U.S. 2025 Small Tech Business AI Survey Findings: Adoption, Benefits, and Opportunities

September 2025

TECHNOMETRICA
MARKET INTELLIGENCE

Table Of Contents

Introduction

Background & Objectives
This survey gauges the pulse of AI adoption in U.S. tech small businesses. We look at where artificial intelligence is being utilized, how much companies are investing, the benefits and roadblocks they foresee, and how AI and government policy are expected to shape their growth in the years ahead.

Survey Sample

- ✓ Online Survey Methodology
- ✓ Sample size - 516 completes
  - TechnoMetrica used its network of panel partners for the sample
- ✓ Credibility interval - +/-4.4 percentage points

Methodology

- ✓ Survey Conducted
  - August 21 – August 27, 2025
- ✓ **Median Interview Length**
  - 10 minutes
- ✓ **Qualification Criteria**
  - Technology company owners or senior managers
  - Employee size = 1 to 250
  - Revenue = Under $35 Million

Findings - Overview

Tech leaders are very familiar with AI.

- Nearly all respondents (98%) know at least the basics, and three-quarters (74%) follow developments closely. A small segment (2%) has only heard of AI and lacks deeper knowledge.

AI is firmly embedded in their operations.

- A majority (62%) actively use AI in business processes, another 43% are piloting solutions, and over half (56%) are developing new products or services. Just 5% report zero adoption.

Firms are both users and builders of AI.

- Nearly half (45%) say they both use and develop AI, while 39% are primarily end-users and 11% focus mainly on development.

AI adoption spans core business functions, led by software, security, and analytics.

- Among users, Data & Analytics (61%), Security/IT (59%), and Software Development & QA (57%) dominate. These same areas top the list of priorities, with 25% citing Software Development and 23% Security as their single most important use case.

Findings - Overview

ChatGPT is the leading tool by a wide margin.

- It is used by 86% of firms, well ahead of Gemini (65%) and Microsoft Copilot (62%). Open-source models (20%) and Claude (16%) have fewer takers.

AI is viewed as critical to business success.

- More than 8 in 10 users (83%) consider it necessary, with 38% calling it "Extremely Important." Most firms have integrated AI into workflows — 45% fully and another 45% partially — with only 10% still in the pilot stage.

AI spending is meaningful and growing.

- The median spend projected for 2025 is $18,000, with about one in five firms expecting to spend $10K–$25K, and 12% planning an outlay of $100K or more. Nearly all users (94%) plan to increase their investment over the next year; one-third plan to do so significantly.

AI is already paying off in cost savings.

- Nine in ten firms report AI savings (median 10.7%). Most reinvest in AI (59%) or other technology (55%), while others boost profits (51%), cut prices for customers (40%), or expand staff (32%).

Findings - Overview

Efficiency, competitiveness, and innovation are the main drivers.

- The top reasons for using AI are improving efficiency/productivity (72%), staying competitive (61%), and accelerating innovation (60%). Nearly half (48%) also point to cost reduction.

Regulation creates uncertainty and delays for many firms, with only a minority citing positive impacts.

- About one in five firms (21%) say regulations significantly hinder adoption, and 2% feel they completely block it. Another quarter (25%) sees a moderate effect, while 26% report only a slight effect, and 24% say regulations have no impact at all.

- Concerns focus on slowing adoption (15%), uncertainty (11%), and added compliance costs (10%). At the same time, some leaders highlight positive roles: promoting responsible innovation (6%), ensuring ethical use (6%), and strengthening privacy protections (6%)

Findings - Overview

Developer priorities center on analytics, agents, and business apps.

- Six in ten are building analytics/data platforms (61%), while over half focus on AI agents/copilots (57%) and SaaS business applications (55%). Consumer apps (53%) and creative tools (52%) are also common, while 41% are working on infrastructure/APIs.

Most AI products are still in testing or early stages.

- The leading stage for developers' most advanced product is pilot testing (30%), followed by prototype/proof of concept (23%). Only 13% report scaling products in the market, and 15% remain at the idea stage.

Many firms manage products across multiple stages simultaneously.

- Nearly half are running prototypes (46%), 44% have products in pilot testing, and 39% are pursuing early-stage concepts. About 18% already have scaled market launches, while 39% report limited-scale launches.

Findings - Overview

Small and mid-sized businesses (SMBs) are the main target market.

- Developers most often build for SMBs (36%), followed by consumers (23%), large enterprises (21%), and internal company use (21%).

OpenAI, Microsoft, and Google dominate developer platforms.

- Two-thirds use OpenAI APIs/models (66%), with Microsoft (62%) and Google (60%) close behind. Smaller percentages rely on open-source/local models (27%), custom in-house models (20%), or Anthropic's Claude (17%).

Developer AI spending is substantial and continues to rise.

- 2025 spending shows a wide range, with a median of $41,300. The largest share (48%) falls in the $5,000–50,000 range, though 15% report spending $100,000–500,000. Nearly all developers (92%) plan to increase their investment in the next year; one-third plan to do so significantly.

Findings - Overview

AI revenue contributions are expected to grow sharply.

- Developers project that a median of 18.5% of company revenue will come from AI products/services within the next three years. While 42% predict 10–25%, a quarter anticipate less than 10%, and 7% expect 50% or more.

Regulation delays affect four in ten developers.

- 12% say regulations *significantly delayed* projects, and 32% report *somewhat delayed* timelines, though a majority (54%) have not experienced delays.

Compliance and privacy dominate regulatory concerns.

- Among those facing delays, the top issues are compliance/approval processes (24%), data privacy/security (21%), and regulatory uncertainty (18%). Concerns about transparency/ethics (15%) and fragmented rules (8%) also appear, with many citing varied "other" issues.

Findings - Overview

Data security is the top concern.

- Over half cite data security/privacy (58%) and reliability/accuracy (54%) as their leading worries. Intellectual property (40%), high costs/unclear ROI (39%), and regulation (32%) are also concerning.

Security, costs, and regulation are the biggest pain points.

- When forced to pick one, businesses prioritize data security (32%), reliability/accuracy (27%), and costs/ROI (15%).

Most firms now have or are planning AI policies.

- About four in ten (38%) already have a formal written policy, one-third (34%) provide informal guidance, and another 17% plan to create one. Just 10% operate without any policy.

IT teams drive AI policy oversight.

- Among firms with policies, 70% assign responsibility to IT/technology teams, while 18% place it with senior leadership and 12% with legal/compliance.

Findings - Overview

Two-thirds expect AI to transform their industry.

- 26% foresee a *transformative impact* and 43% a *major impact* in the next 3–5 years, while only 5% anticipate little or no change.

Efficiency and innovation are the primary expectations for industry impact.

- Predicting industry impact, businesses most often mention efficiency/automation (36%), innovation/growth (20%), and industry transformation (16%), with secondary mentions like decision-making and customer experience (12% each).

Views on AI's impact on jobs are mixed.

- Nearly half (49%) expect both job creation and reduction. Another 24% see a net job gain, 18% predict losses, and only 7% foresee no effect.

Findings - Overview

AI is seen as critical for future business success.

- Three-quarters (74%) say AI will be *very or extremely important* to their company in three years, with one-third (34%) calling it "*extremely important*."

Many expect regulation to accelerate adoption.
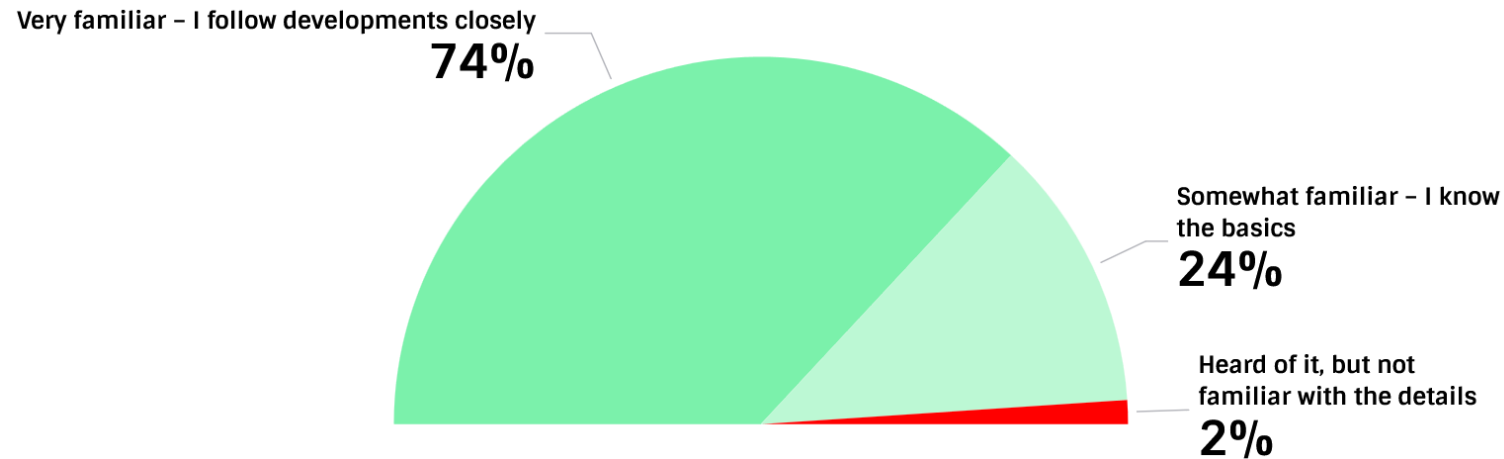
- Over half (54%) believe regulation will speed AI uptake by building clarity and trust, while 19% think it will slow adoption and 17% see no effect.

Most tech leaders are confident about regulatory compliance.

- About nine in ten express at least some confidence, with 42% *very confident* and 48% *somewhat confident* in their ability to comply.

Detailed Findings

Tech Leaders Show Deep Familiarity With AI

Very familiar – I follow developments closely
74%

Somewhat familiar – I know the basics
24%

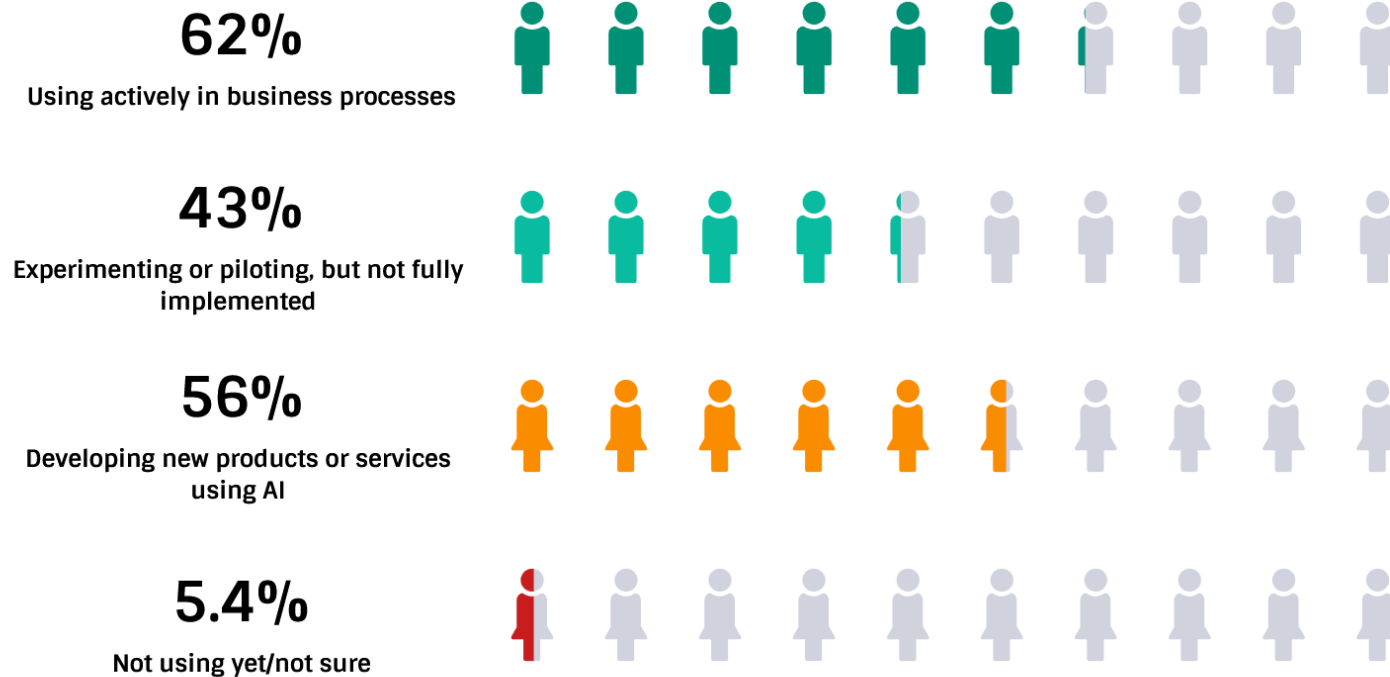**Heard of it, but not familiar with the details**
2%

A1. How familiar would you say you are with AI and its potential business applications? Base: 516 leaders of small and mid-sized U.S. technology firms

- Nearly all respondents are familiar with AI: 98% know at least the basics.

- A strong majority (74%) follow AI developments closely.

- But, 2% have only heard of AI and lack detailed knowledge.

Most Tech Firms Are Actively Embedding AI In Operations

62%
Using actively in business processes

43%
Experimenting or piloting, but not fully implemented

56%
Developing new products or services using AI

5.4%
Not using yet/not sure

A02. In which of the following ways is your company currently engaging with AI? (Select all that apply)? Base: 516 leaders of small and mid-sized U.S. technology firms

- 62% report using AI actively in their business processes.

- 43% are experimenting or piloting AI solutions but have not yet reached full implementation.

- More than half (56%) are developing new products or services using AI.

- Only 5% are not using AI yet or are unsure.

Almost Half Both Use And Build AI Solutions

Developer
11%

User
39%

Both
45%

None
5%
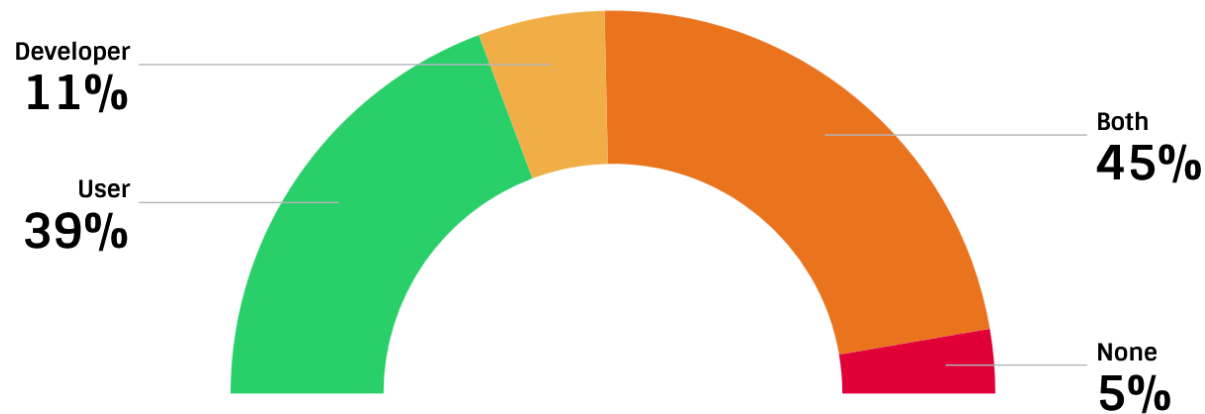
Type. Respondent Type, Base: 516 leaders of small and mid-sized U.S. technology firms

- 45% of firms are both users and developers of AI.

