Dreamonomics

The new economics of small business growth

INSIGHTS ● SEPTEMBER 2026

▲ **Studio Mouvoir**
Claire Victor

Joint Seafood, Specialty Fish Market ▲

Meat Hook ▸

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Small businesses have always been builders of possibility.

As a small business owner myself, I know firsthand that turning an idea into a lasting business takes not only ambition, but resilience, constant decision-making and the right support.

Most small business owners set out with a simple dream: to build something of their own, on their own terms. Few imagine that long-term success will be determined less by the dream itself, and more by the systems, protections and decisions that sustain it over time.

In today's environment, business owners are navigating constant change, rising expectations, and increasing complexity. Growth opportunities can appear overnight, but so can the pressures that come with them. A surge in demand, a major local event, a new customer segment or an unexpected market shift can create opportunities. It can also test whether a business has the tools and support needed to seize the moment.

That is why understanding the realities facing small and medium-sized businesses matters so much.

The Dreamonomics study was created to listen to business owners around the world and better understand how they are defining success today. For many, success now means balancing ambition with confidence, resilience and control. Growth remains important, but it is increasingly pursued alongside customer loyalty, financial stability, personal wellbeing, and long-term business strength.

Their message is clear: growth is not simply about getting bigger. It’s about building a business that can thrive, adapt and endure.

The findings also reveal an important challenge. While entrepreneurs are embracing digital tools, new technologies and innovative ways of working, many are still searching for solutions that are simpler, more connected and easier to manage. They want the confidence that comes from knowing their business is protected. They want technology that works for them, not against them. And they want support that helps them prepare for success before it arrives. This is a responsibility that extends beyond small business owners themselves.

Financial institutions, technology providers, governments, communities and business partners all have a role to play in creating the conditions that help small businesses succeed. When we invest in the infrastructure that powers, protects and supports entrepreneurs, we do more than strengthen individual businesses. We strengthen local economies, create jobs, encourage innovation and unlock broader prosperity.

Because opportunity should never become a burden.

When a city fills with visitors for a major event. When customer demand suddenly accelerates. When a business is ready to take its next step. Those moments should represent breakthrough opportunities, not breaking points. With the right tools, insights and support systems in place, small businesses can transform possibility into progress and momentum into lasting growth.

We hope this report provides valuable insight into what small business owners need most, where they see opportunity, and how organizations across sectors can come together to support them. When we invest in the infrastructure that powers, protects and propels small businesses, we help transform moments of opportunity into lasting progress. And when small businesses succeed, communities prosper and economies grow.

Every small business starts with a dream. Together, we can help ensure it has every opportunity to succeed.

The reality of running a business is changing fundamentally.

A one-size approach to supporting small and medium-sized enterprises (SMEs) no longer reflects the diversity of their environment, maturity and ambitions.

While their needs vary widely, four consistent themes emerge/define the new economics of SME growth.

Success is being redefined

SMEs continue to pursue growth, but increasingly prioritize predictability, trusted customer relationships and long-term resilience over growth at any cost.

Stability now requires adaptability

In an era of constant disruption, stability comes from flexibility, visibility and control rather than predictability alone.

Cybersecurity is becoming a growth enabler

Security is evolving from a defensive necessity into a foundation for growth, enabling confidence, trust and resilience in an increasingly digital economy.

Business tools must be flexible and rewarding

SMEs want solutions that adapt to their needs, simplify complexity and deliver practical value as their businesses grow.

Success is being redefined

Growth remains the number one priority for SMEs, but it is increasingly being pursued on different terms. Rather than chasing rapid expansion at any cost, business owners are redefining success around stronger, smarter growth that balances ambition with predictability, resilience and personal wellbeing.

This shift is reflected not only in attitudes toward work-life balance and purpose, but also in how SMEs think about customers. Sixty-one percent say they would rather build deeper customer relationships than reach as many customers as possible. In an environment where customer acquisition is increasingly costly and competitive, loyalty, trust and repeat business are becoming valuable sources of sustainable growth.

SMEs in the UK are among the strongest advocates of relationship-led growth. Sixty-nine percent say they would rather build deep customer relationships than maximize customer reach, the joint highest level of any market surveyed.

