



Fiserv Small Business Index[®]

Monthly Overview | December 2024

Small Business Ends Year on an Upswing

National Overview

Nationally, the seasonally adjusted Fiserv Small Business Index stands at 146 for December, gaining 3 points over November’s results. On a year-over-year basis, small business sales (+4.9%) and total transactions (+5.5%) grew significantly compared to 2023. Consumers showed up for holiday spending at small business Retail, which grew sales at +4.9% and transactions (foot traffic) at +5.8% YoY. Month-over-month momentum at Retail was also strong as sales gained +1.0% over November.

Consumers ramped up spending in other key areas of small business where momentum had slowed in recent months – particularly with Specialty Trade Contractors (+3.8% MoM, +3.1% YoY), Ambulatory Health Care Services (+5.4% MoM, +3.5% YoY), and Professional Services (+3.2% MoM, +12.2% YoY). In contrast, spending at Restaurants slowed in December, with sales tapering back -1.6% compared to November, and down -3.4% YoY.

Key Takeaways

What Happened This Month?	Why Does It Matter?	How Should We Interpret?
Small business sales in December 2024 were strong, with growth of +2.0% MoM and +4.9% YoY. Annualized growth outpaced December 2023’ +3.4% YoY growth.	December results showed that small business ended 2024 with solid momentum, and that spending was strong through the holiday season.	This is a favorable indication that small business sales growth could carry into 2025.
Transaction growth at small businesses steadily increased through the end of the year, with December’s transactions growing at +0.6% MoM and +5.5% YoY.	The U.S. Bureau of Economic Analysis reports consumer spending typically contributes 68%-70% to the GDP, and small businesses are a major component. Strong December foot traffic signals solid momentum as we enter 2025.	Increased transactions during the holiday period are a clear signal that consumers are engaged. Little movement in average tickets (-0.6% YoY) suggests a level of stability in consumers’ purchasing habits that should be reassuring as we head into 2025.
Along with the strong performance of holiday-related retail spending, Service-related spending also made a comeback in December, especially for Construction (+3.1%), Health Care (+3.3%), and Professional Services (+12.2%).	While Retail accounts for approximately 20% of total small business volume and grew at +4.9% YoY, Services is 70% and also grew at +4.9% YoY. End-of-year demands brought renewed vigor to consumer spending in Services after being deprioritized by consumers in October and November.	Some of the increased spending for Services was probably influenced by year-end demands (doctor visits, for example), but the fact that this pace of spending growth in Services was achieved without slowing down Retail is another signal of the potential for a strong start to 2025.

National Index Trends

Figure 1: National Index

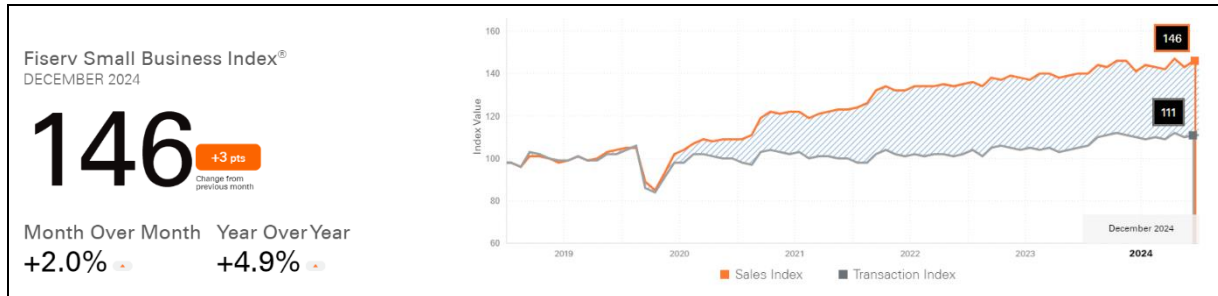


Figure 2: National Snapshot – December and Year-to-Date

Across the total U.S. small business ecosystem, December 2024 sales growth (+4.9%) was faster than the year-to-date pace (+4.1%). Year-to-date transaction growth was +5.4%, and average tickets declined -1.3% vs. 2023.