- 39% primarily engage as end-users.

- 11% focus mainly on developing AI solutions.
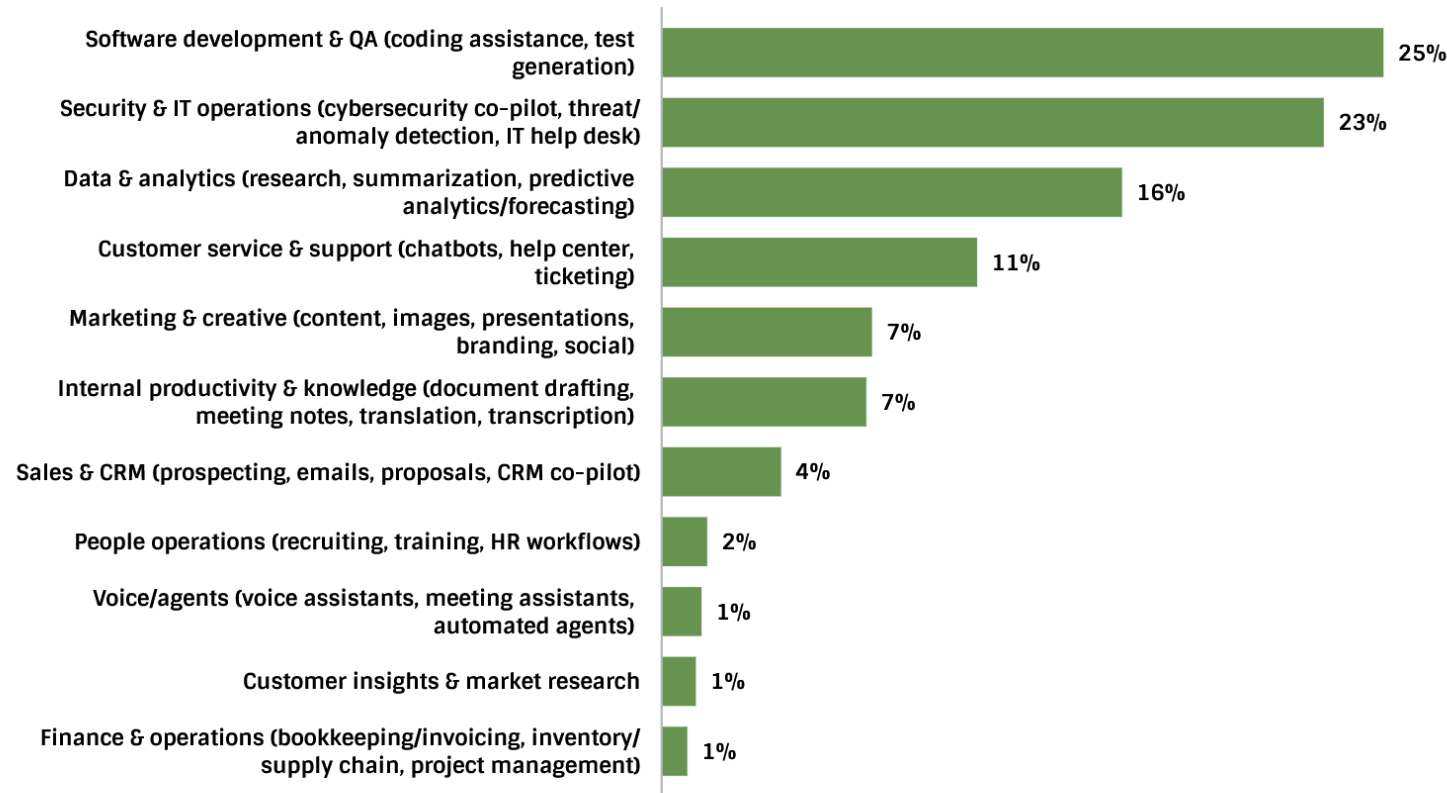
- 5% report zero engagement with AI.

Among AI Users, Adoption Spans Core Business Functions

Data & analytics (research, summarization, predictive analytics/forecasting) — 61%

Security & IT operations (cybersecurity co-pilot, threat/anomaly detection, IT help desk) — 59%

Software development & QA (coding assistance, test generation) — 57%

Customer service & support (chatbots, help center, ticketing) — 52%

Internal productivity & knowledge (document drafting, meeting notes, translation, transcription) — 44%

Marketing & creative (content, images, presentations, branding, social) — 43%

Customer insights & market research — 36%

Sales & CRM (prospecting, emails, proposals, CRM co-pilot) — 33%

Voice/agents (voice assistants, meeting assistants, automated agents) — 32%

Finance & operations (bookkeeping/invoicing, inventory/supply chain, project management) — 29%

People operations (recruiting, training, HR workflows) — 25%

Legal & compliance support — 14%

U01. Which areas of your business currently make use of AI? (Select all that apply) ? Base=433 users

- Among AI users (Base: 433), the top applications are Data & Analytics (61%), Security & IT operations (59%), and Software development & QA (57%).

- More than half (52%) also apply AI in Customer service and support.

- Around 4 in 10 use AI for Internal productivity (44%) and Marketing & creative (43%).

- One-third cite AI applications for Customer insights (36%), Sales & CRM (33%), and Voice/agents (32%).

- Smaller but notable segments mention Finance & operations (29%), HR (25%), and Legal/compliance (14%).

Top AI Priorities: Software Development, Security, and Analytics

Software development & QA (coding assistance, test generation): 25%

Security & IT operations (cybersecurity co-pilot, threat/anomaly detection, IT help desk): 23%

Data & analytics (research, summarization, predictive analytics/forecasting): 16%

Customer service & support (chatbots, help center, ticketing): 11%

Marketing & creative (content, images, presentations, branding, social): 7%

Internal productivity & knowledge (document drafting, meeting notes, translation, transcription): 7%

Sales & CRM (prospecting, emails, proposals, CRM co-pilot): 4%

People operations (recruiting, training, HR workflows): 2%

Voice/agents (voice assistants, meeting assistants, automated agents): 1%

Customer insights & market research: 1%

Finance & operations (bookkeeping/invoicing, inventory/supply chain, project management): 1%

U02. Which of these is the most important area where your company uses AI? Base=433 users

- When asked to pick the single most important use case, AI users (Base: 433) highlight Software development & QA (25%) and Security & IT operations (23%).

- Data & analytics (16%) ranks third.

- Other cited areas include Customer service (11%), Marketing/creative (7%), and Internal productivity (7%).

- Only a few select Sales, HR, Finance, or Market research as their top AI priority.
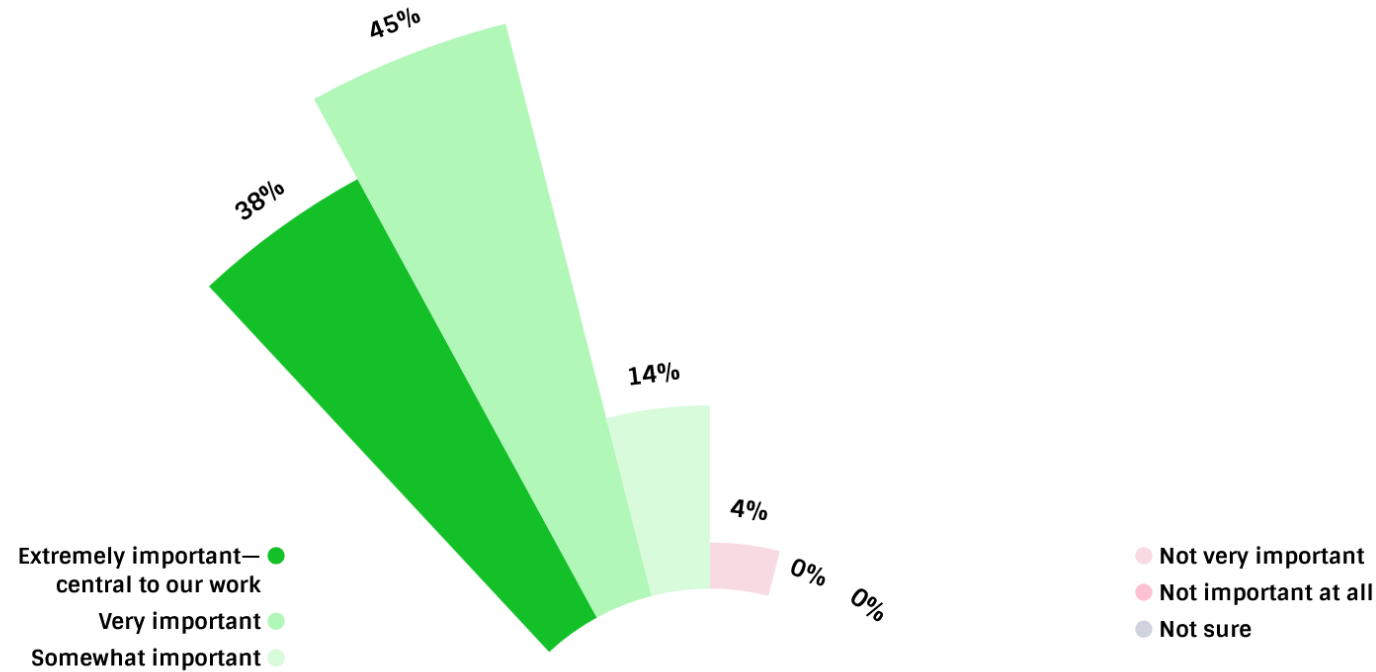
ChatGPT Dominates As The Most-Used AI Tool
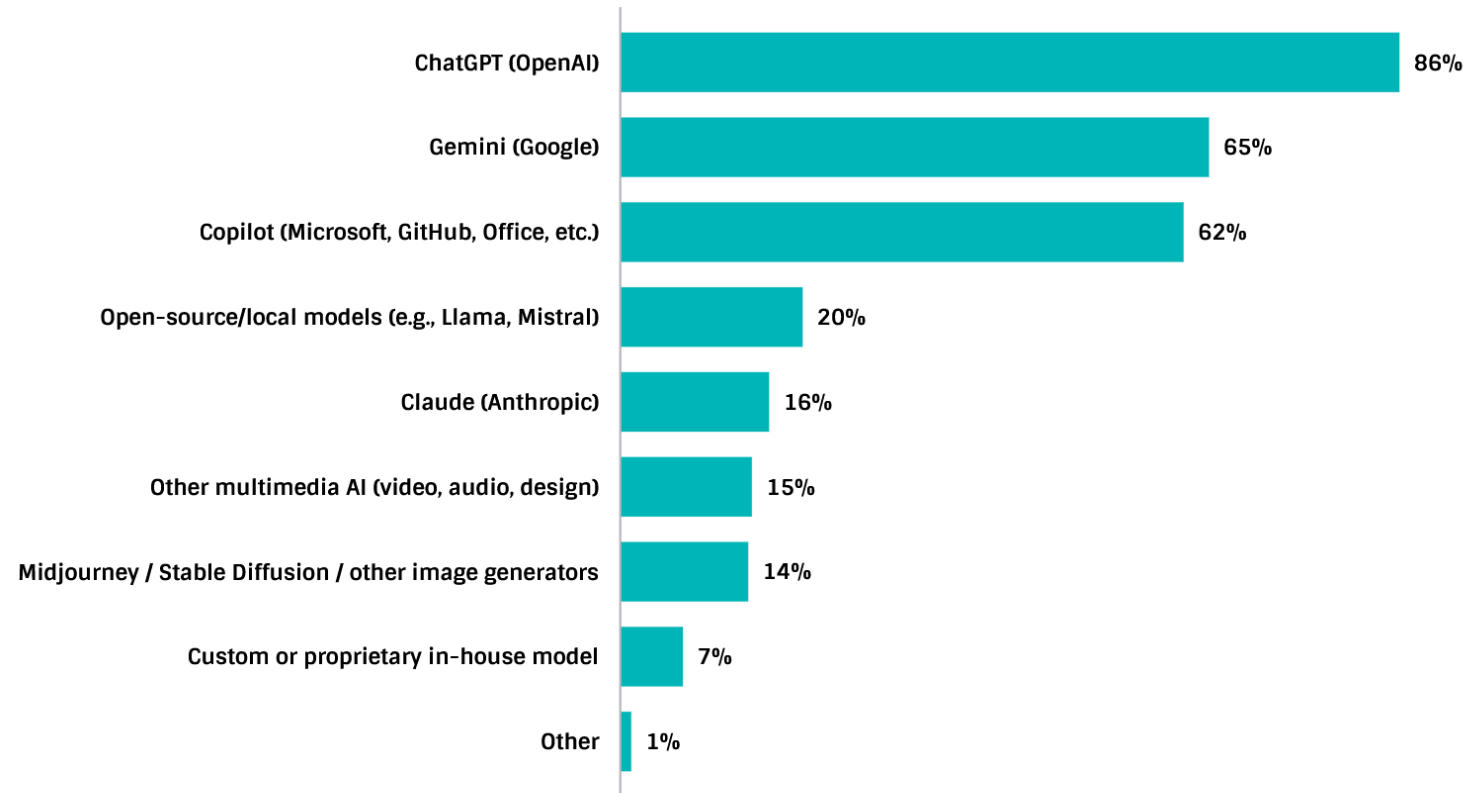
U03. Which AI tools or platforms does your company use most often? (Select all that apply)? Base=433 users

- The majority of AI users rely on ChatGPT (86%).

- Other widely used tools include Google Gemini (65%) and Microsoft Copilot (62%).

- Smaller segments use Open-source/local models (20%), Claude (16%), and multimedia AI tools (15%).