For many SMEs, reputation functions as a form of business capital. In industries that depend on referrals, repeat business and word-of-mouth recommendations, a trusted reputation can be just as valuable as financial capital. Protecting that reputation is therefore central to how many owners think about growth, customer relationships and risk. Key business priorities now include:

Noble Signs ▸
Mac Pohanka

61%	Balance between work and personal wellbeing
56%	Work that reflects who I am and what I care about
61%	Deep customer and employee relationships
#2 growth related 5-year goal	Building a trusted reputation

“

I want to keep that reputation and keep my staff. I want people to feel good and live well.

CEO, building and construction, France

Creator-oriented businesses remain more growth focused compared to other small business owners, highlighting how digital native business models often place greater emphasis on reach influence and audience growth. Sixty-four percent of influencers say they would rather build a widely known and influential brand than prioritise predictability, and 54% agree their top priority is to grow their work and career, even if it means making personal sacrifices.Yet for both, this shift elevates the importance of solutions that reduce operational burden and support smarter decision-making. Tools that save time, simplify administration, and protect business reputation — particularly through embedded security and fraud protection — become critical.

Joint Seafood, Specialty Fish Market ▸
Liwei Liao

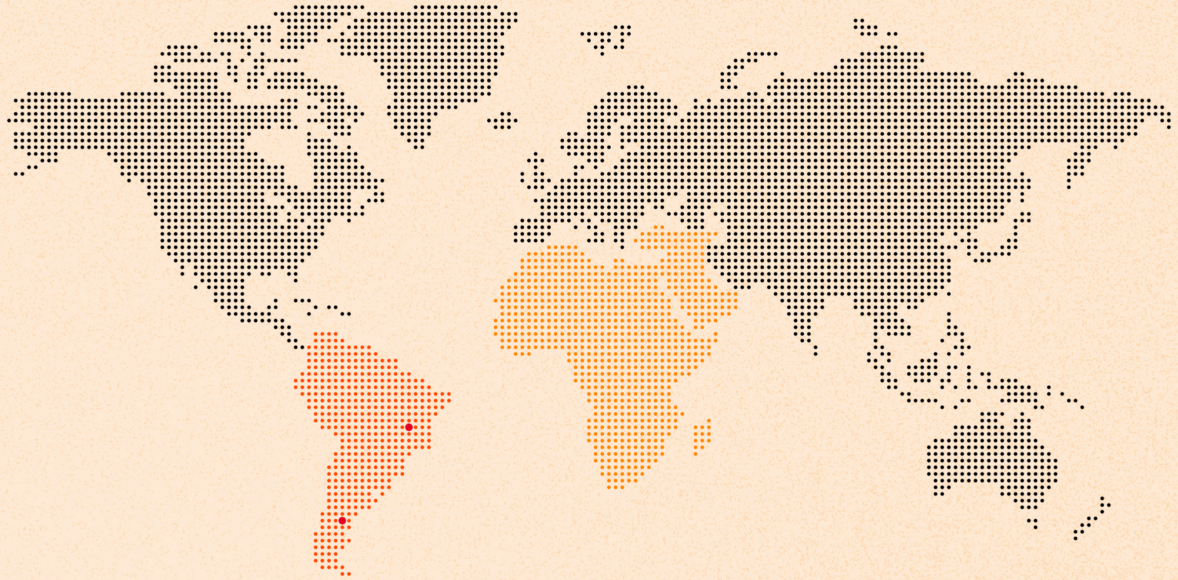
Stability now requires adaptability

Stability today is no longer about operating in predictable conditions; it is about navigating constant disruption. SMEs face mounting pressures from rising costs (54%; 63% for microbusinesses), economic uncertainty (49%), revenue volatility (44%; 51% for microbusinesses), and intensifying competition (52%). Chaos and unpredictability have become part of the entrepreneurial condition. These forces create a continuous need to adjust, recalibrate and respond.