	Sales Index	Transaction Index	Sales Growth	Transaction Growth	Avg. Ticket Growth
December 2024	146	111	4.9%	5.5%	-0.6%
YTD 2024 (Jan – Dec)	144	112	4.1%	5.4%	-1.3%

Figure 3: Sales Index YoY Growth – Past 12 months

	J	F	M	A	M	J	J	A	S	O	N	D
Sales Index	140	144	143	146	146	141	144	143	142	147	143	146
Sales YoY	2.8%	7.7%	3.1%	6.6%	4.8%	2.1%	4.4%	2.2%	1.9%	6.2%	3.0%	4.9%
Transactions YoY	2.1%	8.6%	6.0%	5.3%	5.4%	5.0%	3.8%	5.8%	4.0%	7.8%	6.1%	5.5%
Avg. Ticket YoY	0.7%	-0.8%	-2.7%	1.2%	-0.6%	-2.8%	0.6%	-3.4%	-2.0%	-1.5%	-3.0%	-0.6%
Inflation Rate (BLS gov)	3.1%	3.2%	3.5%	3.4%	3.3%	3.0%	2.9%	2.5%	2.4%	2.6%	2.7%	2.8%(est.)

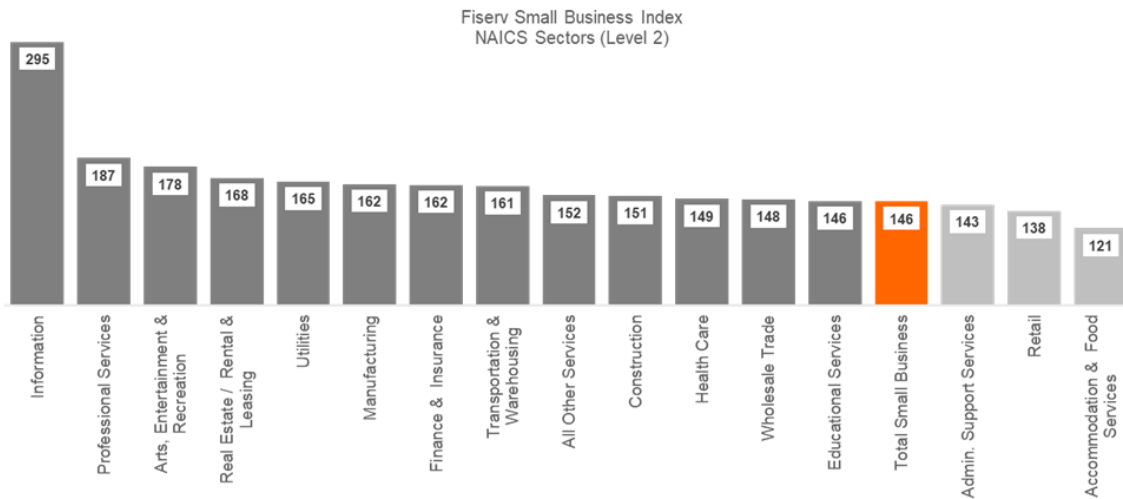
Figure 3 shows the pace of year-over-year sales growth has advanced at +4.9% in December, bringing a strong finish to 2024 with assistance from holiday demand at Retail. Transactions were also strong at year-end and grew at a pace of +5.5%. Average ticket growth tapered -0.6%.

Macro-economic signals that add some context to these December 2024 results:

1. The inflation rate increased to 2.7% in November. The Federal Reserve issued a third and final interest rate cut of 2024 in December. The combination of these events may have increased consumer incentive to spend, especially on larger ticket items.
2. Q3 2024 GDP grew at an annualized rate of +2.8%, partly due to robust consumer spending. Some of this momentum likely carried through into Q4 to help the year along to a strong finish.
3. Consumer sentiment rose for a fifth consecutive month to 74.0 in December. This was another economic indicator that suggested consumers would likely be inclined to spend .



Figure 4: Fiserv Small Business Index NAICS Sectors (Level 2) – Sales Index (December 2024)



\$ Vol Rank	16	4	10	8	15	14	9	11	6	5	7	3	13	--	12	1	2
Sales Growth YoY	+24.1%	+12.2%	+4.6%	+21.8%	+7.9%	+9.2%	+4.6%	+7.5%	+5.9%	+3.1%	+3.3%	+4.8%	+3.9%	+4.9%	+4.7%	+4.9%	-2.2%

Figure 4 displays the Index results for Total Small Business and each of the 16 NAICS sectors tracked by the Fiserv Small Business Index (sorted in descending order). The table contains the dollar-volume rank and the YoY sales growth rate for each sector. Many of the high-volume sectors are indexing higher than the national index, a signal that consumers are staying engaged and have continued to spend confidently in sectors that help to drive small business.

Top Small Business Segments – Month-Over-Month Results

Figure 6: Top 10 Subsectors (Based on Sales Volume) – December 2024

The top 10 subsectors consistently represent between 61% and 63% of all small-business sales volume.

