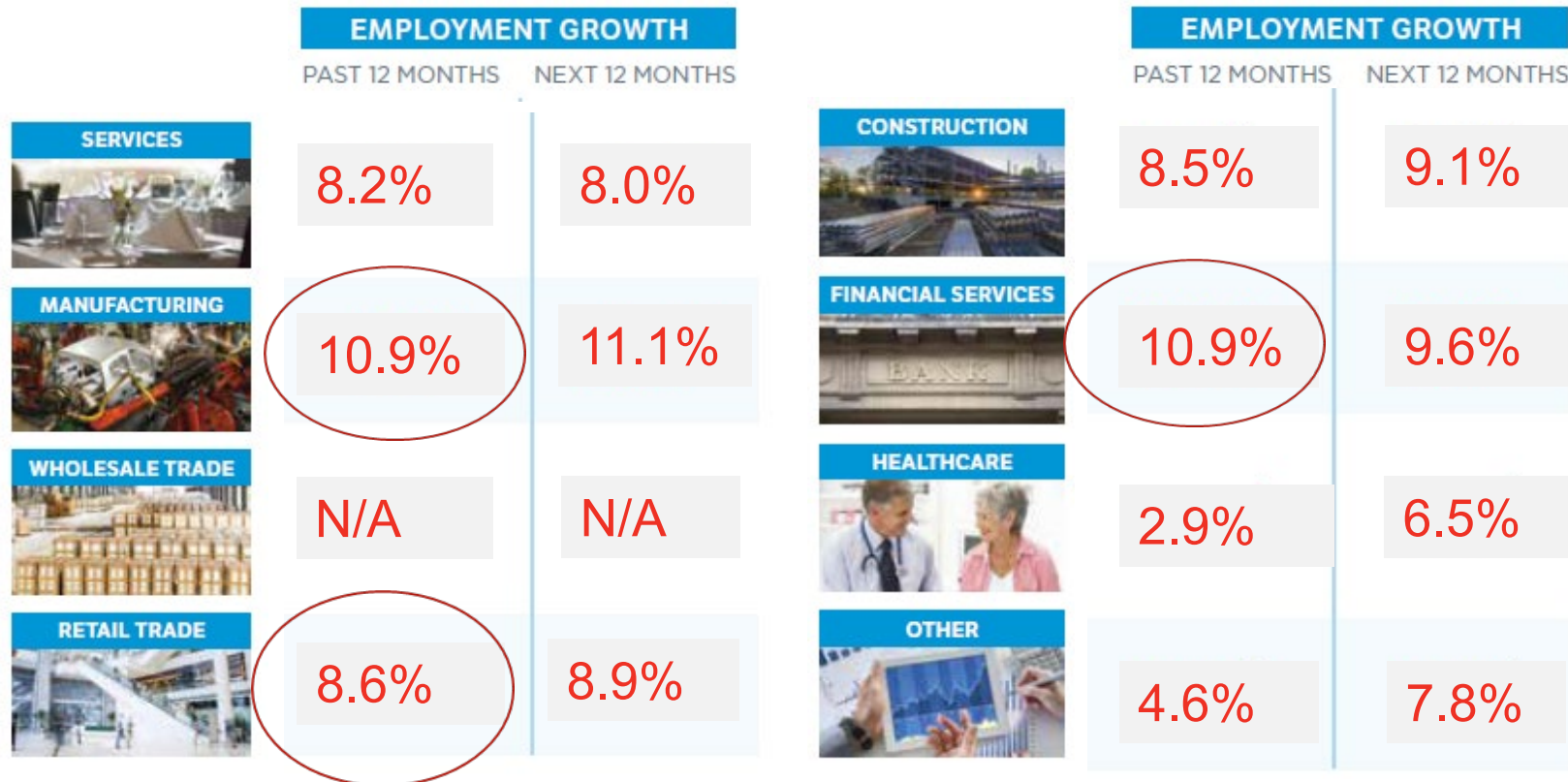
Historical
Average
5.1%

2012-25

Employment Growth Shows Pause



Year-End MMI: Employment by Industry



Economic Confidence Falls

Confidence in Economy

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



GLOBAL ECONOMY

72%

-4% vs. 2023



NATIONAL ECONOMY

73%

-5% vs. 2023

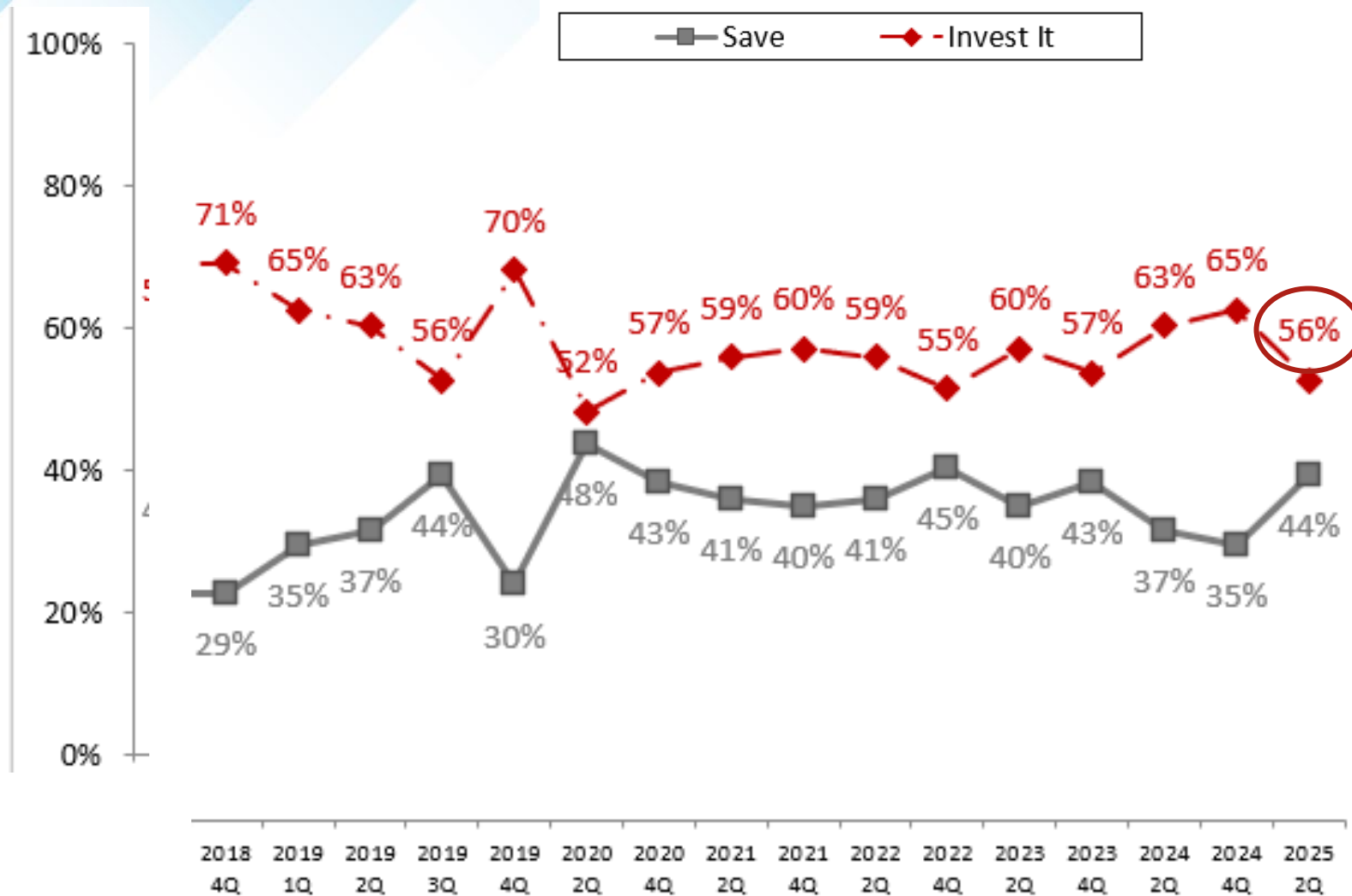


LOCAL ECONOMY