- Visual AI tools like MidJourney/Stable Diffusion (14%) and Custom in-house models (7%) see limited uptake.
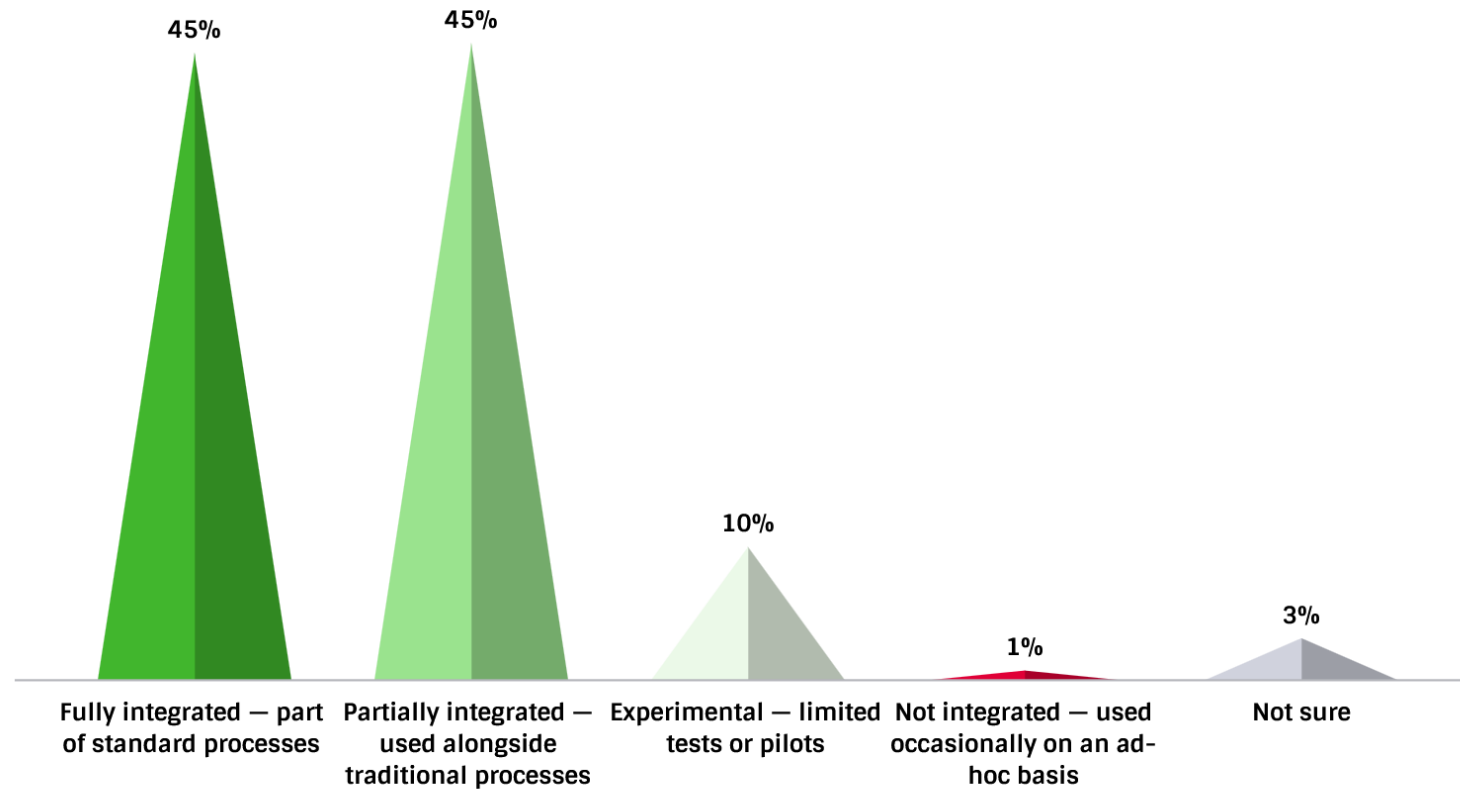
Users See AI As Vital To Company Success

45%

38%

14%

4%

0%

0%

Extremely important—
central to our work

Very important

Somewhat important

Not very important

Not important at all

Not sure

U4. How important is AI to your company today? Base=433 users

- 83% of AI users consider AI important to their company today.

- 38% say AI is *Extremely Important* and central to their work.

- 45% rate it as *Very Important*, while 14% see it as *Somewhat Important*.
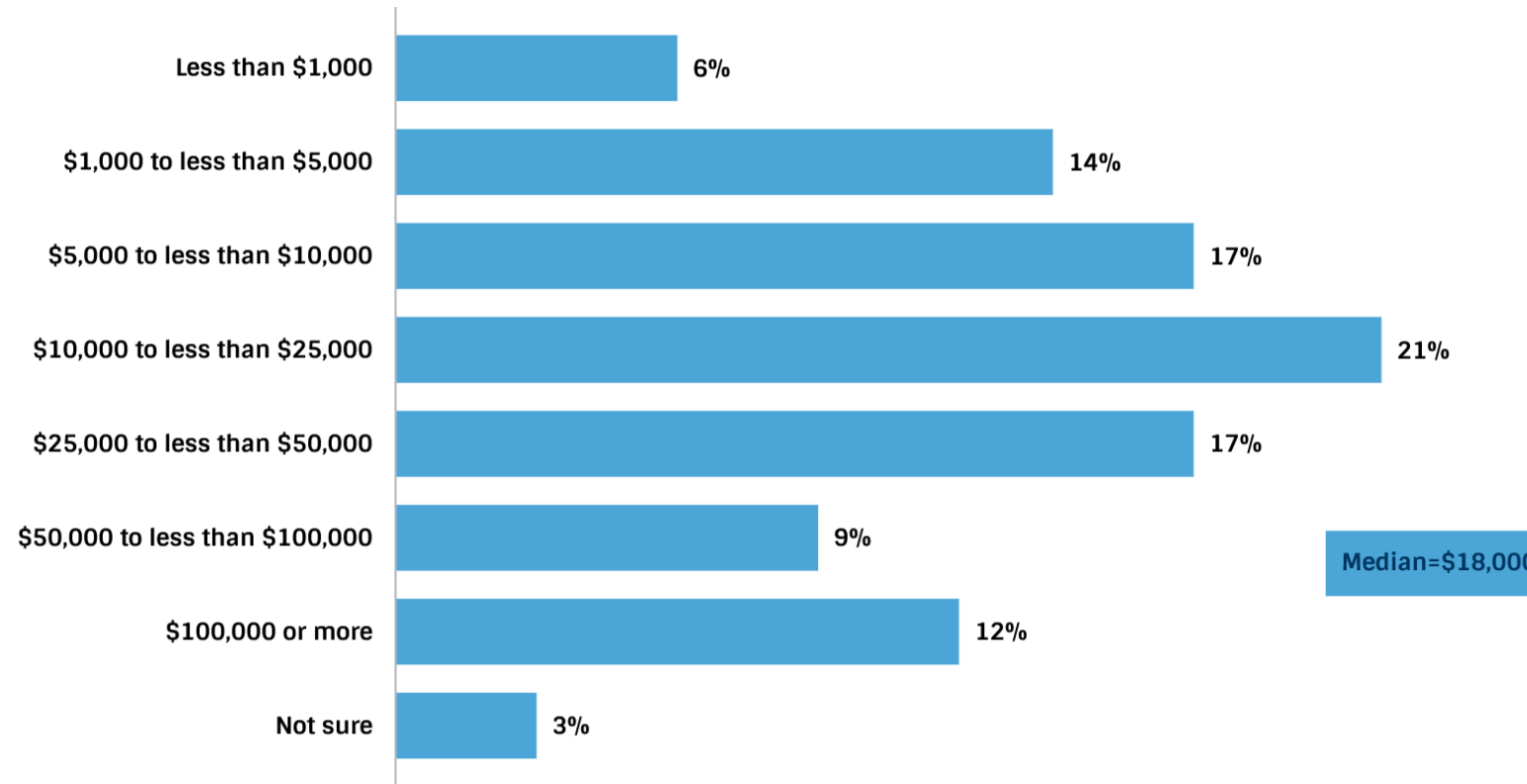
- Only 4% consider AI not important.

Most Firms Have Integrated AI Into Their Workflows

45%

45%

10%

1%

3%

Fully integrated — part of standard processes

Partially integrated — used alongside traditional processes

Experimental — limited tests or pilots

Not integrated — used occasionally on an ad-hoc basis

Not sure

U05. How would you describe the current integration of AI into your business workflows? Base=433 users

- Among users, 45% report full integration of AI into standard processes.

- Another 45% describe AI as partially integrated alongside traditional processes.

- 10% say AI use is still at an experimental or pilot stage.

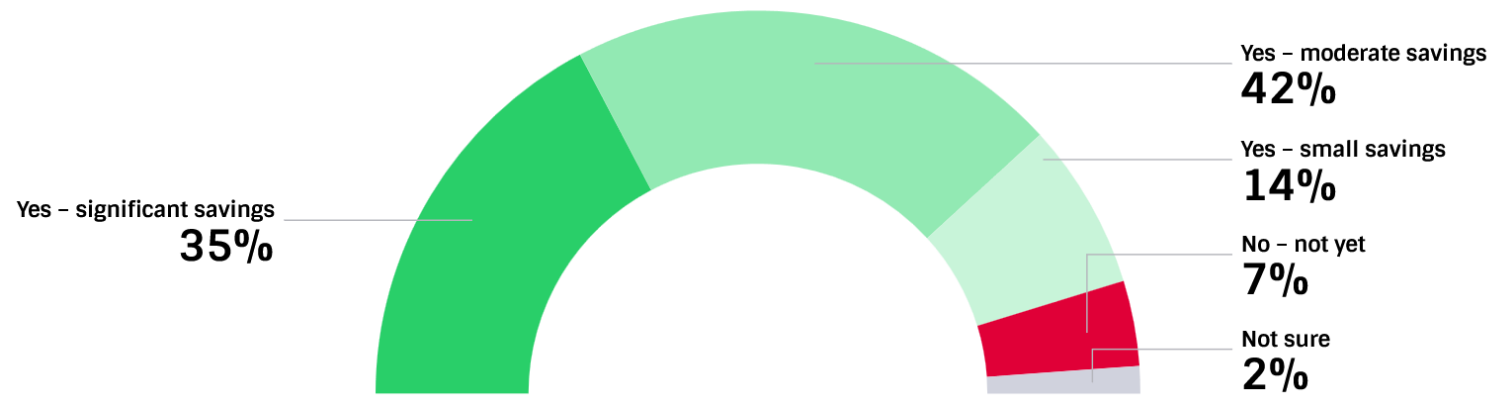- Very few report no integration (1%), and 3% are unsure.

Median AI Spending Among Users Projected at $18,000 in 2025

Less than $1,000 — 6%
$1,000 to less than $5,000 — 14%
$5,000 to less than $10,000 — 17%
$10,000 to less than $25,000 — 21%
$25,000 to less than $50,000 — 17%
$50,000 to less than $100,000 — 9%
$100,000 or more — 12%
Not sure — 3%

Median=$18,000

U06. Approximately how much will your company spend on AI tools, platforms, or services in 2025? Base=433 users

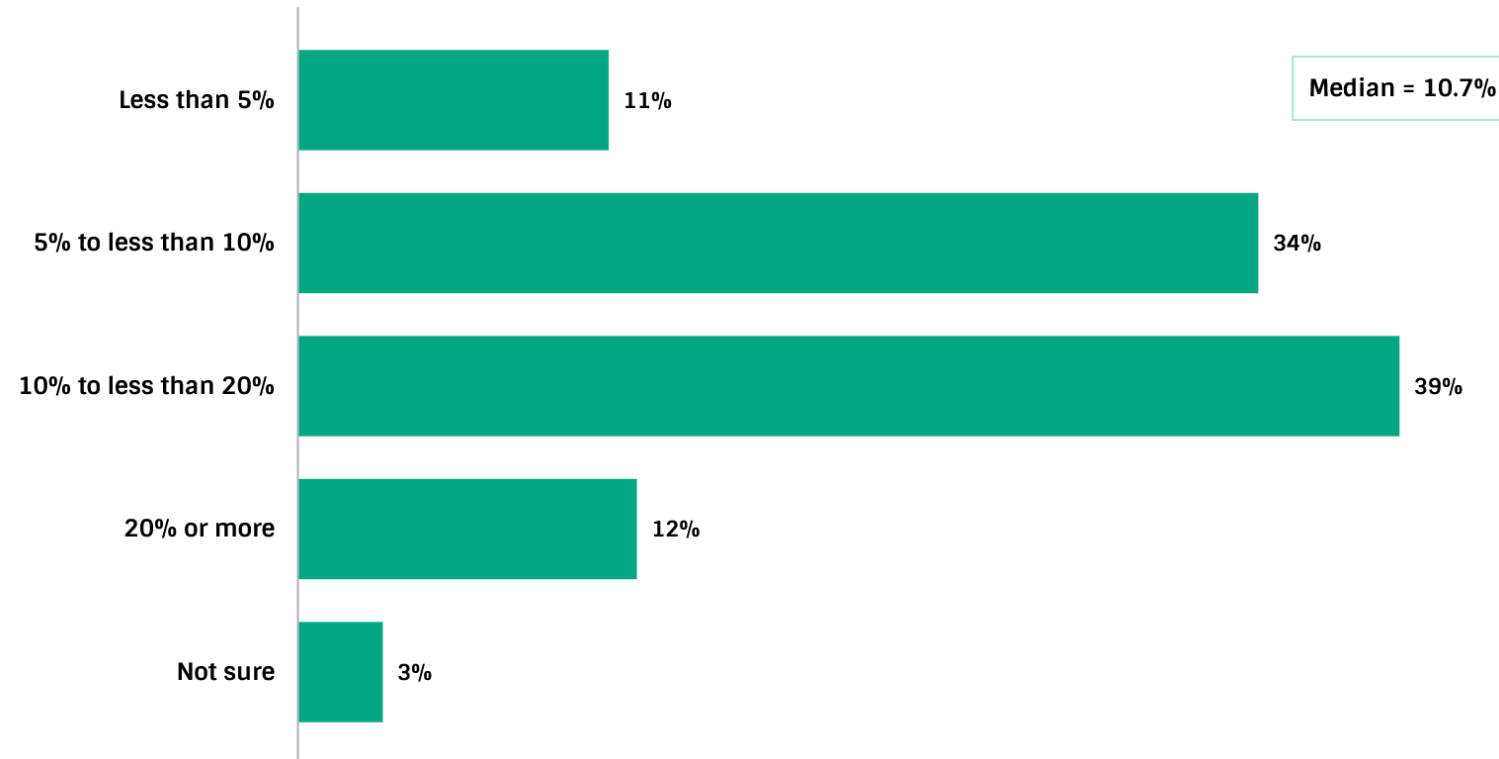- Spending plans vary widely: the largest share (21%) expect to spend $10,000–$25,000.

- 17% each plan to spend $5,000–$10,000 or $25,000–$50,000.

- 12% anticipate spending $100,000 or more.

- The **median projected spend is $18,000.**

Most Users Report AI-Driven Savings

Yes – moderate savings
42%

Yes – small savings
14%

No – not yet
7%

Not sure
2%

Yes – significant savings
35%

U7. Has your company realized any cost savings from using AI? Base=433 users

- A total of 91% of AI users report some level of cost savings from AI.

- 35% cite *significant* savings; 42% report *moderate* savings; 14% note *small* savings.

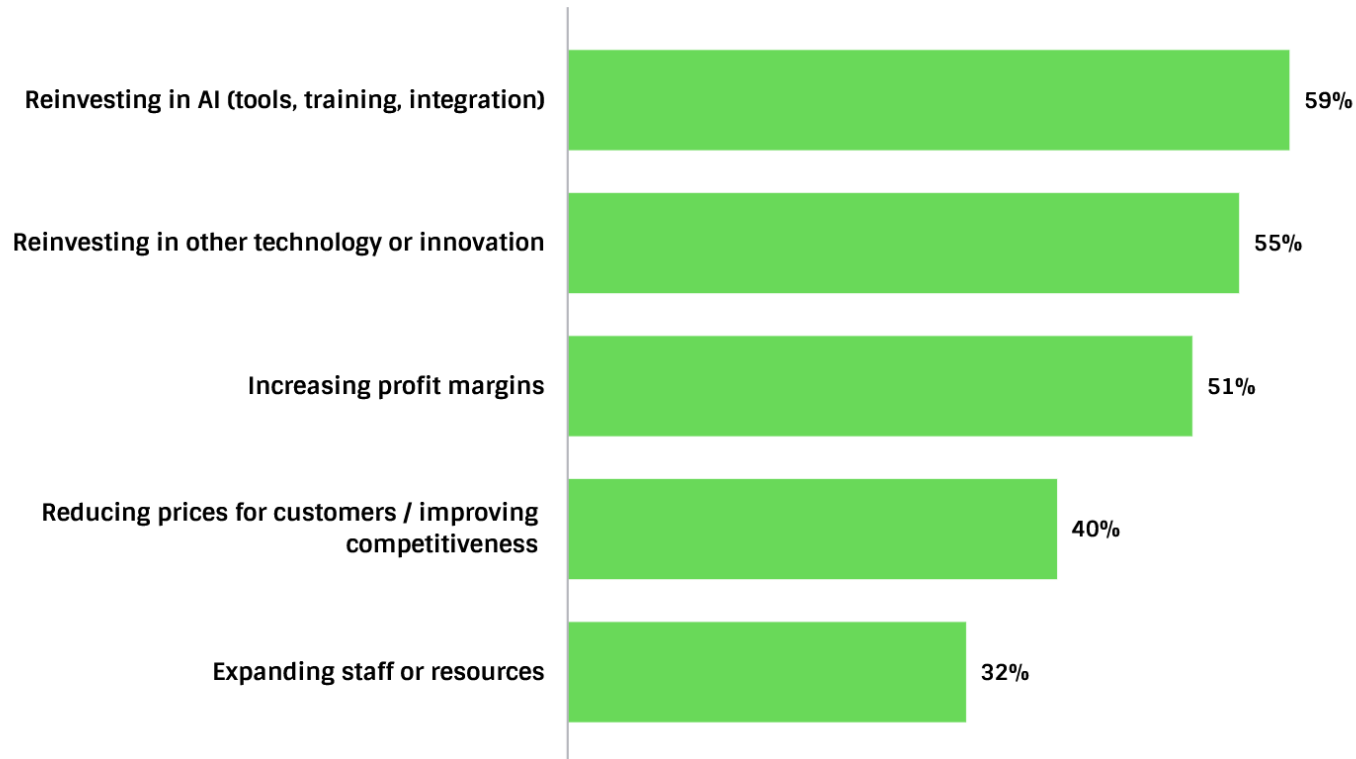- Only 7% say they have not yet realized savings, while 2% are unsure.