SMEs are often characterised as risk-takers, yet the reality is more nuanced. Starting a business requires optimism and entrepreneurial courage, but as businesses mature, owners become increasingly focused on protecting what they have built. They remain ambitious, but become more deliberate in how they pursue opportunity. Sixty-eight percent prioritise stability over rapid growth and more than half (54%) actively avoid unnecessary financial risk. This is risk aversion is inherent to running a business: 35% of those who embrace risk personally become more cautious when their business is on the line.

> “*There are now many influencers and bloggers [who] often accept very low payments. Brands sometimes prefer the cheaper options, which reduces our earning potential.*
>
> Content creator, Saudi Arabia

Views on stability vary significantly around the world. In Latin America, nearly three-quarters (74%) prioritise predictability over fast growth, rising to 76% in both Brazil and Argentina. By contrast, small and medium businesses in the Middle East and Africa are more growth-oriented, with only 59% prioritising predictability and just 40% actively avoiding risk. This suggests that while SMEs globally seek resilience, different markets define the path to resilience differently.



74%
Latin America

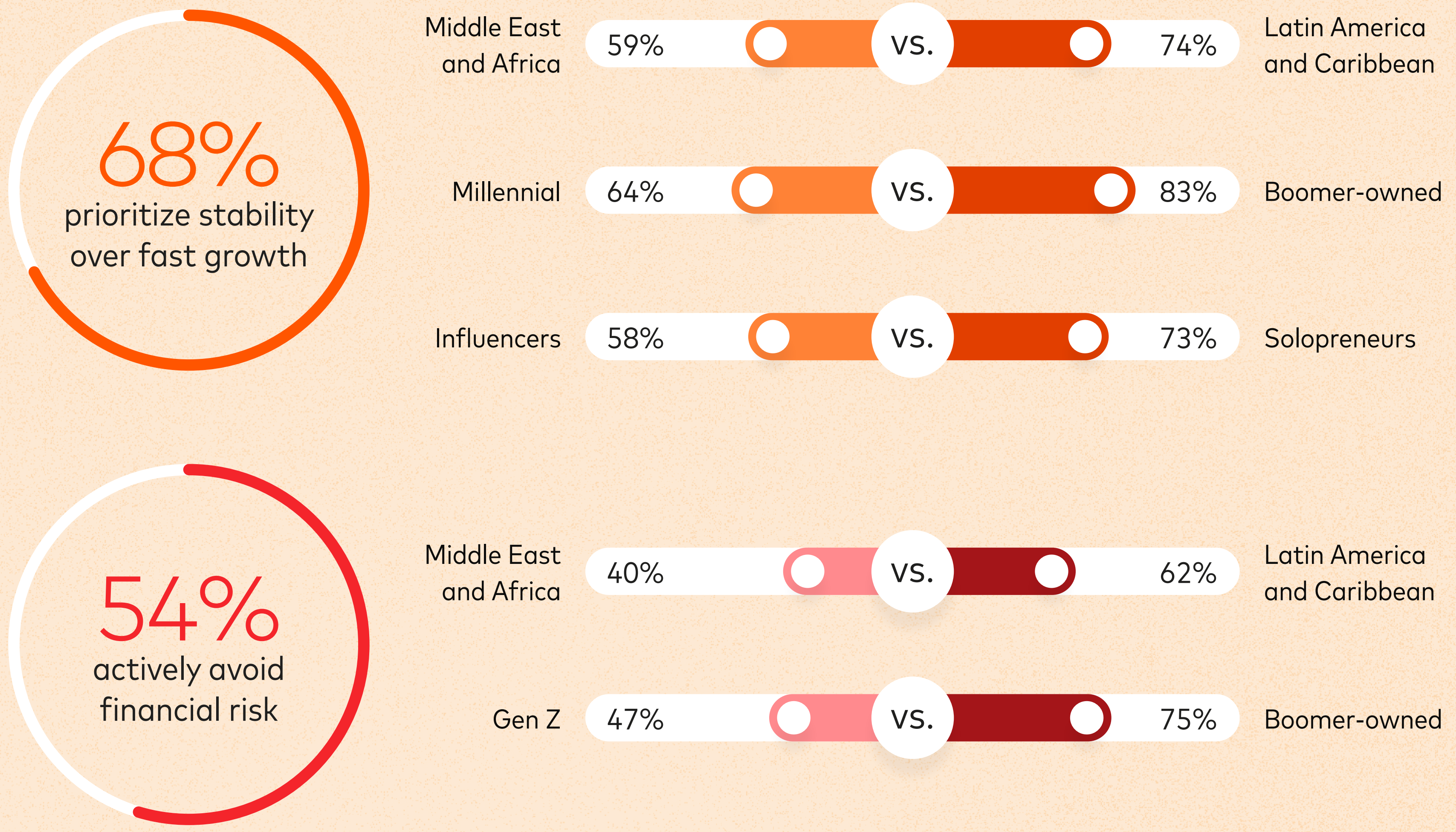
76%
Brazil and Argentina

59%
Middle East and Africa

At the same time, however, they require speed and flexibility to maintain control, particularly in managing cash flow. Faster payments, real-time visibility, and reliable access to funds provide a sense of stability in an otherwise unpredictable system.

This dynamic reframes the role of financial tools. Payments, financial management and cash-flow visibility are no longer simply growth enablers. They are increasingly viewed as mechanisms for maintaining control, creating predictability and powering sustainable business performance.
Over a third (35%) of SMEs are interested in payment management and reconciliation tools (such as reconciling transactions across accounts, bank connectivity, automated alerts/reminders) while 84% of SMEs are interested in real-time payments.

Payments, credit and financial management solutions must therefore do more than facilitate transactions — they must offer transparency, predictability and protection. When designed well, they can help SMEs remain stable not by reducing change, but by enabling them to adapt to it.



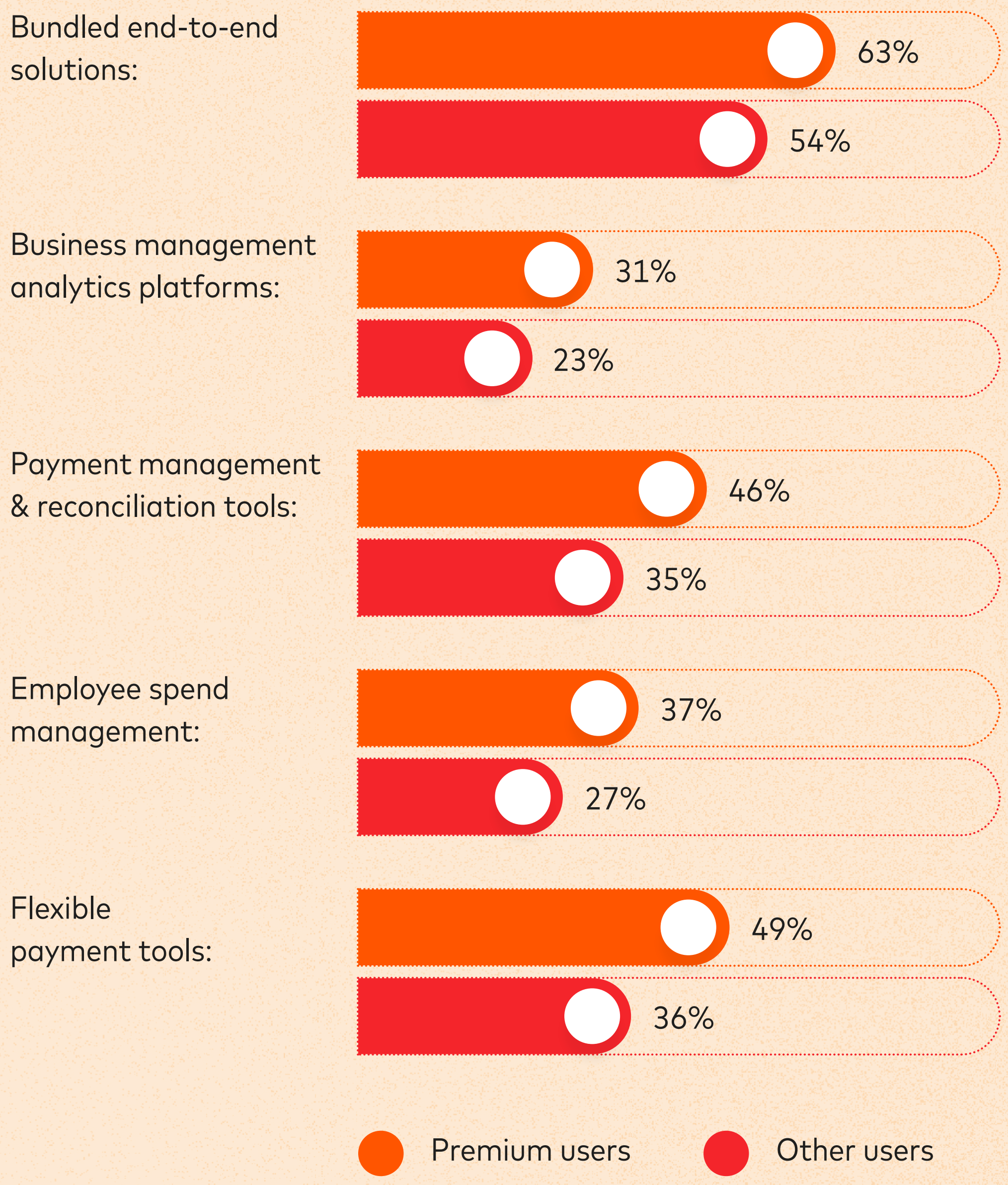
Premium financial solutions propel medium-sized businesses forward