86%

+1% vs. 2023

Investment Plans on Hold

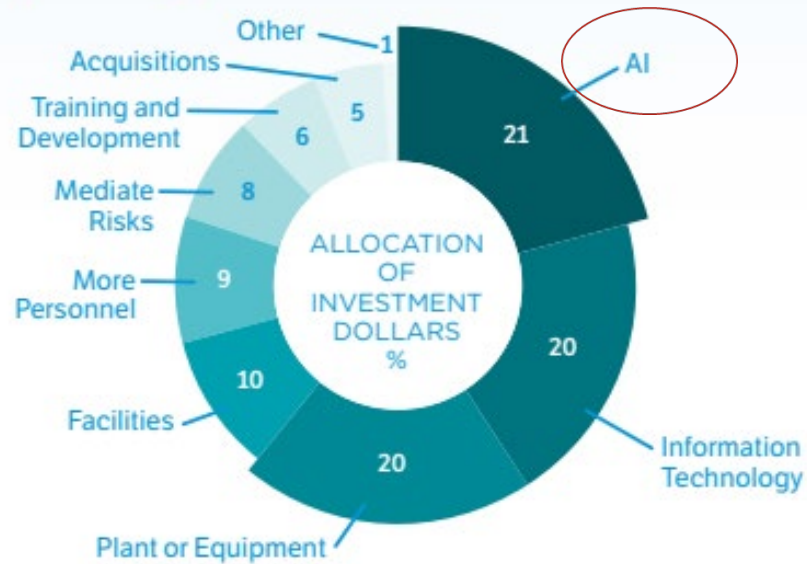


Source: Mid Year Middle Market Indicator Report

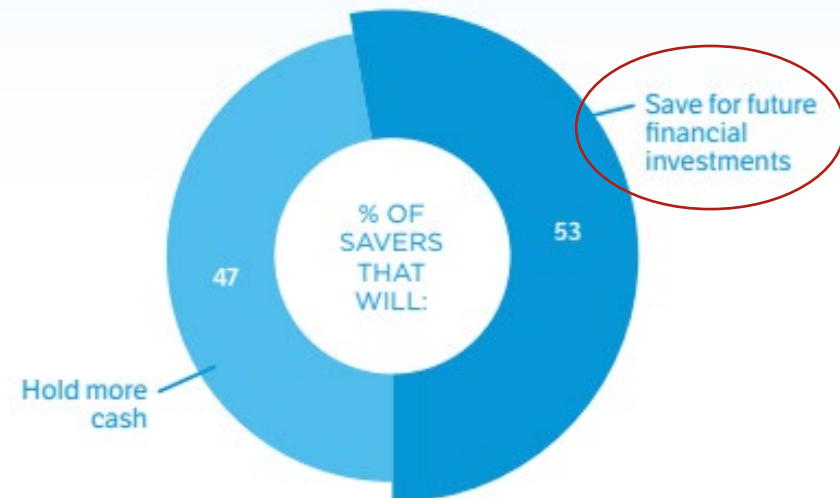
Technology – specifically AI - are Top Targets for Investment Dollars

WHAT WOULD YOU DO WITH AN EXTRA DOLLAR TO INVEST?

Artificial intelligence and other technologies are prime targets for investment dollars.

