# AI automation and business confidence rise among small and midsize enterprises



Recent trends in artificial intelligence (AI) automation and business strategy have been significantly informed by a new survey conducted by JPMorganChase, unveiling shifting economic sentiments among small and midsize business leaders as they look towards 2025. The findings, shared in the release on Tuesday morning, reveal a notable increase in confidence regarding the national economy, which has surged by 12 percentage points to 55% for small business owners and has more than doubled for midsize businesses, now standing at 65%.

Ginger Chambless, head of research at JPMorganChase Commercial Banking, noted that businesses appear to be entering 2025 with “positive momentum” after effectively managing a challenging period marked by high inflation and interest rates. Speaking to ROI-NJ, she elaborated on the importance of monitoring this optimism as it might significantly influence companies' growth strategies in the upcoming year.

In their projections, a substantial 75% of business leaders expressed an upbeat outlook for their own companies over the next 12 months. Among small business participants, 67% expect to see higher profits and 66% anticipate increased sales. Furthermore, 51% plan to elevate their spending, supported by intentions to enhance sales through product additions (35%), increased advertising (34%), and bolstered social media campaigns (31%). A noteworthy trend indicates a pronounced investment in technology, with 48% of small businesses planning to incorporate AI applications within the next year. Yet, despite the enthusiasm, around half (46%) of these leaders also express apprehension regarding the potential consequences of integrating AI into their operations.

Midsize businesses are equally optimistic about their financial trajectories. Findings suggest that 74% anticipate revenue and sales growth, an increase of 13 percentage points from the previous year. Additionally, 65% expect an uptick in profits, while half intend to expand their workforce. The survey also reveals that 38% are eyeing higher capital expenditures.

Strategies to drive growth in midsize organisations include launching new products and services, with 53% planning to do so, and 43% indicating potential strategic partnerships or investments.

However, the economic landscape is not without its uncertainties. Although concerns regarding recession have eased, inflation continues to pose challenges, with many business leaders facing rising operational costs. The survey highlighted that over three-quarters of midsize leaders reported an increase in expenses.

While a majority express confidence in their local economies, with 60% of small businesses and 59% of midsize businesses feeling optimistic, their perceptions of the global economic climate are more cautious. This trepidation arises from potential shifts in global trading patterns, the impacts of tariffs, and geopolitical tensions. For instance, midsize businesses identified key challenges for 2025, including international tariffs (19%), competitive pressures from U.S. firms (18%), and concerns about China’s trade policies (17%).

Coinciding with these economic forecasts is the ongoing struggle for talent acquisition and retention. Close to half (46%) of midsize businesses and 40% of small businesses cited challenges related to labour shortages and recruitment. In response to these difficulties, many are exploring various strategies, such as raising wages, offering flexible working hours, or enhancing employee benefits.

The momentum observed in business leaders' outlooks for the upcoming year could shape not only their internal strategies but also their external engagements in the dynamic landscape influenced by emerging technologies such as AI. The implications of AI automation within businesses will likely play a pivotal role in how these organisations adapt and thrive amidst both opportunities and challenges.

Source: [Noah Wire Services](https://www.noahwire.com)

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