As businesses grow in size and complexity, their financial needs evolve beyond simple transactions toward integrated, intelligence-driven solutions.

Medium-sized businesses are leading this shift: over half (51%) now adopt premium business card solutions, compared to just 18% of micro businesses and 36% of small businesses. Content-powered businesses (whose majority income comes from content they produce to promote business products or services) are also strong adopters at 45%. For these organizations, premium is not just about status or added perks; it reflects a need for greater control, visibility and confidence as they scale.

Compared to their peers, premium users are more likely to adopt bundled, end-to-end solutions (63% vs 54% of non-premium users) and to invest in capabilities that help them run their business more effectively, from business management analytics platforms (31% vs.23%) and payment management and reconciliation tools (46% vs.35%) to employee spend management (37% vs. 27%) and flexible payment tools (49% vs. 36%). This signals a fundamental shift in mindset: financial tools are no longer just functional utilities, but a critical operating layer that supports smarter decision-making and sustainable growth.

Premium solutions help medium-sized businesses simplify complexity, manage risk and unlock efficiency, enabling leaders to focus less on administration and more on driving their business forward.



Cybersecurity is becoming a growth enabler

Digital ambition is creating a new challenge for SMEs: how to innovate, simplify and stay protected at the same time. While SMEs continue to embrace new tools and technologies, many are struggling to manage fragmented systems, disconnected data and mounting security challenges.

SMEs are not suffering from a lack of technology, they're increasingly challenged by too much disconnected technology. Businesses already use multiple digital tools, a third use more than six solutions, and 89% want to adopt even more. Yet 78% say integrated solutions are critical, reflecting a growing need to simpli rather than expand their technology ecosystems.

Artificial intelligence represents a particularly powerful opportunity within this landscape. SMEs are broadly optimistic about its potential, especially in areas such as fraud and security protection (41%), smart invoicing (35%), expense management (34%), and personalized business guidance (33%). However, adoption depends on how seamlessly these capabilities are integrated into existing workflows. SMEs are not looking for additional tools to manage; they are looking for intelligence embedded within the systems they already use.

70%

of SMEs are excited about the possibilities AI can provide

39%

rely heavily on AI for their businesses today

As SMEs become increasingly digital, cybersecurity is evolving from a defensive necessity into a foundation for growth. Business owners recognize that customer trust, operational continuity and confidence in digital channels are essential to sustainable expansion. As a result, 71% now prioritize protection from cyber threats, making security one of the most important enablers of future growth. Yet a significant gap remains: while 73% feel confident in their ability to protect their business, only 37% currently use cybersecurity tools.