AI Delivers Meaningful Cost Reductions For Many Firms

Median = 10.7%

Less than 5% — 11%

5% to less than 10% — 34%

10% to less than 20% — 39%

20% or more — 12%

Not sure — 3%

U8. Approximately what percentage of your company's costs have been reduced due to AI? Base=392 users who have realized savings

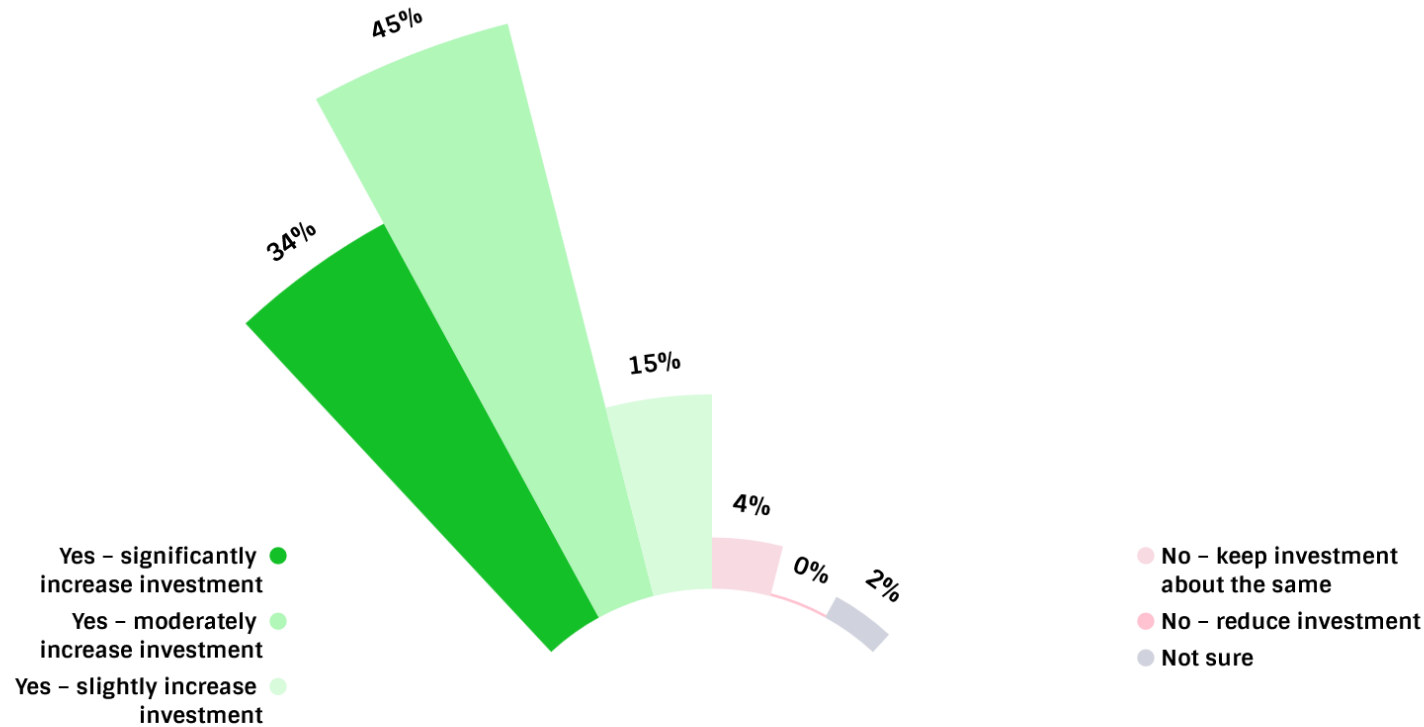- 39% report savings in the 10–20% range.

- 34% see savings of 5–10%.

- 12% achieve reductions of 20% or more.

- Only 11% report savings of less than 5%.

- Among firms realizing savings (Base: 392), the **median cost reduction is 10.7%.**

Savings From AI Are Reinvested Back Into Growth

Reinvesting in AI (tools, training, integration) — 59%
Reinvesting in other technology or innovation — 55%
Increasing profit margins — 51%
Reducing prices for customers / improving competitiveness — 40%
Expanding staff or resources — 32%

U9. If your company has realized savings from AI, how are those savings being used? (Select all that apply), Base=392 users who have realized savings

- A majority reinvest the savings into AI tools, training, and integration (59%).

- 55% channel funds into other technology or innovation.

- Over half (51%) use the savings to increase their profit margins.

- 40% pass savings on to the customers through lower prices or improved competitiveness.

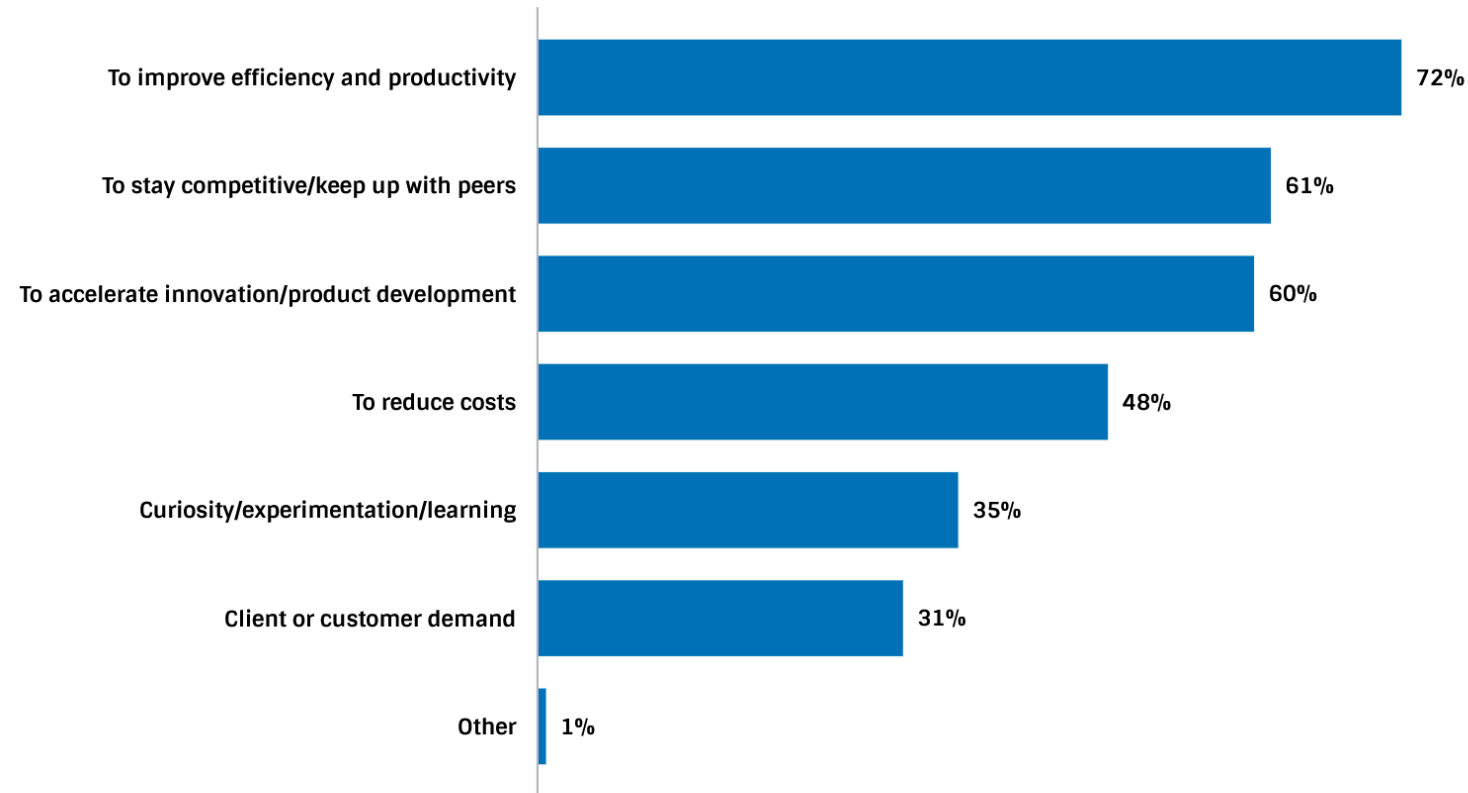- 32% use the savings to expand staff or resources.

Most Firms Plan To Increase AI Investment In The Year Ahead

45%

34%

15%

4%

0%

2%

Yes – significantly
increase investment ●

Yes – moderately
increase investment ●

Yes – slightly increase
investment ●

No – keep investment
about the same ●

No – reduce investment ●

Not sure ●

U10. Does your company plan to increase investment in AI over the next 12 months? Base: 433 users

- Nearly all AI users (94%) expect to increase investment over the next 12 months.

- 34% plan to *significantly increase* spending, while 45% anticipate *a moderate increase*.

- Another 15% expect to *slightly increase* their AI investment.

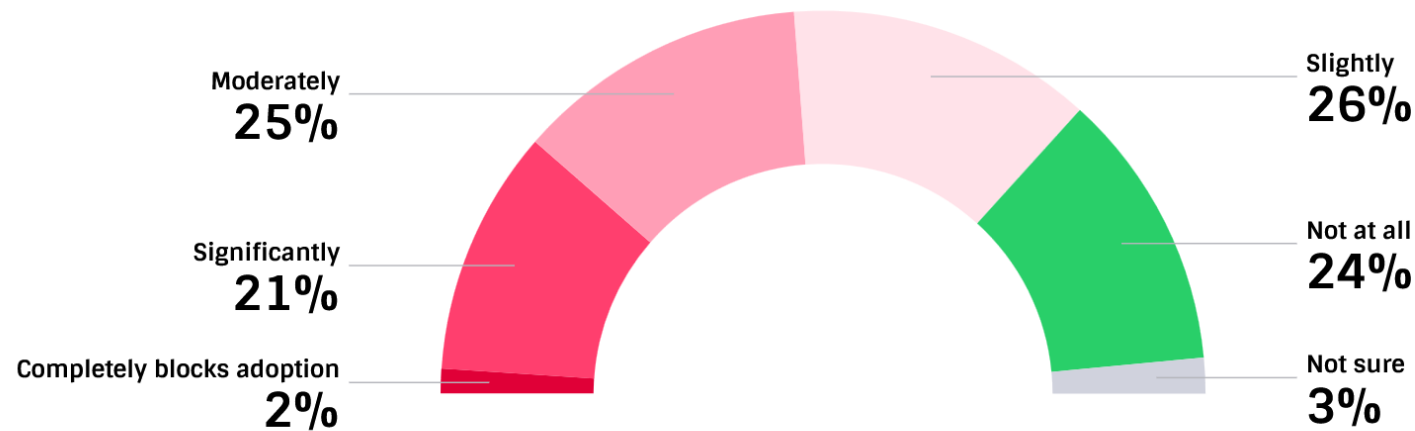- Only 4% plan to keep spending flat; virtually none plan to reduce it.

Efficiency, Competitiveness, And Innovation Drive AI Adoption

To improve efficiency and productivity — 72%
To stay competitive/keep up with peers — 61%
To accelerate innovation/product development — 60%
To reduce costs — 48%
Curiosity/experimentation/learning — 35%
Client or customer demand — 31%
Other — 1%

U11. What are the reasons your company started using AI? (Select all that apply) Base: 433 users

- The main reason companies started using AI is to improve efficiency and productivity (72%).

- Many also cite the need to stay competitive (61%) and accelerate innovation/product development (60%).

- Nearly half (48%) adopted AI to reduce costs.

- Smaller groups point to curiosity and learning (35%) or client/customer demand (31%).
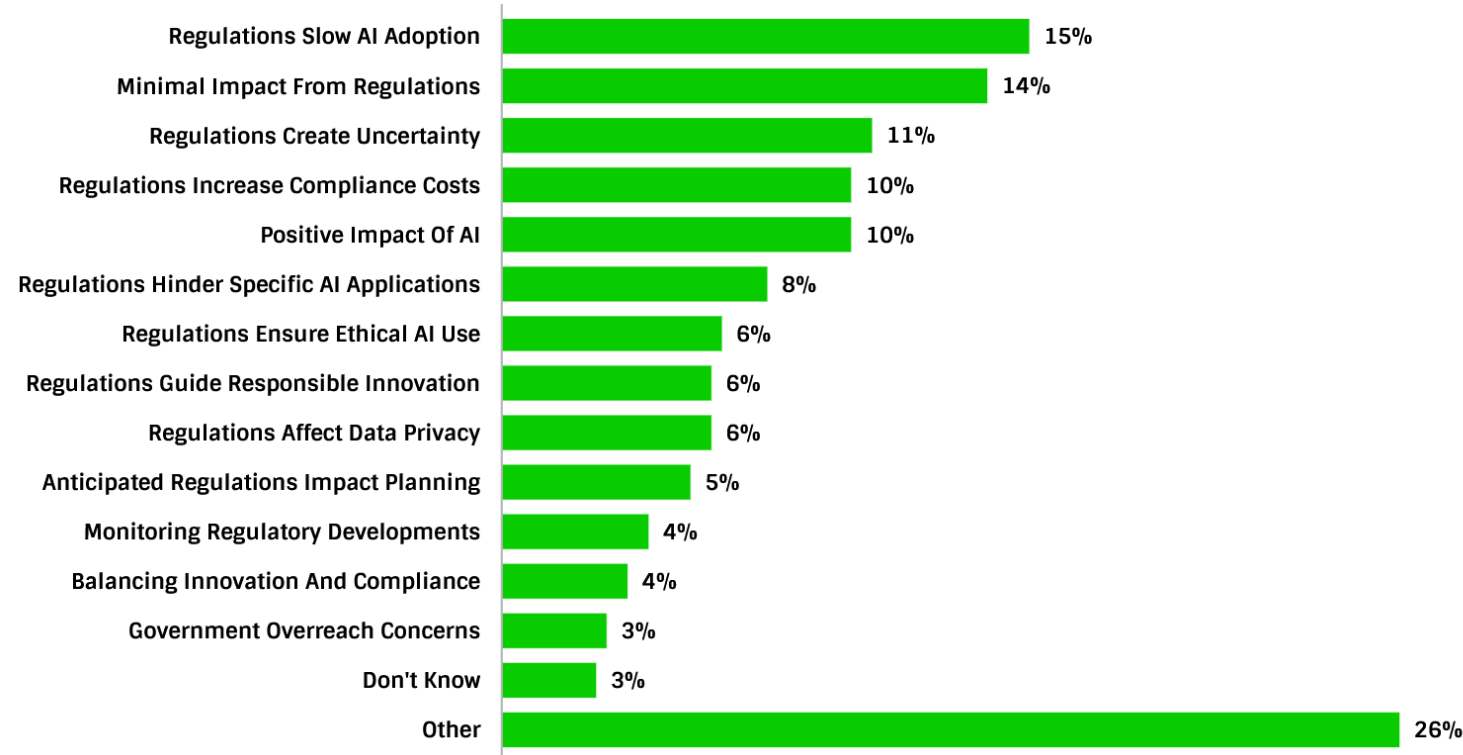
One In Five Firms Say Regulations Significantly Hinder AI Adoption

