



Bipartisan Policy Center

Small Businesses Matter: Navigating the AI Frontier

Small businesses increasingly embrace AI and often lead in adoption and implementation. A recent BPC and Morning Consult survey revealed that many small businesses are actively adopting and testing AI tools to optimize their operations. BPC hosted roundtable conversations with small business owners, which provided additional context into how they approach AI. Small business owners emphasized that “AI levels the playing field and supercharges human tasks,” and that, “AI policy can’t be designed around big company use.”

Key Findings

1. Small businesses are at the forefront of AI adoption.
2. Young and minority small business owners lead AI adoption.
3. The federal government can take steps to expand adoption and integration of AI-tools among small businesses.

Fast Facts

- 57% of small business owners and executives incorporate AI to some extent in their operations.
- 83% of small business owners and executives report that AI has been beneficial to their companies.
- Younger small business owners and executives aged 18-34 (76%) and 35-44 (70%) exhibit significantly higher rates of AI use compared to those aged 45-64 (44%) and 65+ (33%).
- Most small business owners and executives indicate a desire to invest specifically in AI-related technologies, with 58% of those polled expressing their intention to make an investment. This percentage is significantly higher among non-white small business owners and executives.
- The most significant barrier to the adoption of AI tools is their cost (55%). Data privacy (52%), a lack of knowledge about which tools to use (50%), concerns over their employees’ lack of digital skills (48%), and the cost of training employees (46%) are also challenges for small business owners and executives.

- When asked what would be most helpful for AI adoption and use, 47% of small business owners and executives said they'd prefer financial assistance through grants to access AI technologies, train staff, and cover adoption costs, while 34% said technical assistance and training resources on how to use them would be helpful.

Guiding Principles for Future Small Business AI Policy

- Promote growth by ensuring cost is not a barrier to adoption
- Provide small businesses with up-to-date technical assistance
- Emphasize and codify "Responsible AI"
- Create greater flexibility in federal small business programs to increase access to both funding and digitalization for small businesses



Read BPC's report, [Small Businesses Matter: Navigating the AI Frontier](#), to learn more about how small business owners are using AI.