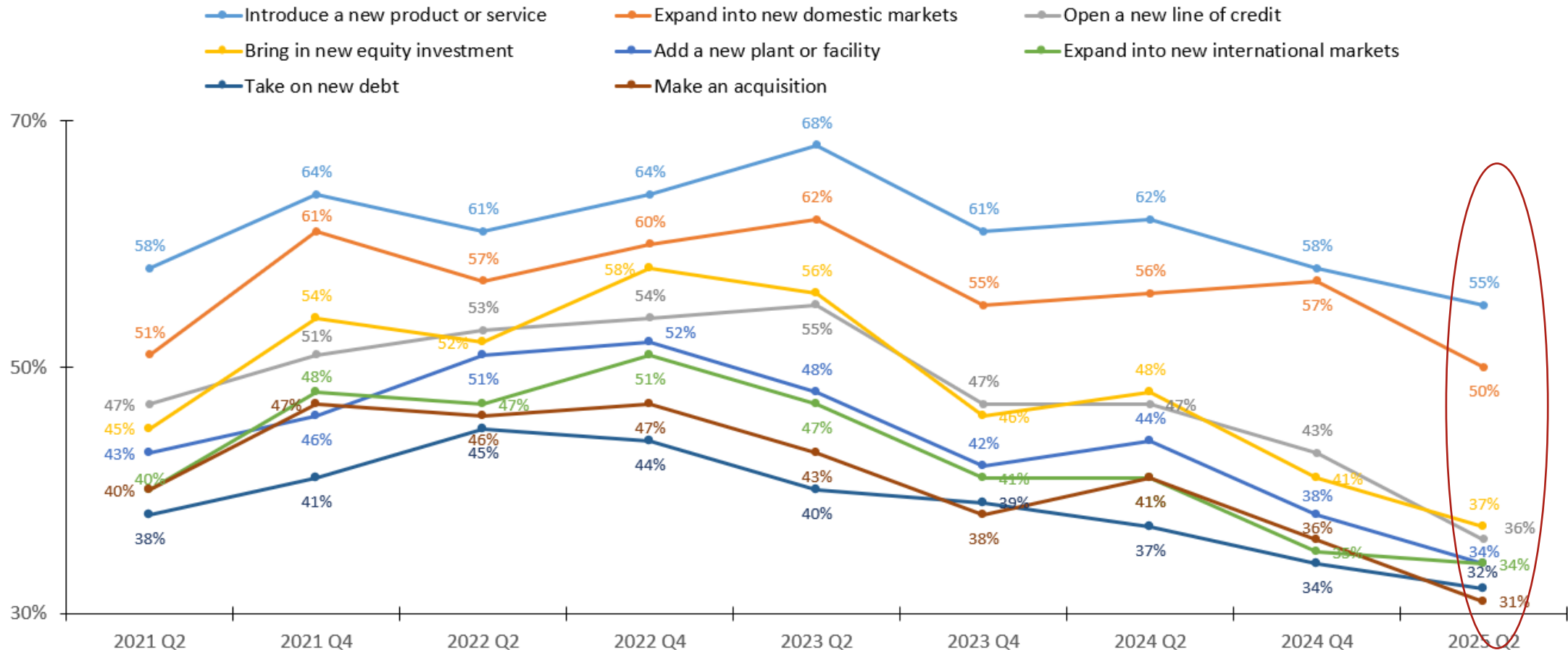


An increasing proportion of companies is inclined to stockpile cash.



Future Expansion Continue to Decline

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



Source: Mid Year 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, rising labor costs, wage pressure and compensation demands

OPERATIONAL & TECHNOLOGY CHALLENGES

- Data privacy and cybersecurity threats, maintaining operational efficiency

MARKET & REGULATORY CHALLENGES

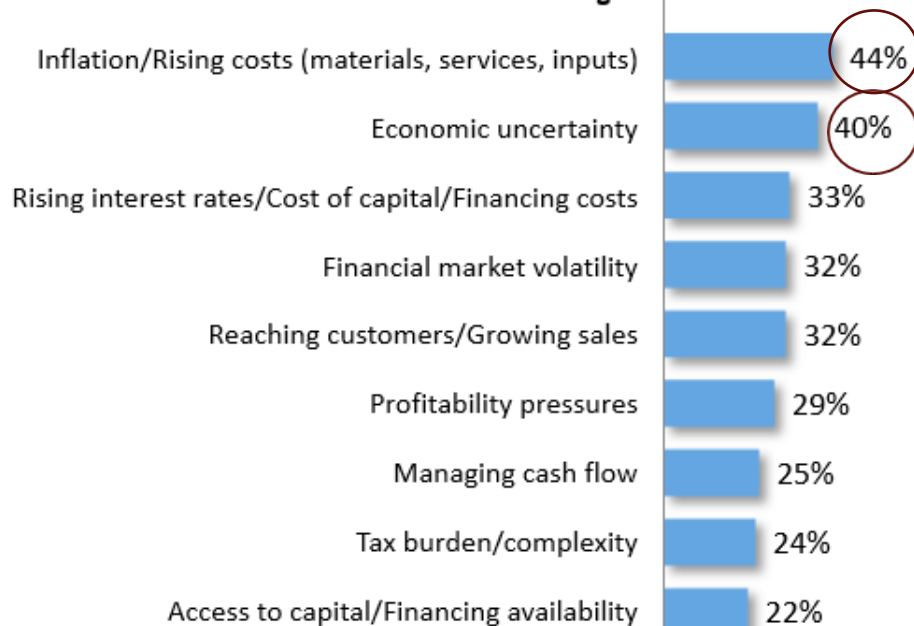
- Impact of tariffs and trade policies and competitive pressure