Moderately
25%

Significantly
21%

Completely blocks adoption
2%

Slightly
26%

Not at all
24%

Not sure
3%

U12. To what extent do current/anticipated government regulations affect your company's ability to adopt AI? Base=433 users

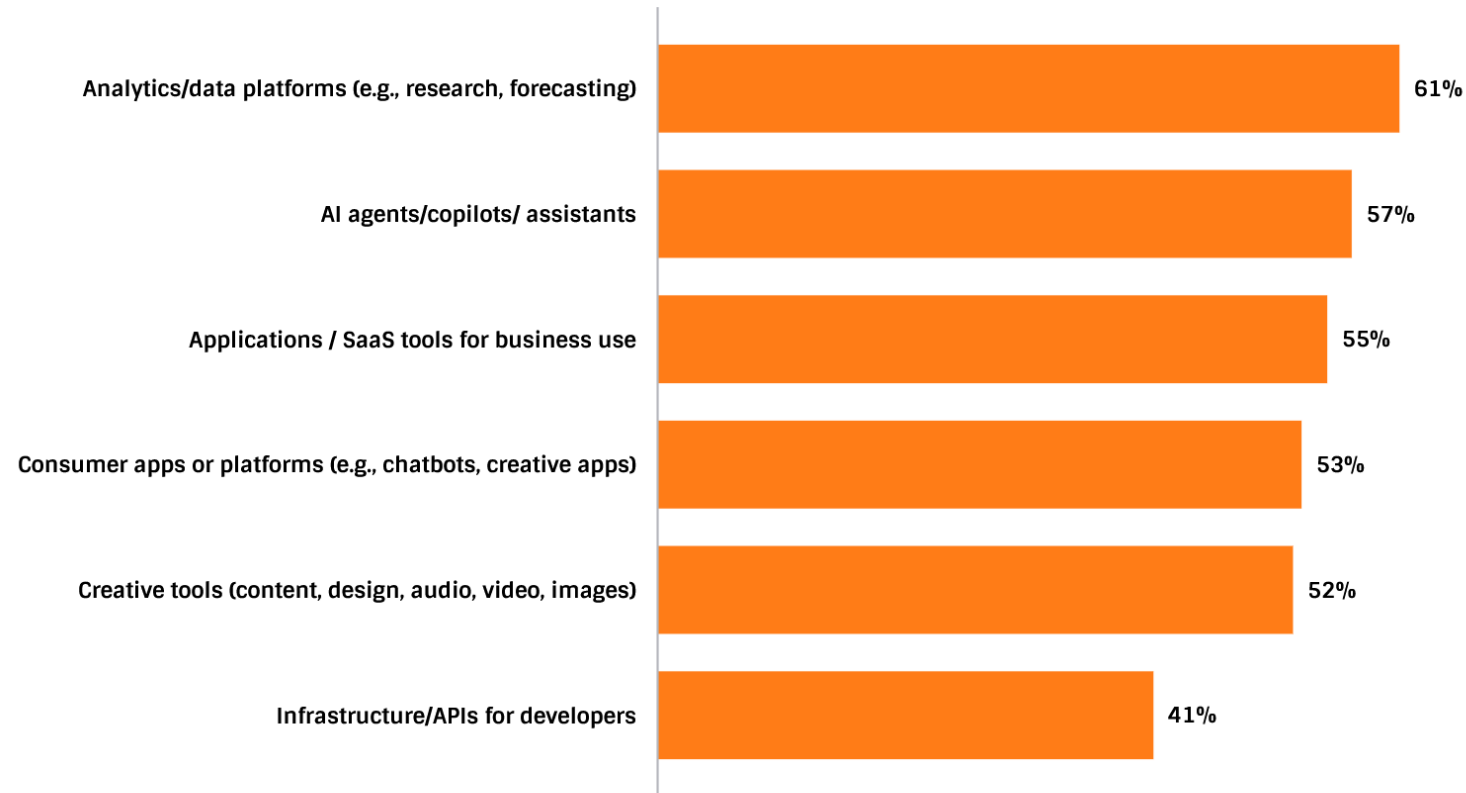- Among AI users, 21% feel regulations *significantly hinder* adoption, and 2% say they *completely block* it.

- Another 25% see a *moderate impact*, while 26% report only a *slight impact*.

- By contrast, 24% say regulations *do not affect* adoption at all.

Regulations Seen As Both A Barrier And A Guide To AI Adoption

Category	Percentage
Regulations Slow AI Adoption	15%
Minimal Impact From Regulations	14%
Regulations Create Uncertainty	11%
Regulations Increase Compliance Costs	10%
Positive Impact Of AI	10%
Regulations Hinder Specific AI Applications	8%
Regulations Ensure Ethical AI Use	6%
Regulations Guide Responsible Innovation	6%
Regulations Affect Data Privacy	6%
Anticipated Regulations Impact Planning	5%
Monitoring Regulatory Developments	4%
Balancing Innovation And Compliance	4%
Government Overreach Concerns	3%
Don't Know	3%
Other	26%

U13. Please provide any comments on the topic of how current/anticipated government regulations affect your company's ability to adopt AI. Base=331 users who anticipate regulations to impact adoption

- Concerns include slowing adoption (15%), uncertainty (11%), and compliance costs (10%).

- 14% anticipate minimal impact from regulations, and 10% look forward to a positive impact.

- Some note positives: responsible innovation (6%), ethical AI (6%), and privacy protections (6%).
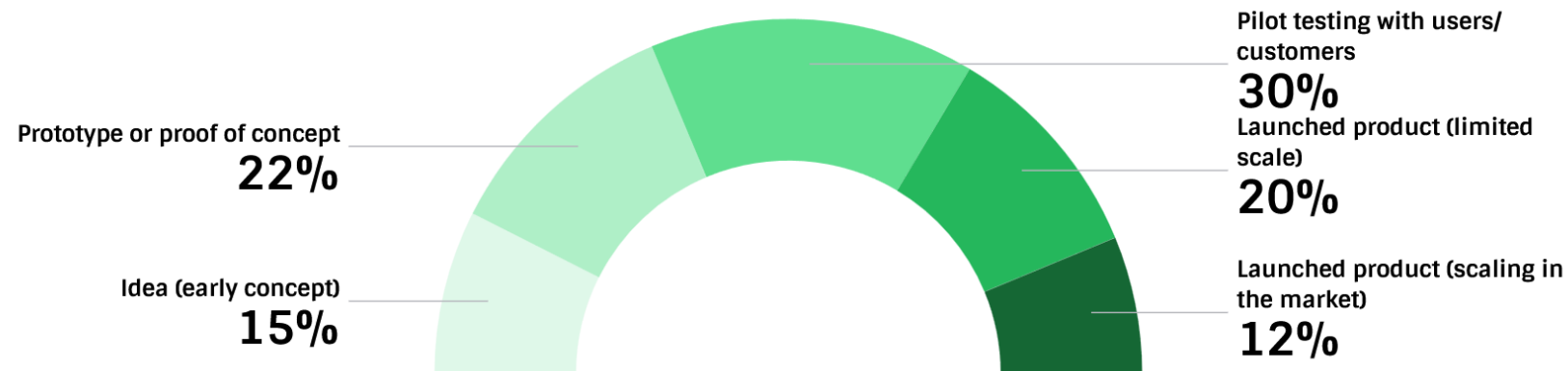
- About 26% offered diverse or other responses.

Developers Focus On Analytics, Agents, And Business Apps

Analytics/data platforms (e.g., research, forecasting) — 61%
AI agents/copilots/ assistants — 57%
Applications / SaaS tools for business use — 55%
Consumer apps or platforms (e.g., chatbots, creative apps) — 53%
Creative tools (content, design, audio, video, images) — 52%
Infrastructure/APIs for developers — 41%

P01. Which types of products or services is your company developing using AI? (Select all that apply) Base: 289 developers

- The most common AI projects are Analytics/data platforms (61%), AI agents/copilots (57%), and Business SaaS applications (55%).

- Just over half are creating Consumer apps (53%) and Creative tools (52%).

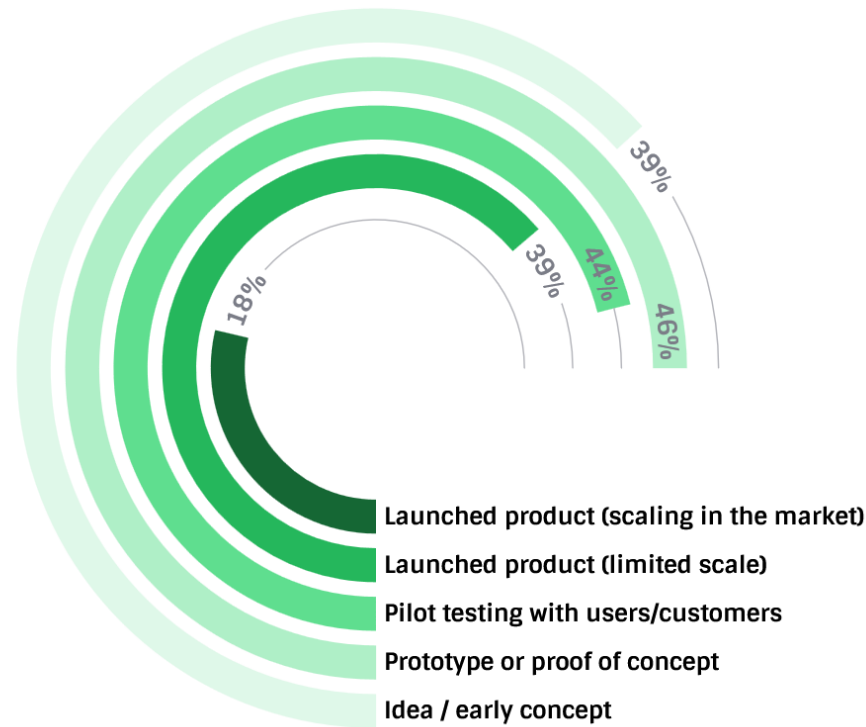- 41% are working on Infrastructure/APIs for developers.

Most AI Products Still In Testing Or Early Stages

Prototype or proof of concept
22%

Idea (early concept)
15%

Pilot testing with users/customers
30%

Launched product (limited scale)
20%

Launched product (scaling in the market)
12%

P2. At what stage of development are your AI products or services overall? (Choose the stage that best represents your most advanced product/service)? Base: 289 developers

- Among developers, 30% report their most advanced product is at the pilot testing stage.

- 22% are at the prototype/proof of concept stage.

- 20% have launched on a limited scale, while 12% have scaled in the market.
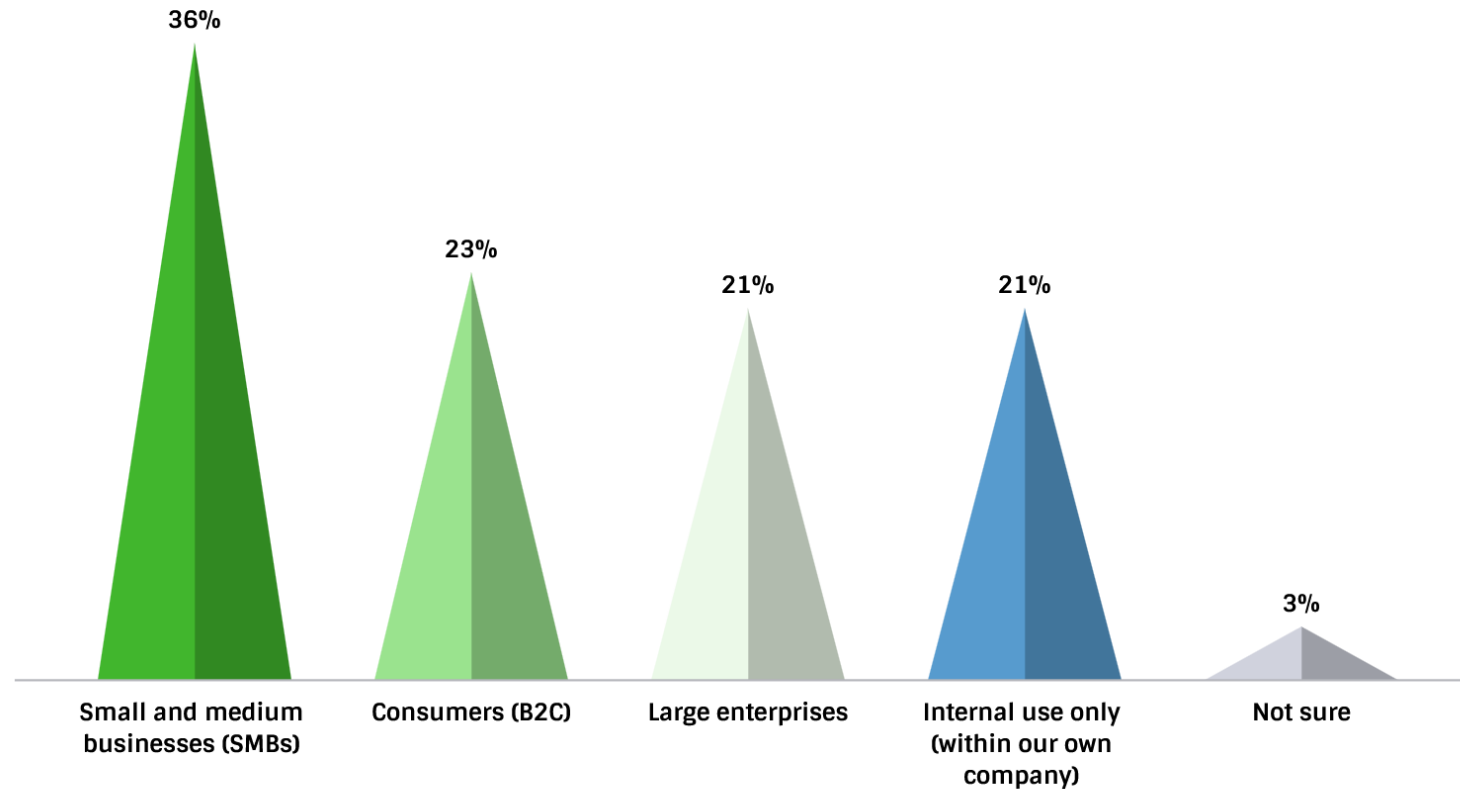
- 15% remain at the idea/early concept stage.