This disconnect matters because security is no longer just about preventing losses. It helps businesses embrace new technologies, serve customers with confidence and operate more effectively in an increasingly digital economy. As AI, digital payments and connected business platforms become more deeply embedded in daily operations, SMEs are looking for protection that is built into the tools they already use rather than added as a separate layer

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I want everything more automated, everything faster. A little click and I can see everything. A dashboard on a single screen, consolidated.

Partner, Civil construction, Brazil

The threat is already materializing: Mastercard's 2025 research found that 46% of SMEs experienced a cyberattack in recent years, with an average resulting loss of $25 thousand. As digital adoption accelerates, cybersecurity is becoming a prerequisite for growth rather than simply a safeguard against risk.

Top desired security features (among card benefits):

36%
Identity fraud monitoring and projection

34%
Cyber security insurance — covering you for financial loss/ impact post cyber breach event

Digital ambition is outpacing digital simplicity. SMEs need technology that simplifies rather than complicates and protection that enables rather than restricts growth. The most valuable solutions will help businesses innovate, transact and expand with confidence, embedding security directly into the way they operate.

Underlying this demand is a broader desire for control. SMEs are not looking for technology for technology's sake. They are looking for tools that help them feel more confident, more informed and more in control of their business. Whether through integrated platforms, AI-powered insights, cybersecurity protections or real-time payments, the ultimate objective is the same: reducing uncertainty and increasing confidence in day-to-day decision-making.

SMEs in the Middle East and Africa are among the most technology-forward businesses surveyed. Forty-three percent use AI or machine-learning tools to automate workflows, 42% use cybersecurity tools, 15% use cryptocurrency and 8% use stablecoins. The region demonstrates how technological experimentation can coexist with entrepreneurial growth ambitions.

42%
use cybersecurity tools

15%
use cryptocurrency

8%
use stablecoins

Business tools must be flexible and rewarding

Beyond operational challenges, many SMEs face what could be described as a mental tax of finance. Owners are expected to manage cash flow, taxes, regulation, compliance and financial planning while simultaneously running the business itself. The burden is not simply administrative; it creates stress, uncertainty and decision fatigue, increasing demand for tools that simplify complexity and provide greater clarity.

Faced with complexity, cost pressures, and time constraints, many SMEs default to the simplest available solutions, often using personal financial tools to manage business needs. Personal accounts and credit cards are widely relied upon because they are familiar, accessible and easy to use.

62%
use personal credit cards for business expenses

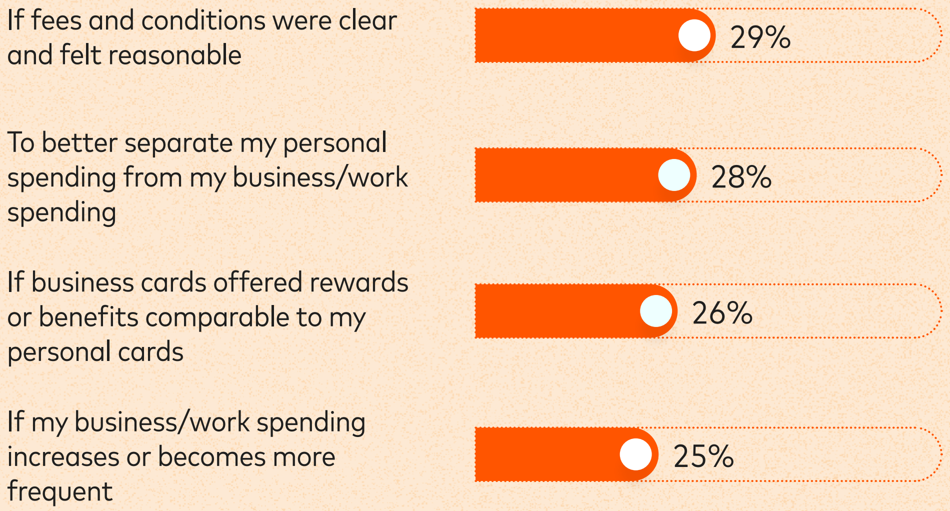
→ **75%**
of creators

54%
use some personal accounts for business

In contrast, business-specific products are frequently perceived as more complicated (cited by 31%), less relevant, or better suited to larger organizations (cited by 31%). Meanwhile, one in five feel it's difficult to access affordable loans and credit, rising to nearly a third (31%) in the Middle East and Africa, with two thirds (67%) preferring to rely on internal funding. As a result, the transition to formal business tools is often delayed, occurring only when growth or operational complexity makes the limitations of personal solutions untenable.