Sales Volume Rank	Top 10 Subsectors (NAICS L3) (based on total dollar sales)	Sales Index	Index Point Chg.	Sales % Chg. MoM	Trans. % Chg. MoM	Avg. Ticket % Chg. MoM	Contr.	Primary Driver of MoM Sales Change
1	Food Services and Drinking Places	120	-2	-1.6%	1.4%	-3.0%	13.9%	Average ticket decrease
2	Professional, Scientific, and Technical Services	187	+6	3.2%	1.2%	2.0%	8.2%	Average ticket increase
3	Specialty Trade Contractors	151	+6	3.8%	1.5%	2.3%	7.6%	Average ticket increase
4	Merchant Wholesalers, Durable Goods	144	+6	4.0%	2.0%	1.9%	5.8%	Transaction count increase Average ticket increase
5	Insurance Carriers and Related Activities	162	+8	4.9%	0.4%	4.5%	5.3%	Average ticket increase

6	Ambulatory Health Care Services	149	+8	5.4%	4.1%	1.2%	5.1%	Transaction count increase
7	Food and Beverage Retailers	150	-2	-1.3%	-1.8%	0.4%	4.5%	Transaction count decrease
8	Real Estate	181	+8	4.9%	3.1%	1.8%	4.4%	Transaction count increase
9	Accommodation	126	0	-0.1%	-0.7%	0.6%	4.0%	Transaction count decrease
10	Gasoline Stations and Fuel Dealers	135	+2	1.6%	0.1%	1.4%	3.6%	Average ticket increase
	Total Small Business	146	+3	2.0%	0.6%	1.4%	100%	Average ticket increase

Figure 7: Discretionary vs. Non-Discretionary Spend (weighted)

	Wtd. Sales Index	Index Point Chg.	Sales % Chg. MoM	Trans. % Chg. MoM	Avg. Ticket % Chg. MoM	Share of Sales	Primary Driver of MoM Sales Change
Discretionary	140	+2	1.1%	0.9%	0.2%	49%	Transaction count increase
Non-Discretionary (essential)	159	+5	3.0%	-0.1%	3.0%	51%	Average ticket increase

Figure 8: Goods vs. Services

	Wtd. Sales Index	Index Point Chg.	Sales % Chg. MoM	Trans. % Chg. MoM	Avg. Ticket % Chg. MoM	Share of Sales	Primary Driver of MoM Sales Change
Goods	142	+3	2.0%	-0.7%	2.7%	29%	Average ticket increase
Services	152	+4	2.1%	1.2%	0.9%	71%	Transaction count increase

Month-over-month non-discretionary spend increased primarily due to larger average ticket sizes. Discretionary spending grew from increased transactions; average tickets were basically flat (+0.2%) month-over-month. From the perspective of Goods and Services, consumers' spending increase of +2.0% was driven by higher average tickets (+2.7%), while Services spending was driven by increased transactions (+1.2%).



Retail Performance: Pace of Consumer Spending Accelerates in December

Figure 9

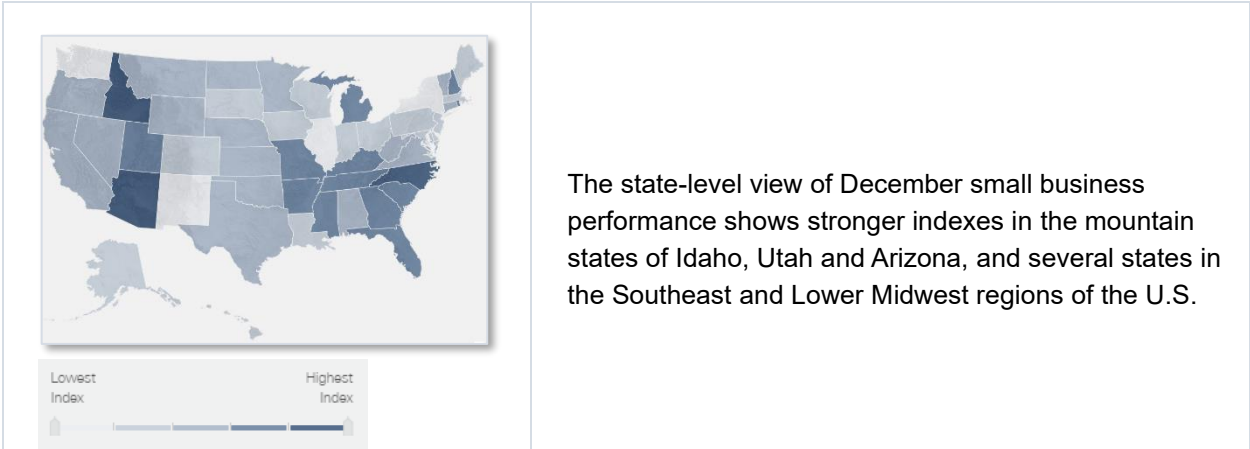
Rank	NAICS Level 3 Retail Category – Ranked on Sales Volume	Sales Index	Index Point Chg.	Sales % Chg. MoM	Sales % Chg. YoY
1	Food and Beverage Retailers	150	-2	-1.3%	5.3%
2	Gasoline Stations and Fuel Dealers	135	+2	1.6%	2.6%
3	Motor Vehicle and Parts Dealers	131	0	0.1%	3.3%
4	Building Material and Garden Equipment and Supplies Dealers	158	+1	0.6%	5.0%
5	Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers	123	0	-0.1%	4.1%
6	Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	117	+8	7.6%	7.5%
7	Furniture, Home Furnishings, Electronics, and Appliance Retailers	125	0	0.1%	6.3%
8	General Merchandise Retailers	192	+6	3.1%	14.4%
9	Health and Personal Care Retailers	126	+3	2.6%	1.2%
	Total Retail Trade	138	+1	1.0%	4.9%
	Total Small Business Retail	146	+3	2.0%	4.9%