Many Firms Juggle Products Across Multiple Stages

Launched product (scaling in the market)
Launched product (limited scale)
Pilot testing with users/customers
Prototype or proof of concept
Idea / early concept

P3. Do you also have other AI products or services at different stages of development? (Select all that apply) Base: 289 developers

- 39% have early-stage ideas or concepts in the pipeline.

- 46% are developing prototypes or proofs of concept.

- Another 44% are in pilot testing with users or customers.

- 39% have already launched products at a limited scale.

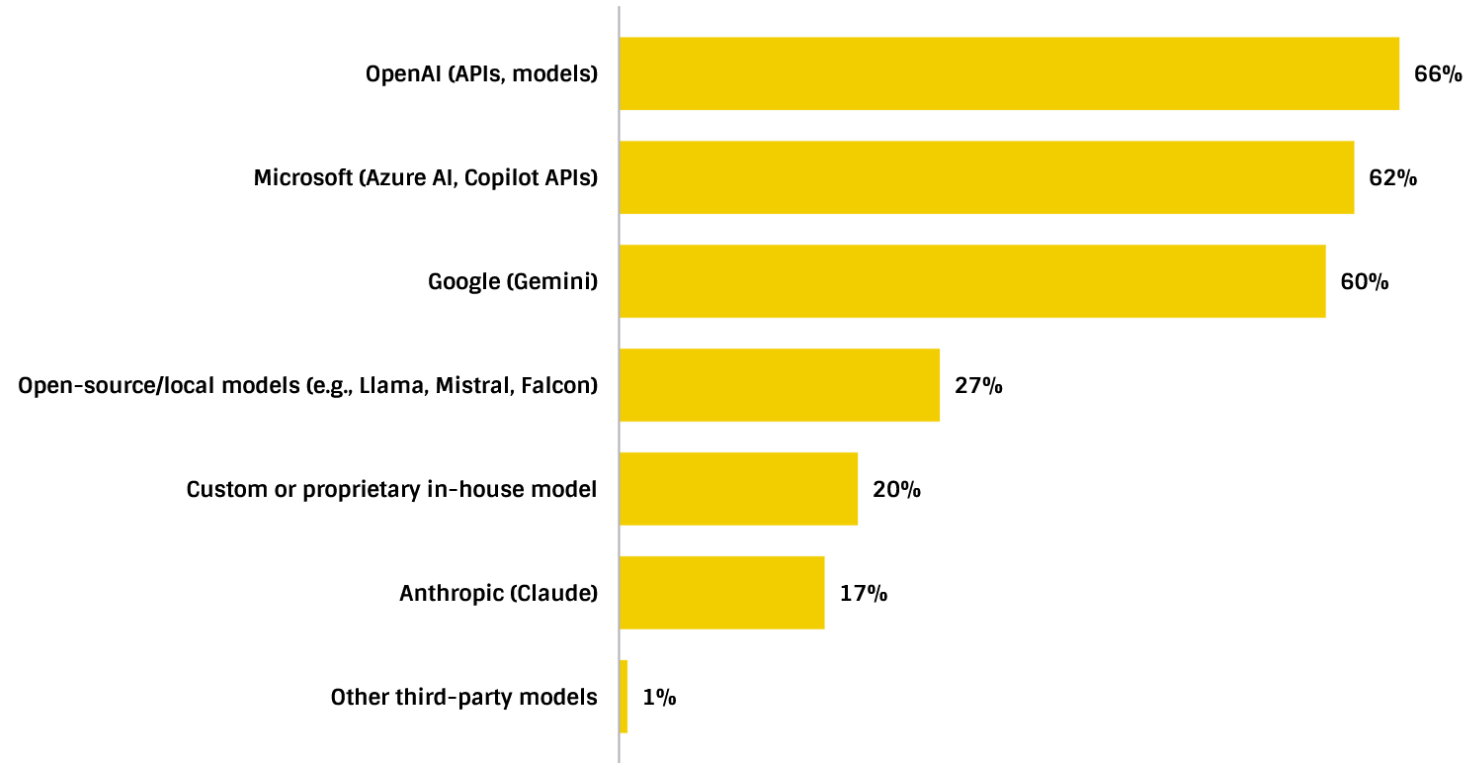- 18% report fully launched products scaling in the market.

SMBs Are The Leading Market For Developer AI Products

36%

23%

21%

21%

3%

Small and medium businesses (SMBs)

Consumers (B2C)

Large enterprises

Internal use only (within our own company)

Not sure

P04. Who is the primary target customer for your AI products or services? Base: 289 developers

- 36% of developers target small and medium-sized businesses.

- 23% focus on consumers (B2C).

- 21% each focus on large enterprises and internal company use.
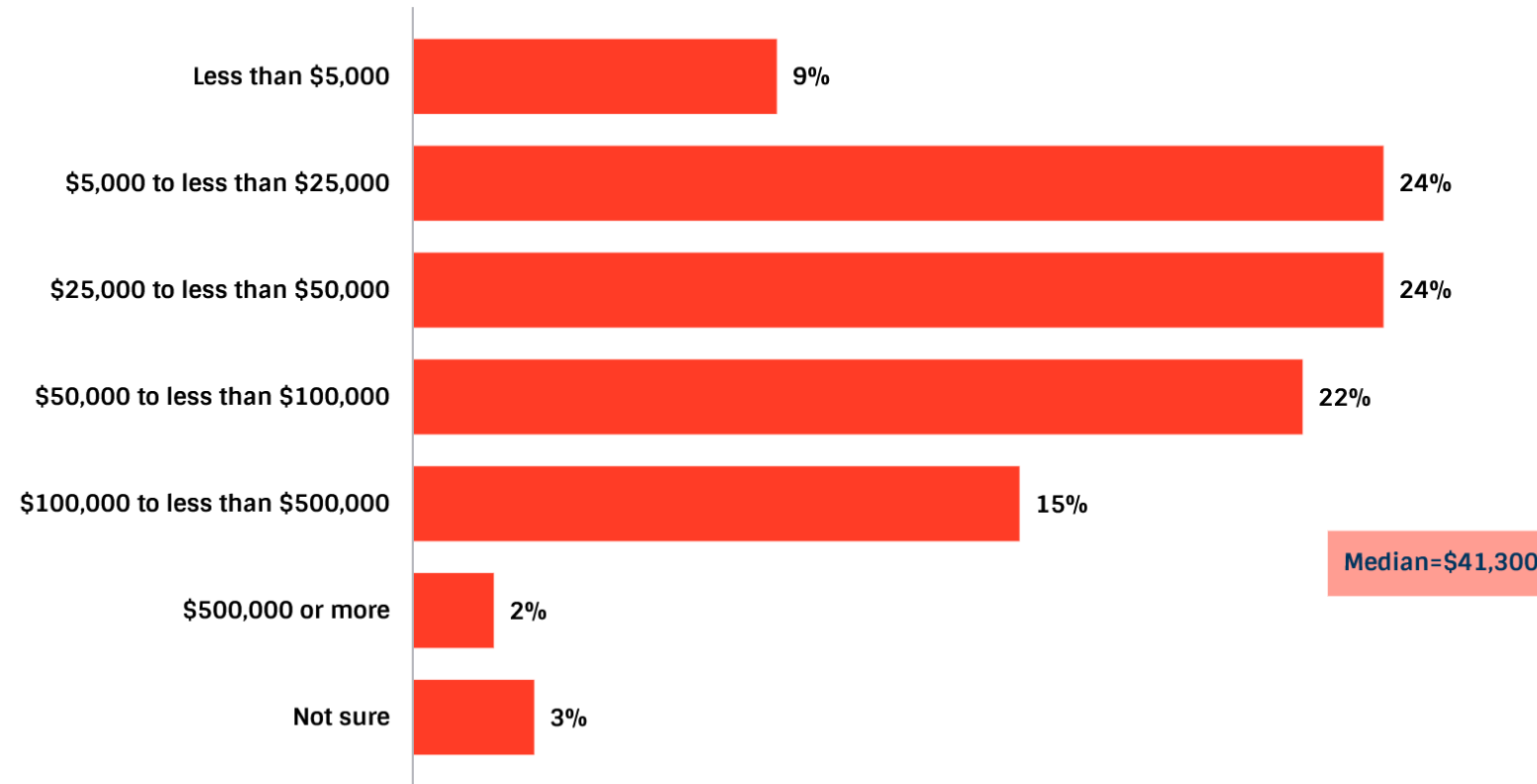
- 3% are unsure of their target.

OpenAI, Microsoft, And Google Dominate Developer Platforms

OpenAI (APIs, models) — 66%

Microsoft (Azure AI, Copilot APIs) — 62%

Google (Gemini) — 60%

Open-source/local models (e.g., Llama, Mistral, Falcon) — 27%

Custom or proprietary in-house model — 20%

Anthropic (Claude) — 17%

Other third-party models — 1%

P05. Which tools or platforms does your company use most often to develop AI products? (Select all that apply) Base: 289 developers

- Developers most often rely on OpenAI APIs/models (66%), Microsoft (62%), and Google (60%).

- 27% use Open-source/local models such as Llama or Mistral.

- 20% use custom/proprietary in-house models.
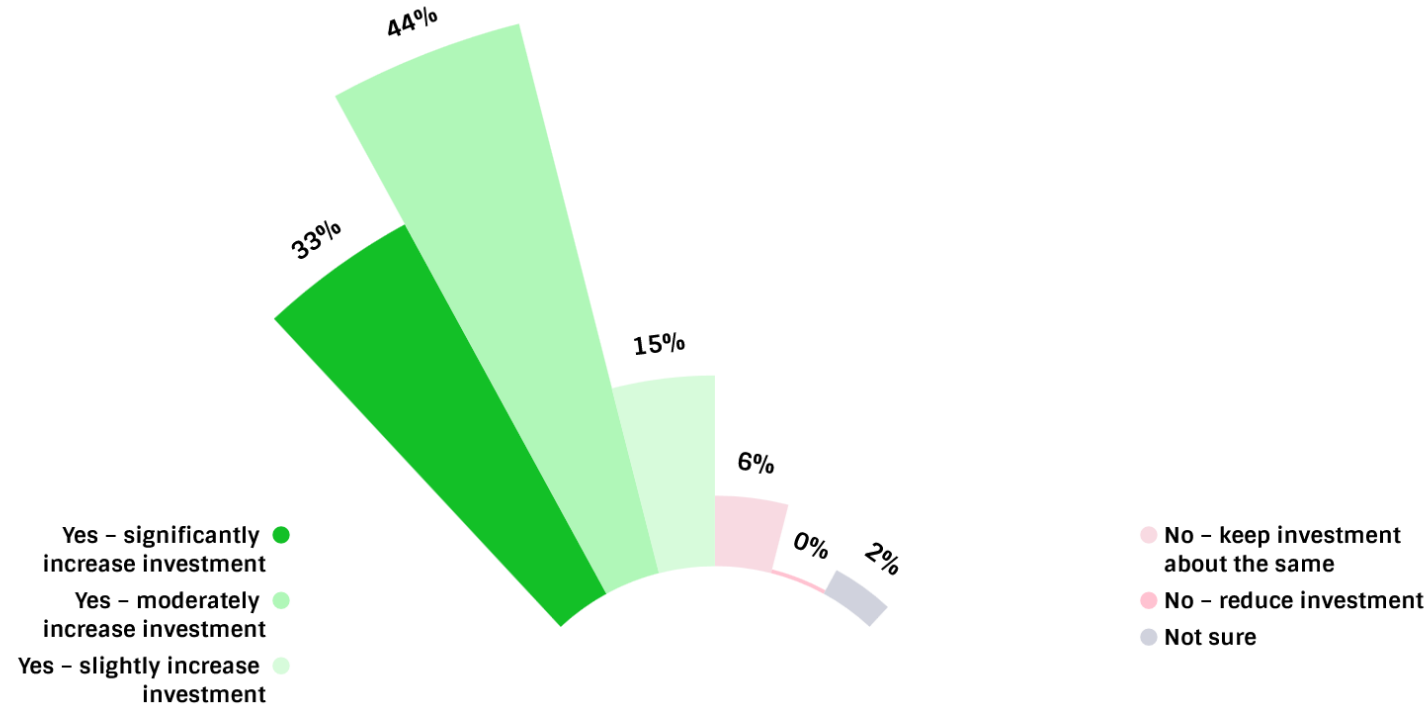
- 17% use Anthropic's Claude.

Median Developer Spend Reaches $41,300 In 2025

Less than $5,000 — 9%

$5,000 to less than $25,000 — 24%

$25,000 to less than $50,000 — 24%

$50,000 to less than $100,000 — 22%

$100,000 to less than $500,000 — 15%

$500,000 or more — 2%

Not sure — 3%

Median=$41,300

P6. Approximately how much has your company spent on AI product development in 2025? Base: 289 developers

- Developer firms report significant variation in spending.

- The largest segments (24% each) spent between $5,000–25,000 and $25,000 - $50,000.

- 22% spent $50,000 - $100,000, while 15% spent $100,000–500,000.

- While 9% spent under $5,000, 2% spent $500,000 or more.
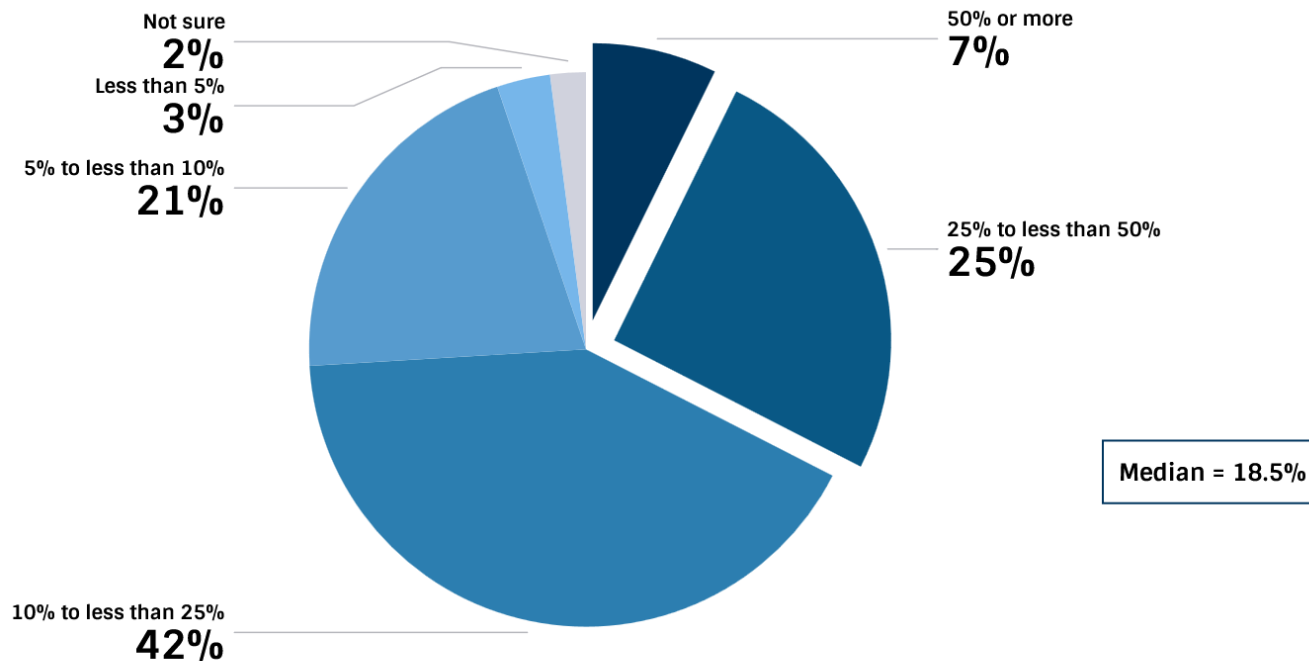
- The **median spend is $41,300**.