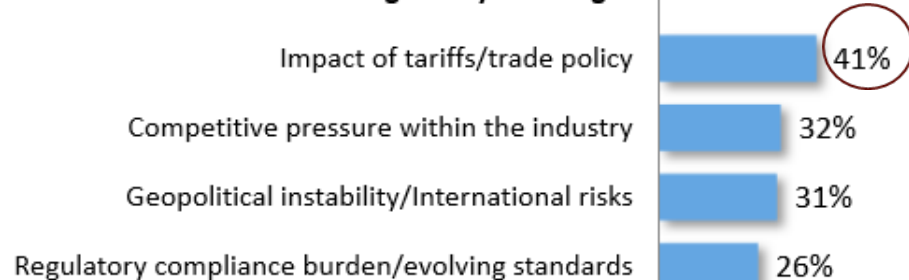
Core Business Issues

Top Challenges

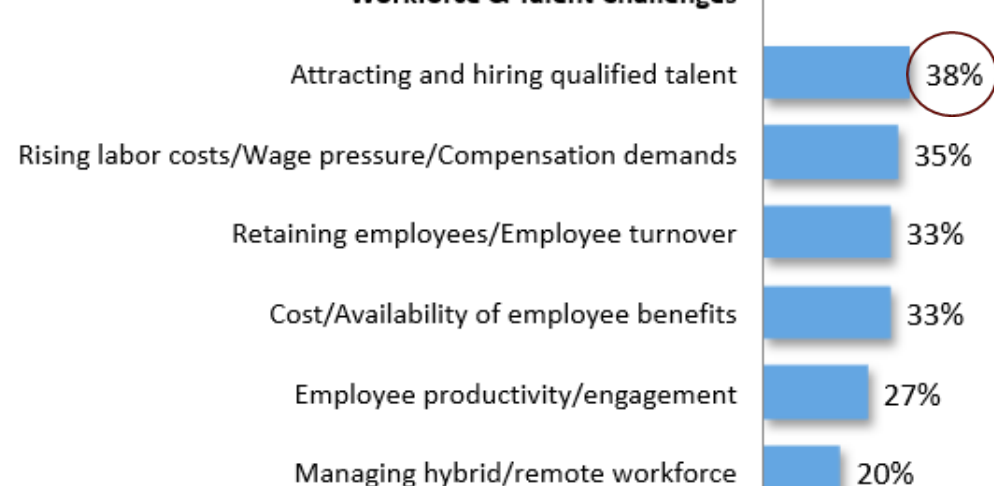
Economic & Financial Challenges



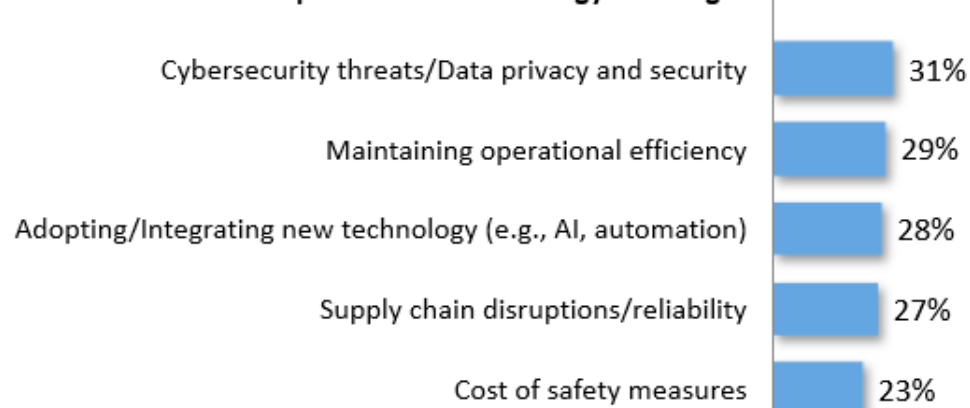
Market & Regulatory Challenges



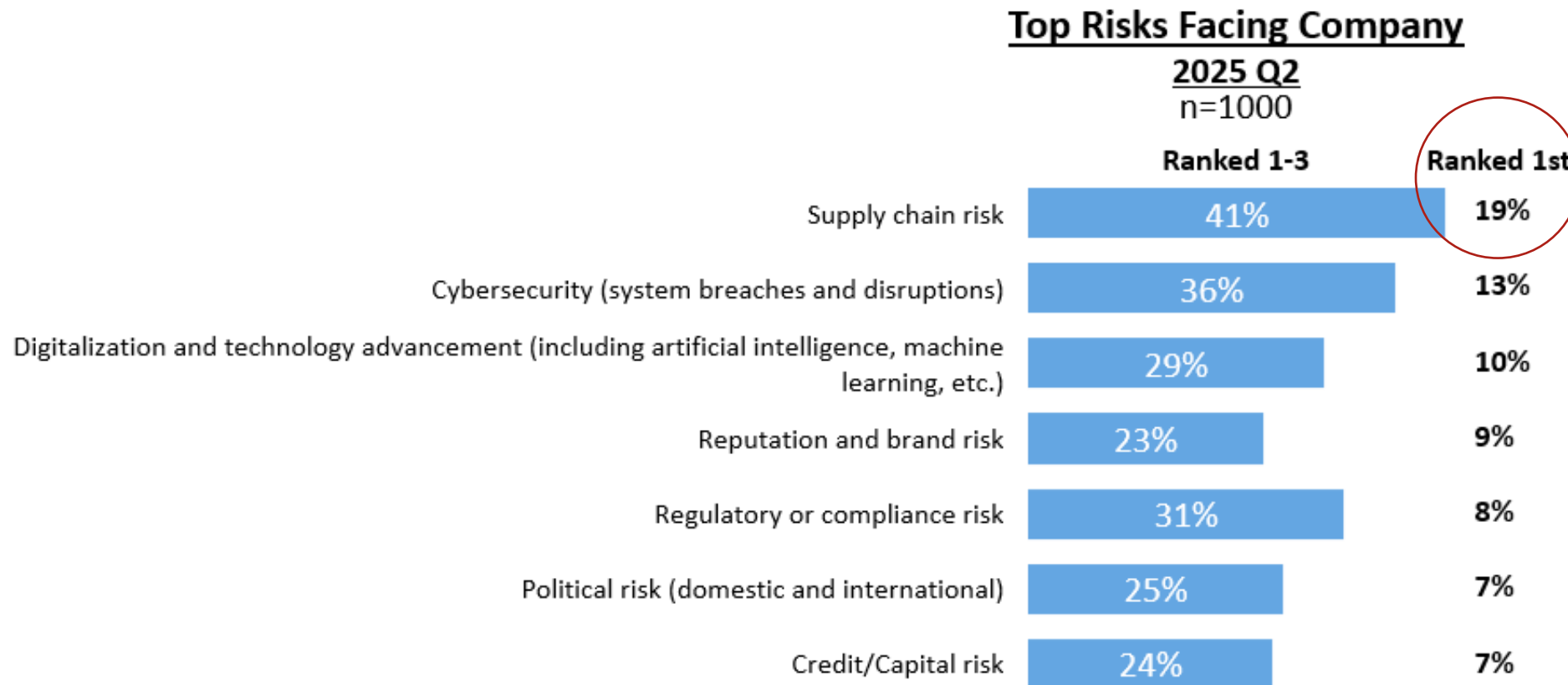
Workforce & Talent Challenges



Operational & Technology Challenges



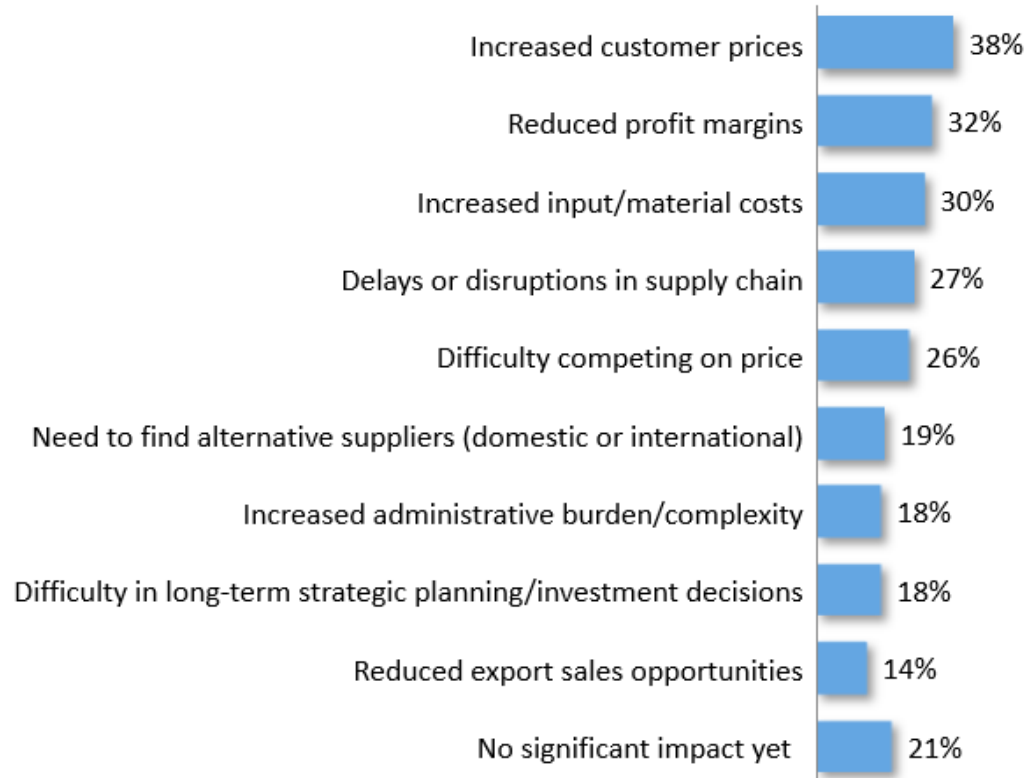
Inflation and Talent Remain Top Emerging Risks



Tariffs

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

2025 Q2
n=1000



How Concerned About The Potential Impact Of Future Changes In Tariffs Or Trade Policy Over Next 1-2 Years

