AI adoption in local businesses: what the 2026 research says

Published Oct 2, 2026. Adoption looks like 20% or 76% depending on how it is measured, and most small firms are still early. Here is what the data shows.

~1 in 5
of US businesses use AI in a business function (Census, May 2026)

46-76%
of owners report using AI in owner surveys (Fed to Goldman)

7%
of small AI-using firms are fully integrated (Federal Reserve)

2%
of firms report AI-related employment decreases (Census)

Adoption depends on who you ask



Census asks about use "in any business function" over two weeks across all firms. The Fed counts small employers, including AI features inside existing software. BizBuySell, Goldman and Intuit survey owner networks, so they skew toward engaged users. Intuit measures "regular" use among 34,000+ owners in four countries.

01 Sampling
Probability samples vs. convenience samples from owner networks.

02 Definition
Chatbot experimentation vs. operational integration.

03 Population
All-size firms vs. small-business networks.

Smaller firms and trades are where adoption lags



Firms with fewer than 20 employees stayed flat from December 2025 to May 2026. Food service, construction, transportation and agriculture are all below 10%. The Philadelphia Fed found about one-third of Third District small firms use AI, versus 46% nationally.

Read the full report with methodology and all 11 sources
datacentral.us/research.html >

What owners use it for



Census, share of adopters by function. Main tasks are writing, document analysis and information search.

BizBuySell Q1 2026, owner-reported reasons.

Integration is shallow



~50% experimenting 44% partial 7% full

Federal Reserve SBCS, small AI-using firms. Goldman alumni report 14% fully embedded. Census: 57% of adopters use AI in three or fewer functions. Momentum: 15% plan to start within 12 months, and owners with no plans fell from 30% to 20%.

Outcomes are positive, but mostly self-reported

Productivity up	**71%**	Federal Reserve
Higher sales	**31%**	Federal Reserve
AI augments, not replaces	**87%**	Goldman Sachs
Firms with AI-related job loss	**2%**	Census
Better quality	**39%**	Federal Reserve
Positive business impact	**93%**	Goldman Sachs
Report returns / not yet	**52% / 24%**	Bluevine

Most AI-using firms saw no change in labor costs (Federal Reserve).

What holds firms back

NOT YET ADOPTING

33% have no plans; over half say AI is "not applicable"

About 20% cite safety concerns (Minneapolis Fed)

Planners: finding tools 54%, time to implement 37%

CURRENT USERS

Accuracy concerns 46%

Adapting tools to the business 43%

73% say more training and resources would help

GOING DEEPER

82% face obstacles to deeper integration

78% do not fully trust AI for basic tasks (Bluevine)

Cost was not a top challenge in the Fed survey

What the report recommends

LOCAL BUSINESS OWNERS

- Start with recurring writing and admin tasks using existing assistants
- Review accuracy on customer-facing and financial uses
- Set a data-handling policy before expanding
- Track one metric for 30 days before paying for tools

CHAMBERS, LENDERS, DEVELOPMENT CENTERS

- Give trade-specific training and worked examples
- Target firms under 20 employees and low-adoption sectors
- Help with tool selection, the top challenge for prospective adopters

Caveats. No survey measures "local business" directly, so proxies are used. Outcomes are largely self-reported. Several surveys were sponsored by lenders, vendors or program networks. Census changed its question in Nov 2025, roughly doubling measured adoption.

Sources

1. Census Bureau, AI Use at U.S. Businesses (May 2026)
2. Census working paper CES-WP-26-25, The Microstructure of AI Diffusion
3. Census working paper CES-WP-24-16, Tracking Firm Use of AI
4. Federal Reserve Banks, 2026 Report on Employer Firms
5. Philadelphia Fed, SBCS 2026: Third District
6. Minneapolis Fed, AI adoption grows steadily but unevenly (May 2026)
7. Goldman Sachs 10,000 Small Businesses Voices (Mar 2026)
8. BizBuySell Q1 2026 Insight Report
9. Bluevine 2026 Small Business AI Trends Report
10. Intuit QuickBooks 2026 AI Impact Report
11. Intermax, State of Local AI (Inland Empire)