Most Developers Plan To Increase AI Investment

44%
33%
15%
6%
0%
2%

Yes – significantly increase investment ●
Yes – moderately increase investment ●
Yes – slightly increase investment ●

No – keep investment about the same ●
No – reduce investment ●
Not sure ●

P7. Does your company plan to increase investment in AI product development over the next 12 months? Base: 289 developers

- 92% plan to increase AI product development spending in the next year.

- 33% will significantly increase, 44% will *moderately increase*, and 15% will *slightly increase*.

- Just 6% plan to hold steady, none expect to reduce.

AI Products Expected To Contribute 20% Of Revenue

Not sure
2%

Less than 5%
3%

5% to less than 10%
21%

50% or more
7%

25% to less than 50%
25%

Median = 18.5%

10% to less than 25%
42%

- 42% expect AI products to bring in 10–25% of revenue.

- 25% expect 25–50% and 7% predict 50% or more revenue from AI.

- A quarter (24%) foresee less than 10%.

- Developers project a **median of 18.5%** of revenue will come from AI products/services in 3 years.

P8. What percentage of your company's revenue do you expect will come from AI products/services in 3 years? Base: 289 developers
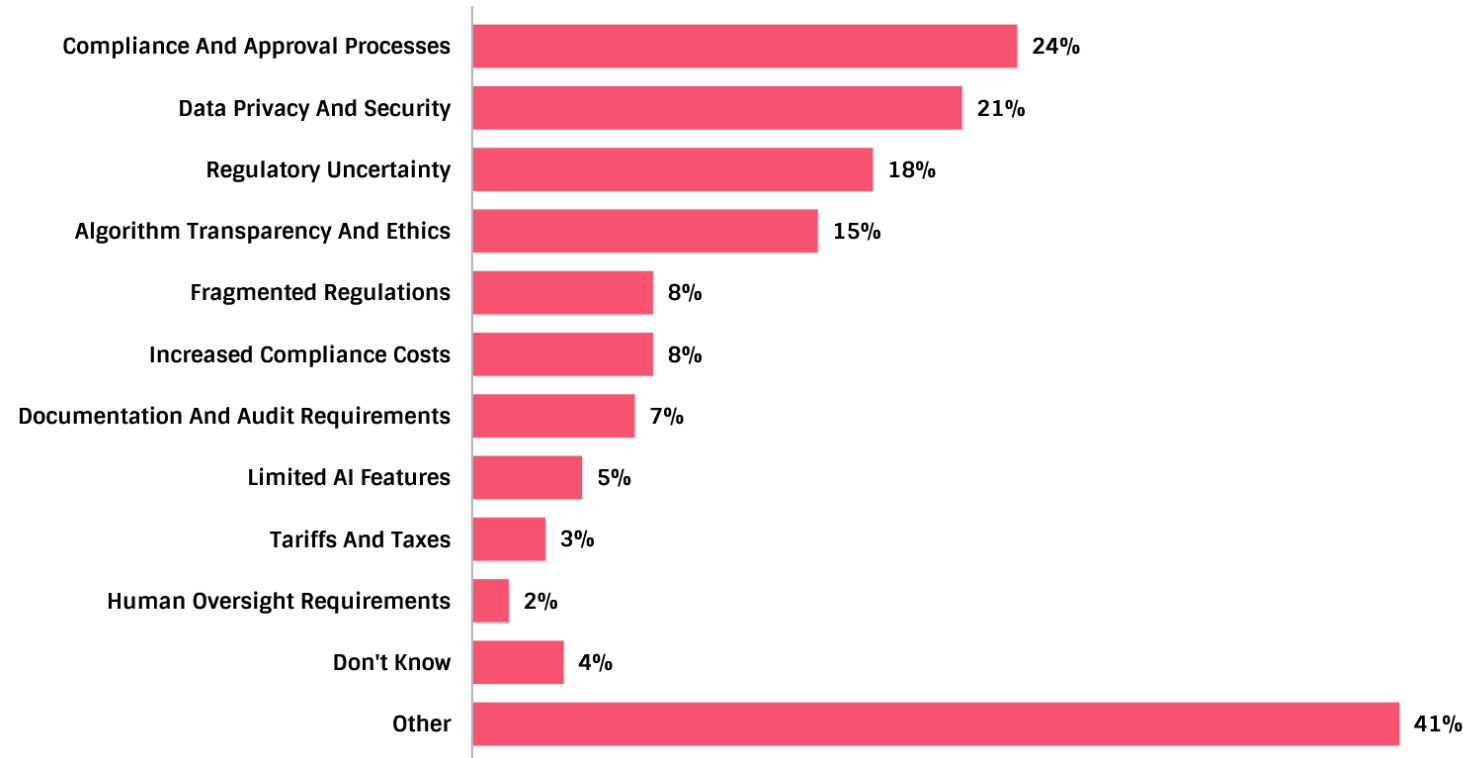
Four In Ten Developers Report Regulation Delays

Yes – significantly delayed
12%

Yes – somewhat delayed
32%

No – no delays from regulation
54%

Not sure
2%
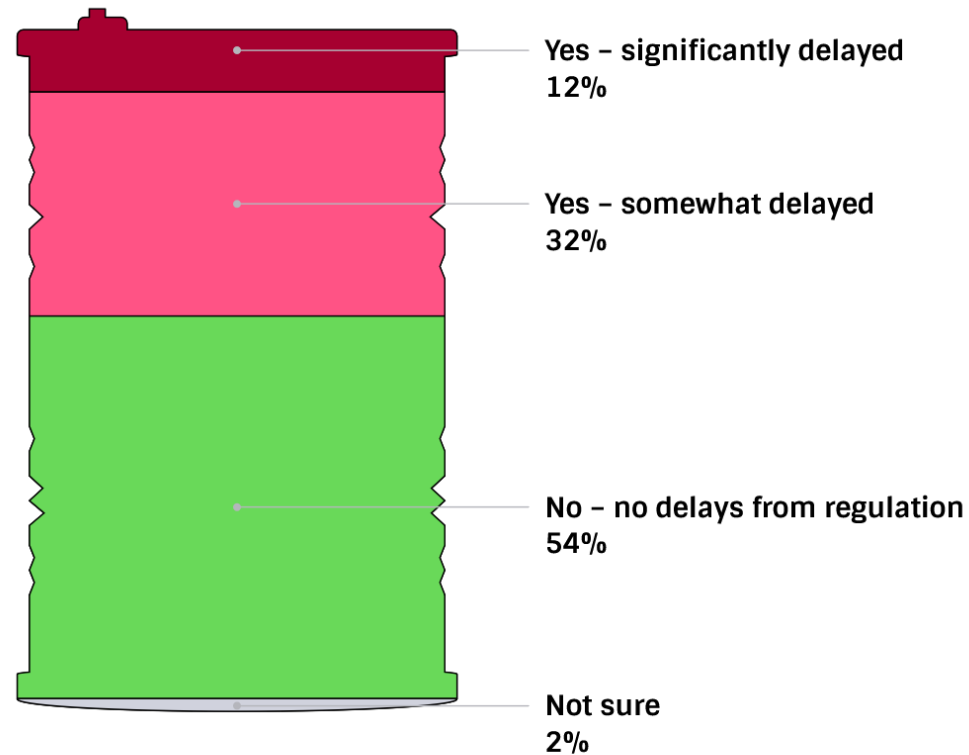
- 12% say regulations have *significantly delayed* product development.

- 32% report *somewhat delayed* timelines.

- A majority, 54%, say they have experienced *no delays*.

- 2% remain unsure.

P10. Have government regulations delayed your company's AI product development or launch? Base: 289 developers
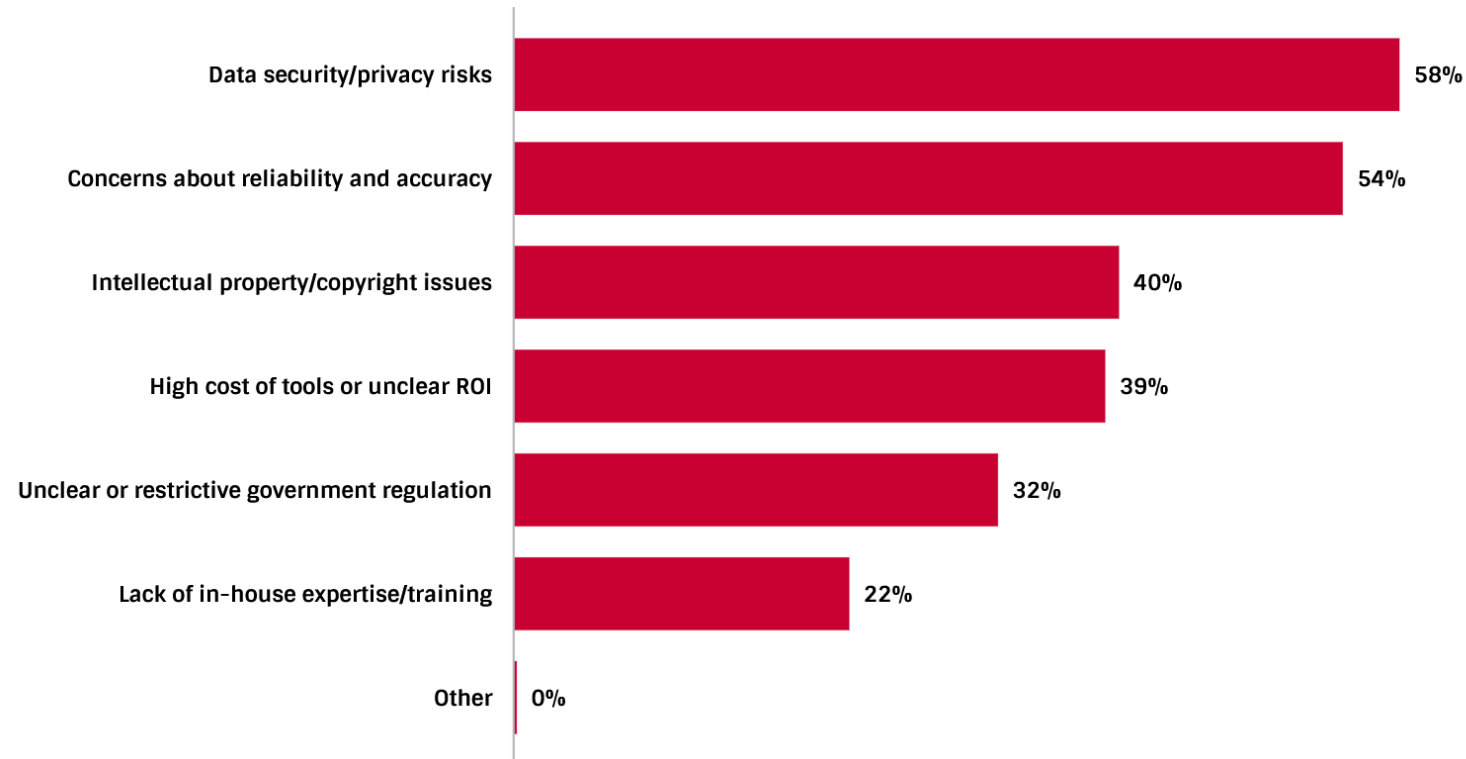
Compliance And Privacy Top Developers' Regulatory Concerns

Compliance And Approval Processes — 24%
Data Privacy And Security — 21%
Regulatory Uncertainty — 18%
Algorithm Transparency And Ethics — 15%
Fragmented Regulations — 8%
Increased Compliance Costs — 8%
Documentation And Audit Requirements — 7%
Limited AI Features — 5%
Tariffs And Taxes — 3%
Human Oversight Requirements — 2%
Don't Know — 4%
Other — 41%

P11. Please elaborate on how government regulations have delayed your company's AI product development or launch.
Base=126 developers who report delays

- Among developers who report delays (Base 126), top issues include compliance & approval processes (24%), data privacy/security (21%), and regulatory uncertainty (18%).

- Other frequent themes: transparency/ethics (15%), fragmented regulations (8%), and compliance costs (8%).
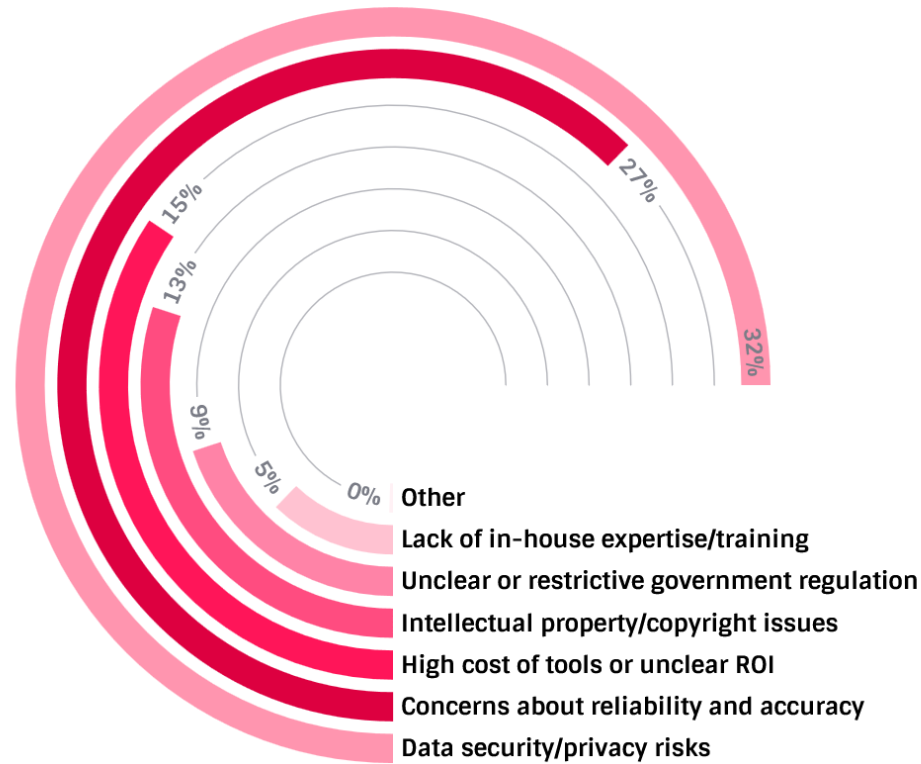
- Over 40% cited diverse "other" concerns.

Data Security Tops List Of AI Concerns

Data security/privacy risks — 58%
Concerns about reliability and accuracy — 54%
Intellectual property/copyright issues — 40%
High cost of tools or unclear ROI — 39%
Unclear or restrictive government regulation — 32%
Lack of in-house expertise/training — 22%
Other — 0%

G01. What are your company's main concerns about using AI? (Select all that apply), Base: 516 leaders of small and mid-sized U.S. technology firms

- Among tech leaders, the leading concerns are Data security/privacy risks (58%) and Reliability/accuracy (54%).

- Other concerns include Intellectual property issues (40%), High costs/unclear ROI (39%), and Government regulation (32%).