2025 Q2
n=1000

Extremely/Very Concerned

Extremely concerned

Very concerned

Somewhat concerned

Not very concerned

Not at all concerned

44%

11%

33%

30%

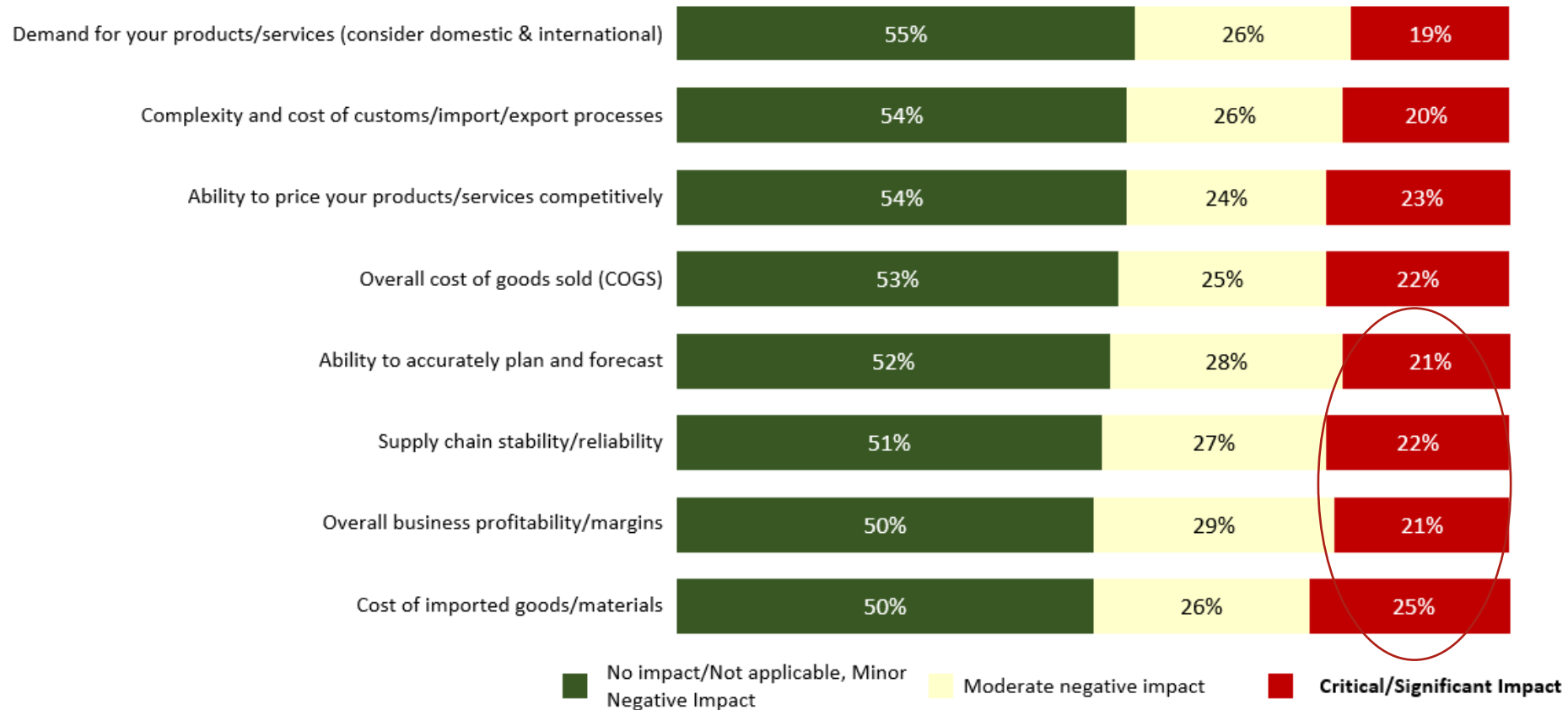
15%

11%

Tariffs

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