Encouraging SMEs to make this shift requires demonstrating clear and immediate value. Ease of use, clear fees and transparency, relevant rewards and better financial organization all play a role: 76% are open to digital payment solutions that offer more flexibility than traditional business cards (e.g., instant issuance, single or limited use cards, adjustable limits). Just as importantly, solutions need to meet SMEs where they are, offering flexible, incremental pathways rather than requiring full adoption upfront.

Motivations for adoption of business-specific card products:



North America offers a glimpse into where premium business tools may be headed. Business card adoption is strongest in the region, where 51% use business cards exclusively. Fifty-nine percent of users are interested in premium solutions and 40% already use them, signaling growing demand for financial products that combine payments, controls, protections and business benefits in a single proposition.

For more established SMEs, the opportunity lies in delivering premium integrated systems that provide greater visibility, control, and optimization. For earlier-stage businesses, it lies in showing that business tools are not an unnecessary step up, but a better fit for how they already operate. In both cases, the goal is the same: to move SMEs from reactive, constraint-driven choices toward more proactive and optimized financial management.

> *“Not only was it related to my bank, but it probably had the best rewards program. I don’t think there are any other cards that give 2.5% cashback on everything.*
>
> CEO, retail and wholesale, US

Noble Signs ▸

Across markets, industries and business types, a consistent pattern emerges. SMEs are not abandoning growth. They are redefining it. Around the world, business owners are pursuing stronger, smarter growth that balances opportunity with stability, customer acquisition with customer loyalty, and digital innovation with operational simplicity.

What SMEs need now are solutions that are tailored, intuitive, and embedded into the way they already work, offering visibility, security and adaptability without adding friction.

SMEs need:

- Solutions that support their whole wellbeing
- Real-time visibility and control
- Built-in security and protection
- Tools that adapt to their stage and needs

Dreamonomics reveals that the businesses most likely to thrive will increasingly be those that can combine ambition with resilience, powered by connected payments, embedded intelligence and protection that is built into everyday operations.

Banks are anchors for basic money movement, security, and service, but half (51%) of small businesses are willing to switch for better support. Trust equals permission, not loyalty. Supporting organizations must move beyond the role of service provider and become a true operating partner: one that helps SMEs make better decisions, manage risk with confidence, and grow in ways that are both sustainable and aligned with their broader ambitions.

SME service providers can partner with Mastercard to deliver smarter, more integrated solutions that meet SMEs where they are. Together, we can help SMEs power every payment, protect every step and propel every dream. By reducing complexity, strengthening resilience and enabling smarter decision-making, service providers can help business owners pursue growth with greater confidence and control.

▲ Meat Hook

Qualitative study
Mastercard and Hypothesis conducted one-hour in-depth interviews with 30 owners, founders or decision-makers at small and medium-sized businesses (SMEs), including one content creator in each market. Participants were primary or shared decision-makers for the financial providers used by their business and represented a mix of industries, revenue levels, growth stages, business sizes, genders and ages. Interviews were conducted between November 24 and December 12, 2025, across five markets: Brazil, China, France, Saudi Arabia and the United States.

Quantitative study
Mastercard and Hypothesis administered a 35-minute online survey among 6,615 owners, founders and C-suite decision-makers at small and medium-sized enterprises (defined as businesses with fewer than 250 employees). The survey was fielded from February 23 to April 1, 2026 across 18 markets: Argentina, Australia, Brazil, Canada, China, Colombia, France, India, Indonesia, Mexico, the Netherlands, Nigeria, Romania, Saudi Arabia, Türkiye, the United Arab Emirates, the United Kingdom and the United States.

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