Retail Performance

Nationally, the Fiserv Small Business Index for Retail Trade showed that year-over-year sales grew at +4.9% and transactions grew at +5.8%. Average tickets fell YoY, but not by much (-0.9%). Compared to November, all retail subsectors had accelerated sales growth except for Sporting Goods (-0.1%) and Food and Beverage Retailers. The latter slowed by -1.3% MoM, but YoY sales growth for the subsector was solid at +5.3%, driven primarily by foot traffic (+6.0%). Other noteworthy subsectors with strong year-over-year results were Clothing/Accessories/Shoes/Jewelry (+7.5%), General Merchandise Retailers (+14.4%), and Furniture/Home Furnishings/Electronics/Appliances (+6.3%).

State-Level Overview – November 2024

Figure 10



Top 5 States

Figure 11-A: Based on Sales Growth MoM

State Rank (\$\$)	Top 5 States Based on MoM Sales % Chg.	Sales Index	Index Point Chg.	Sales % Chg. MoM	Sales % Chg. YoY
49	North Dakota	149	+11	7.7%	9.6%
11	New Jersey	139	+7	5.2%	4.7%
19	Arizona	176	+9	5.1%	10.0%
47	Vermont	148	+7	4.9%	15.4%
17	Minnesota	145	+7	4.9%	8.5%

Figure 11-B: Based on Total Sales Volume

State Rank (\$\$)	Top 5 States Based on Total Sales Volume	Sales Index	Index Point Chg.	Sales % Chg. MoM	Sales % Chg. YoY
1	California	147	+4	3.1%	6.7%
2	Florida	163	+2	1.3%	9.8%
3	Texas	147	+2	1.0%	2.1%
4	New York	121	+2	2.0%	1.8%
5	Illinois	130	0	0.0%	7.7%

Figure 11-A shows the top 5 states in December based on their acceleration of sales growth from November. Smaller states (in terms of small business representation) like North Dakota (+7.7%) and Vermont (+4.9%) delivered impressive growth.

Figure 11-B lists the top 5 states in the U.S. based on total sales volume for small business in December. Year-over-year growth in Florida of +9.8% made it the clear leader among these top 5 states. California led month-over-month sales growth.

Top Metro Markets Overview – December 2024

Figure 12: Top Ten Metro Markets

Rank*	Top Metro Markets	Sales Index	Index Point Chg.	Sales % Chg. MoM	Sales % Chg. YoY
1	New York-Newark-Jersey City NY-NJ-PA	118	+4	3.1%	-2.4%
2	Los Angeles-Long Beach-Anaheim CA	154	+6	4.1%	4.5%
3	Chicago-Naperville-Elgin IL-IN-WI	125	0	-0.2%	2.4%
4	Miami-Fort Lauderdale-Pompano Beach FL	161	+2	1.4%	10.4%
5	Dallas-Fort Worth-Arlington TX	145	0	-0.2%	-1.4%
6	Washington-Arlington-Alexandria DC-VA-MD-WV	134	+2	1.2%	-4.0%
7	Boston-Cambridge-Newton MA-NH	136	0	0.5%	-2.2%
8	Atlanta-Sandy Springs-Alpharetta GA	161	+4	2.1%	14.5%
9	Philadelphia-Camden-Wilmington PA-NJ-DE-MD	135	+5	3.3%	3.7%
10	San Francisco-Oakland-Berkeley CA	124	+4	3.2%	3.7%

* Top 10 ranked on total market sales volume

Learn More

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