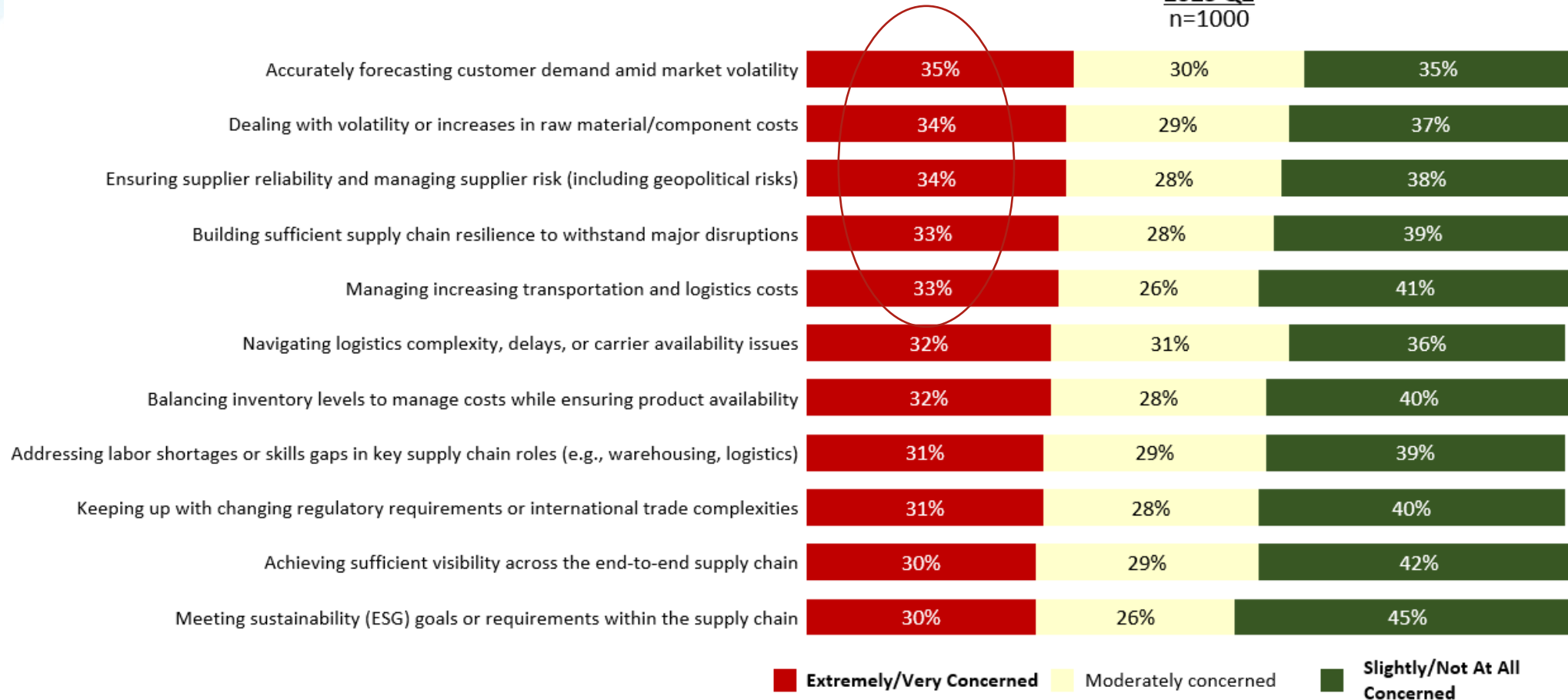
2025 Q2
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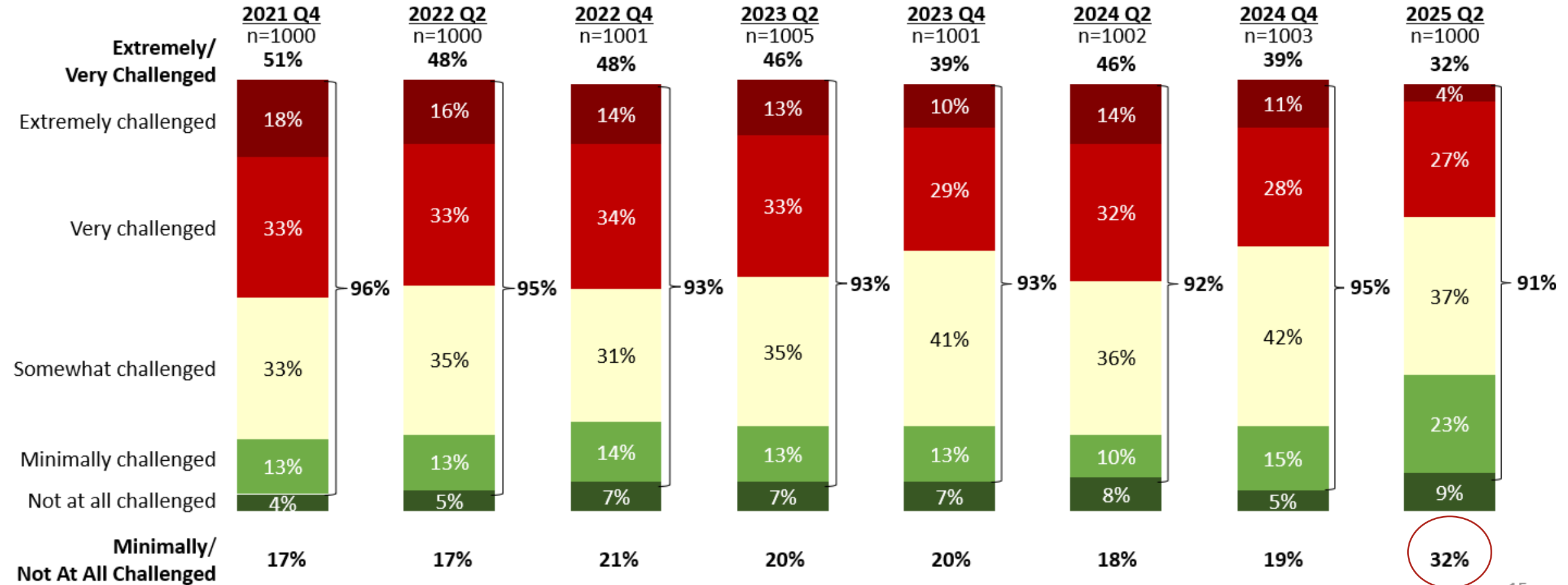
Tariffs

Level Of Concern Regarding Potential Challenges Impacting Supply Chain Operations

2025 Q2
n=1000

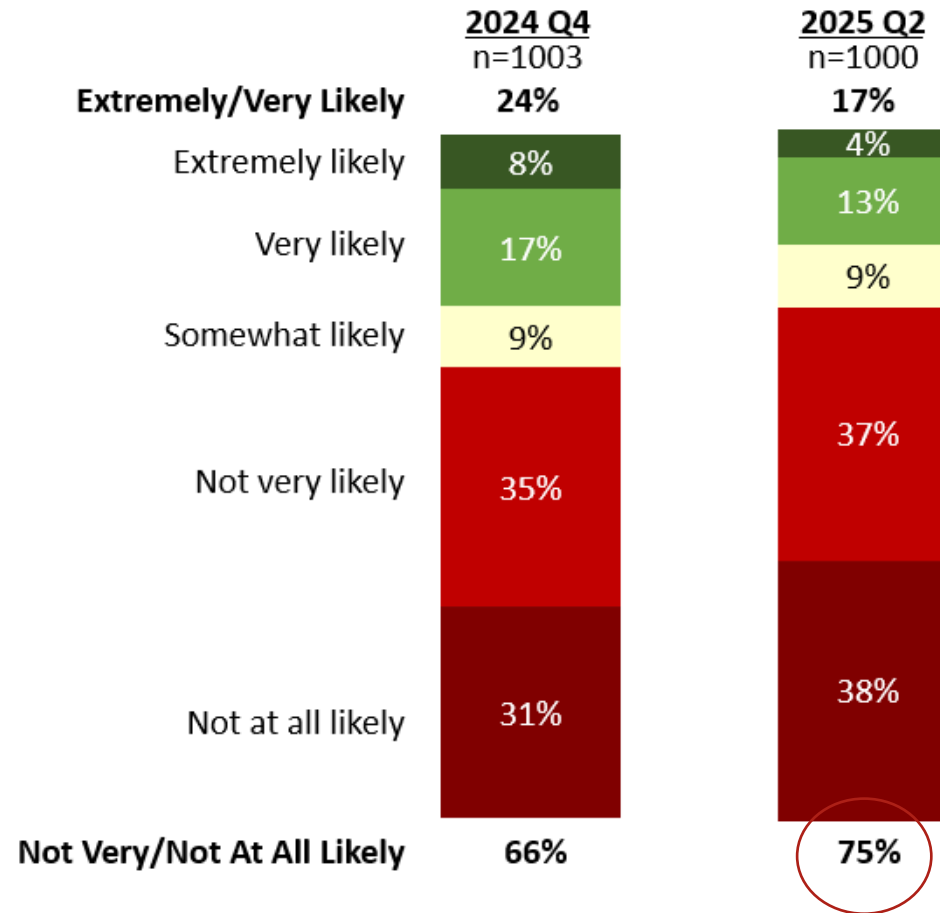


Middle Market Companies Face Skills Gap



Business Transition

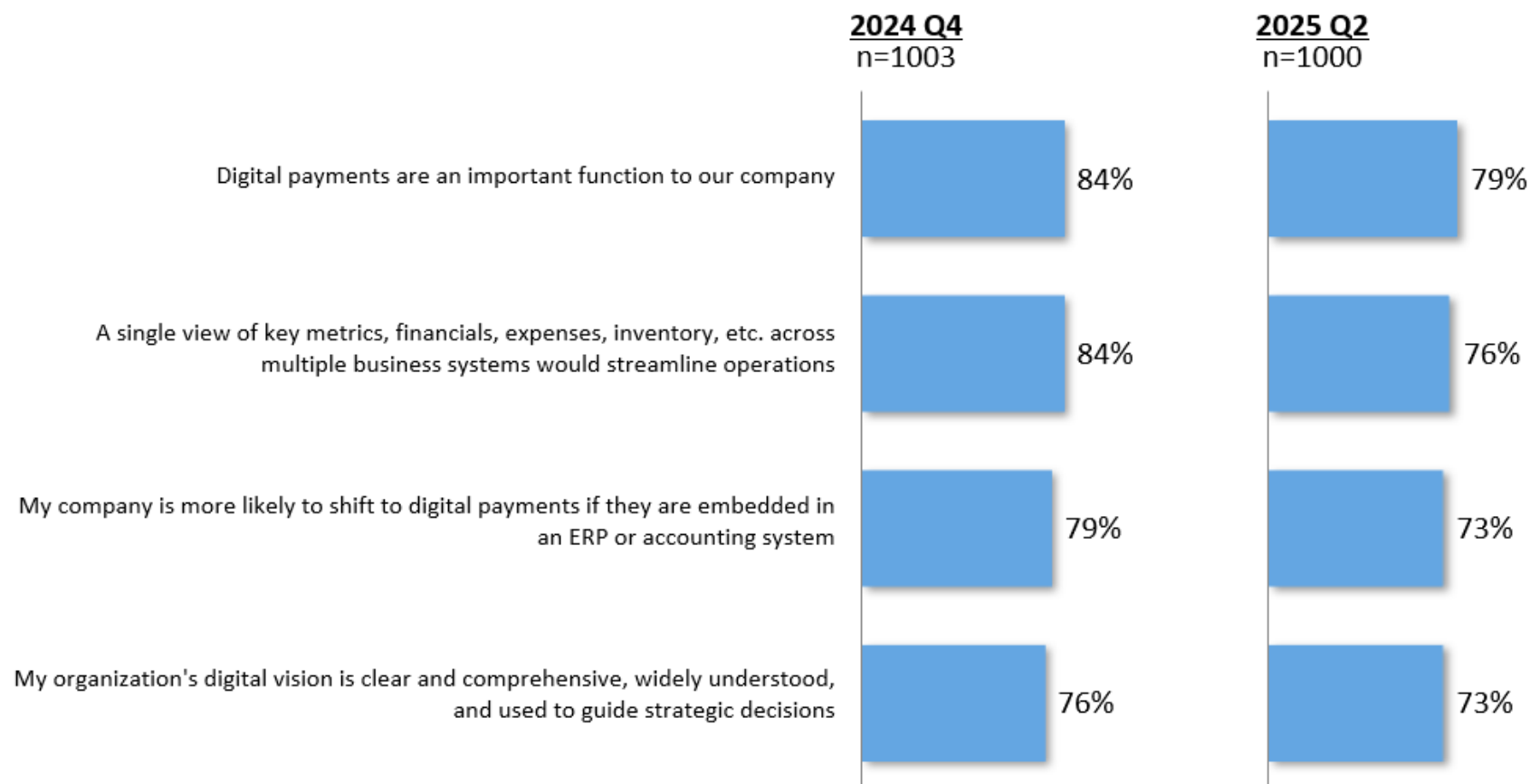
Likelihood To Transition Ownership In The Next 24 Months



Digitization and AI

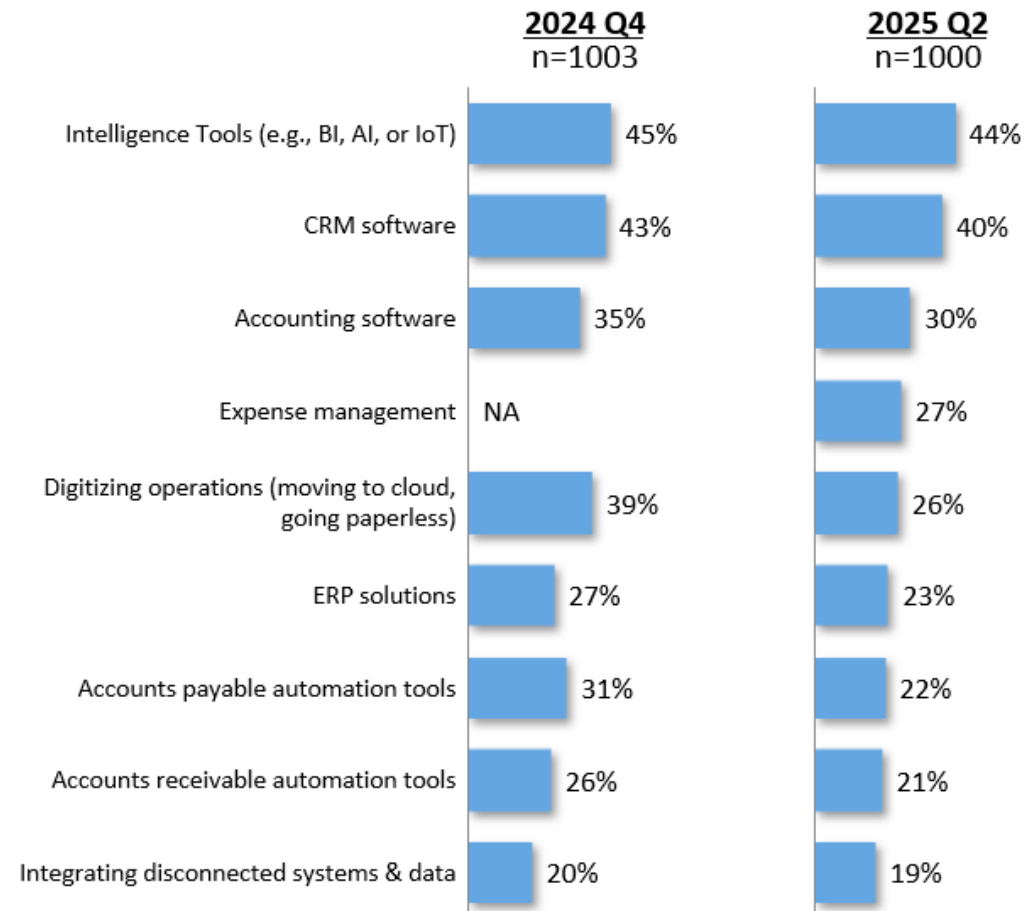
Digital Game Plan

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

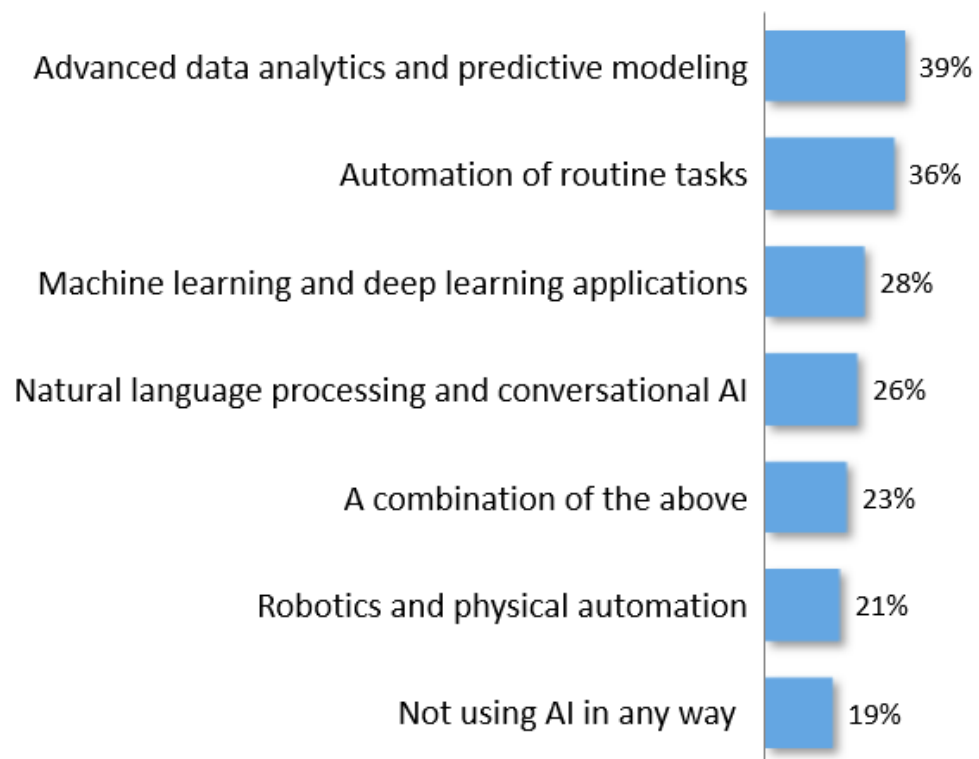
2025 Q2
n=1000



AI Utilization

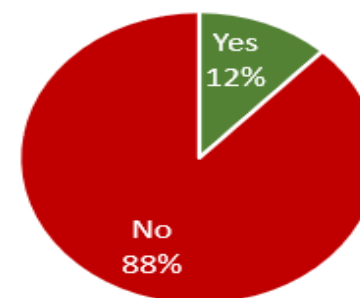
Use of Artificial Intelligence (AI)

2025 Q2
n=1000



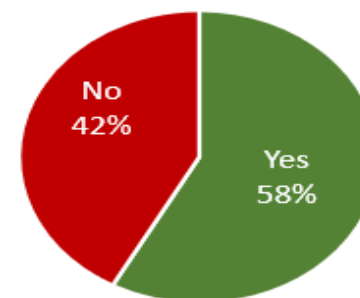
Developing AI Capabilities In-house

2025 Q2
n=1000



Actively Training Your Workforce On AI

2025 Q2
n=1000



Artificial Intelligence - Perspectives

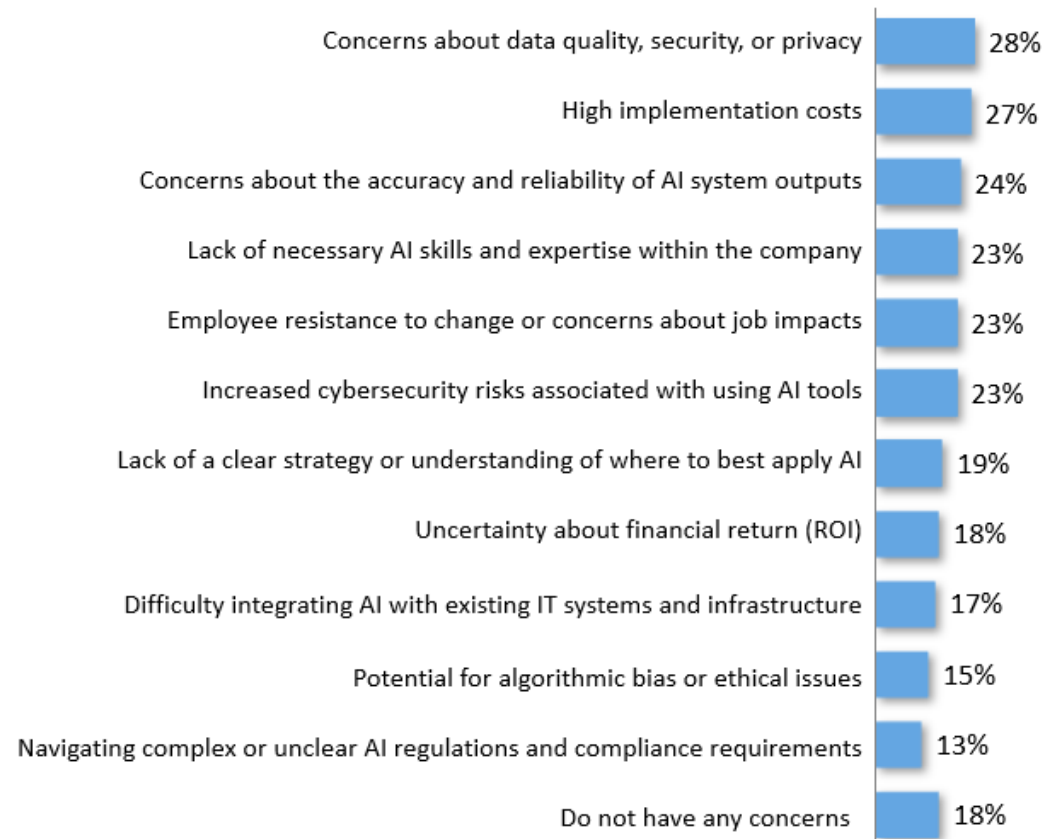
AI Benefits

2025 Q2
n=1000



AI Concerns

2025 Q2
n=1000



Summary

- Middle Market has experienced a slow down:
 - Growth – while strong – has fallen from past 4 years of consistently high performance
 - Uncertainty driving lower revenues, decreased hiring, and lower confidence across the board
 - Future expansion plans are on hold as companies assume a more defensive posture
- Biggest challenges include inflation, economic uncertainty, and trade/tariff policy management
- AI is becoming a more prevalent as well as accessible tool for the middle market. The benefits of AI tools are being used to address costs, productivity, and talent shortages

Research Preview



MMI Data for Canada and Mexico –
Presenting a Holistic North America View

Future Standard[®]



PORTFOLIO
ADVISORS^{LLC}

Exploring Private Debt and Private Equity
in the US Middle Market



Study of Veteran-Owned Middle Market
Companies and Unique Challenges and
Opportunities



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