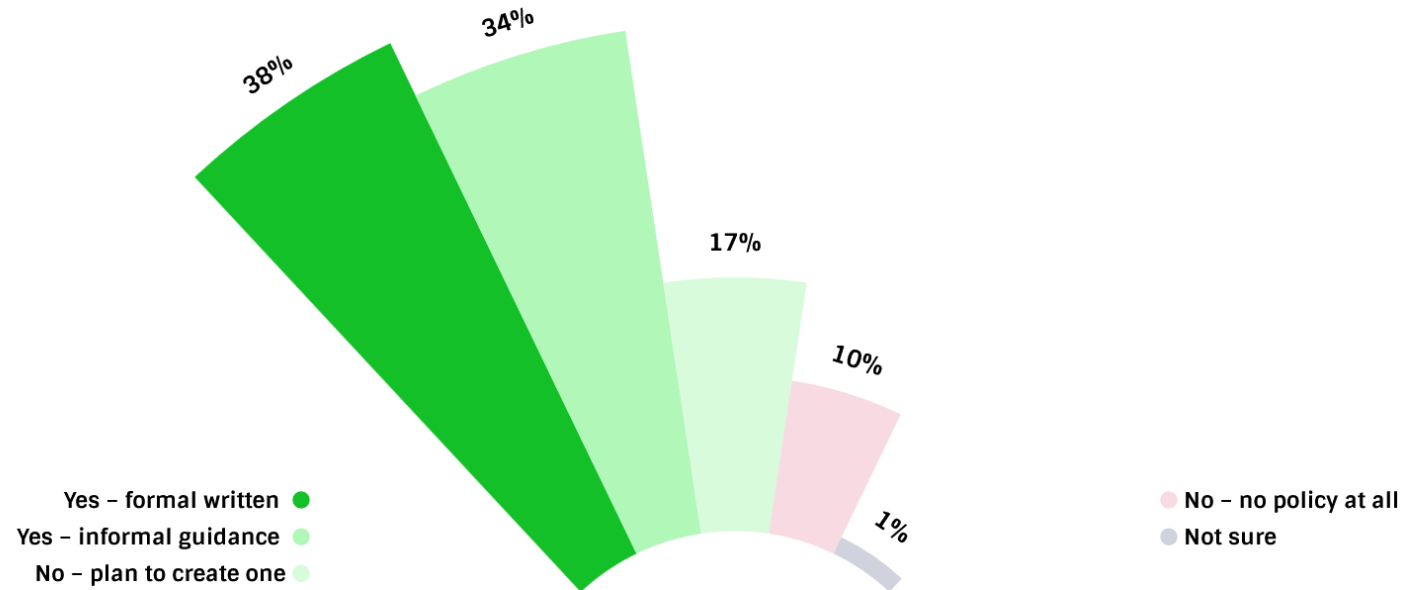- 22% cite lack of in-house expertise.

Top Single Concern: Security, Followed By Reliability and Costs

27%

32%

15%

13%

9%

5%

0% Other

Lack of in-house expertise/training

Unclear or restrictive government regulation

Intellectual property/copyright issues

High cost of tools or unclear ROI

Concerns about reliability and accuracy

Data security/privacy risks

G02. Which of these is your company's biggest concern about using AI? Base: 516 leaders of small and mid-sized U.S. technology firms

- Asked to choose their top concern, 32% selected Data security/privacy risks.

- 27% cited concerns about Reliability and accuracy, and 15% pointed to High costs/unclear ROI.

- Smaller share highlight IP/copyright issues (13%), Government regulation (9%), or Lack of expertise (5%)

Most Firms Already Have Or Plan To Formalize AI Policies

38%

34%

17%

10%

1%

Yes – formal written ●
Yes – informal guidance ●
No – plan to create one ●

No – no policy at all ●
Not sure ●

- 38% already have a formal written AI policy.

- 34% provide informal guidance.

- 17% have no policy but plan to create one.

- Only 10% have no policy at all, and 1% are unsure.

G03. Does your company currently have a formal policy on the use of AI? Base: 516 leaders of small and mid-sized U.S. technology firms
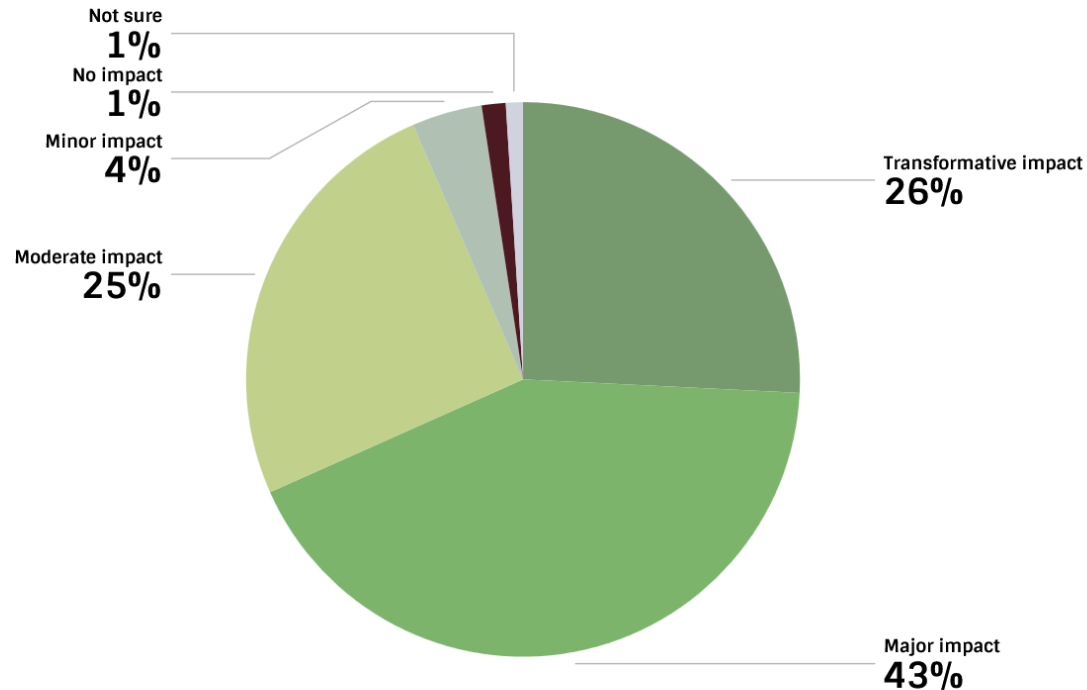
IT Teams Lead AI Policy Oversight

70%
IT / technology team

18%
Owner / senior leadership

12%
Legal / compliance team

1%
No one – unmanaged

- Among companies with policies (Base 370), 70% say the responsibility lies with the IT/technology team.

- 18% assign policy oversight to owners or senior leadership.

- 12% rely on their legal/compliance team.

- Only 1% say AI use is unmanaged.

G04. Who is primarily responsible for setting or monitoring your company's policy on AI? Base=370 who have a policy
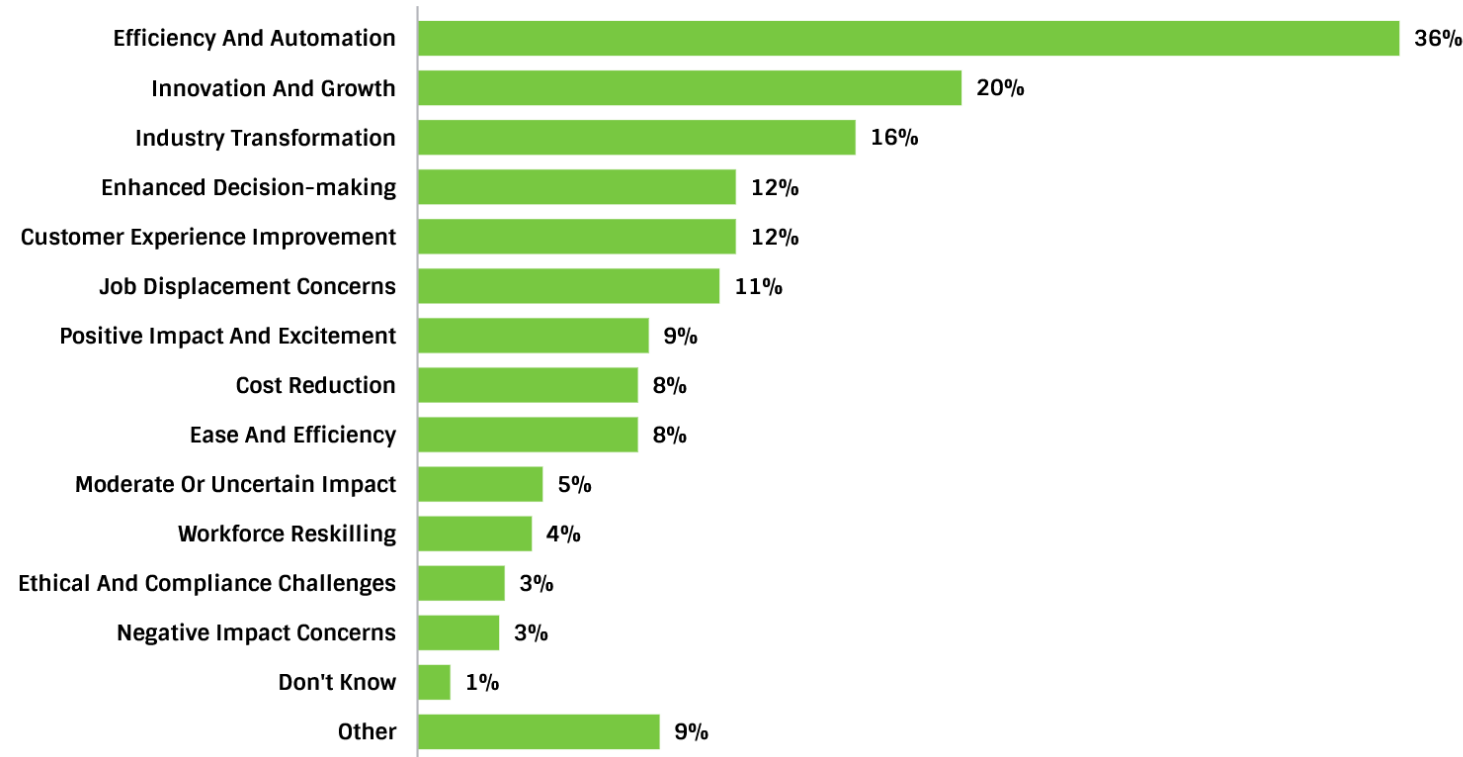
Two-Thirds Expect AI To Transform Their Industry

Not sure
1%

No impact
1%

Minor impact
4%

Moderate impact
25%

Transformative impact
26%

Major impact
43%

G5. Over the next 3–5 years, what impact do you expect AI to have on your industry overall? Base: 516 leaders of small and mid-sized U.S. technology firms, +/-4.4 PTS
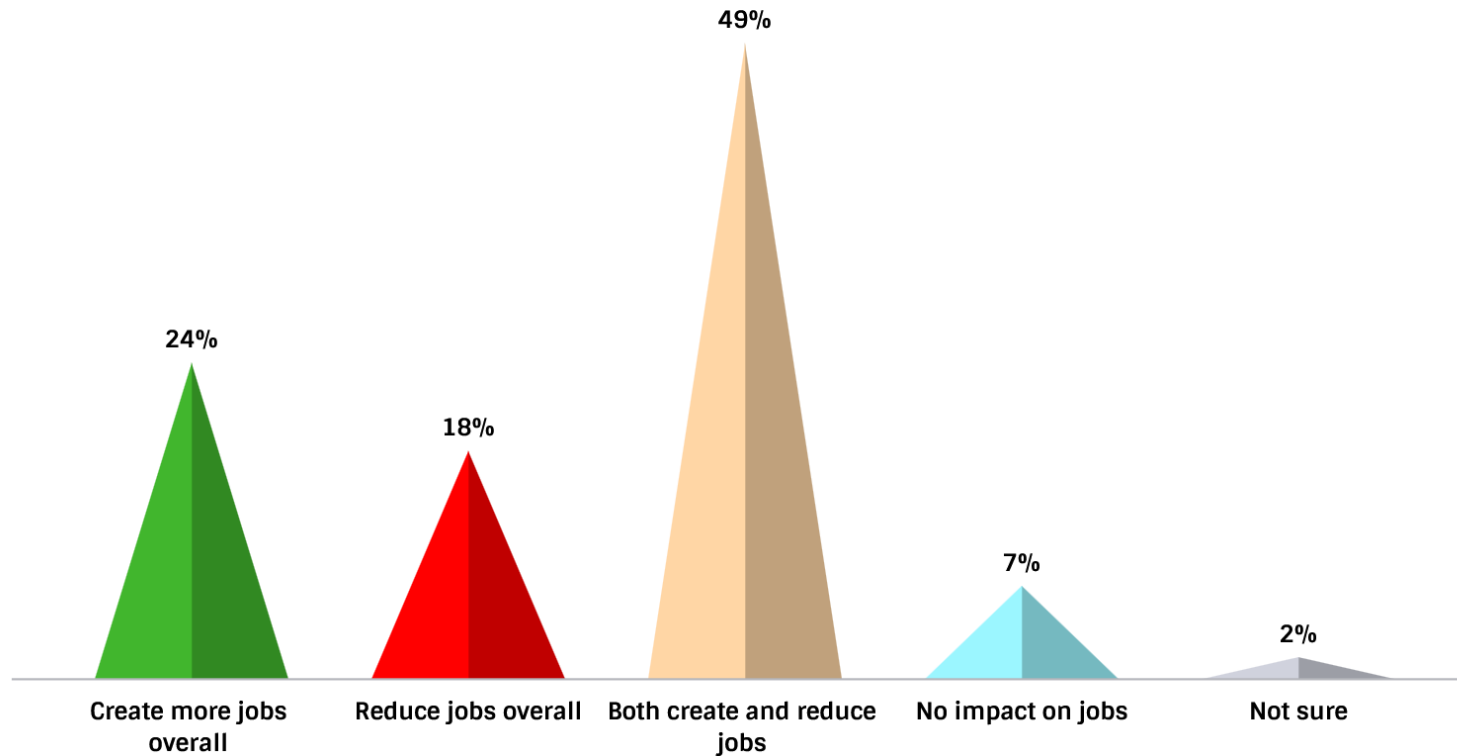
- 43% of tech leaders anticipate a major impact on their industry within 3–5 years.

- 26% expect a *transformative impact.*

- 25% predict a *moderate impact.*

- Few expect only *minor impact* (4%), no impact (1%), or are unsure (1%).

Efficiency And Innovation Lead AI's Expected Industry Impacts

Theme	%
Efficiency And Automation	36%
Innovation And Growth	20%
Industry Transformation	16%
Enhanced Decision-making	12%
Customer Experience Improvement	12%
Job Displacement Concerns	11%
Positive Impact And Excitement	9%
Cost Reduction	8%
Ease And Efficiency	8%
Moderate Or Uncertain Impact	5%
Workforce Reskilling	4%
Ethical And Compliance Challenges	3%
Negative Impact Concerns	3%
Don't Know	1%
Other	9%

G6. Please elaborate on the impact do you expect AI to have on your industry. Base: 504 leaders of small and mid-sized U.S. technology firms who expect AI to impact their industry.

- Most frequently mentioned themes are Efficiency & automation (36%), Innovation & growth (20%), and Industry transformation (16%).

- Secondary mentions: Enhanced decision-making (12%), customer experience (12%), and job displacement concerns (11%).

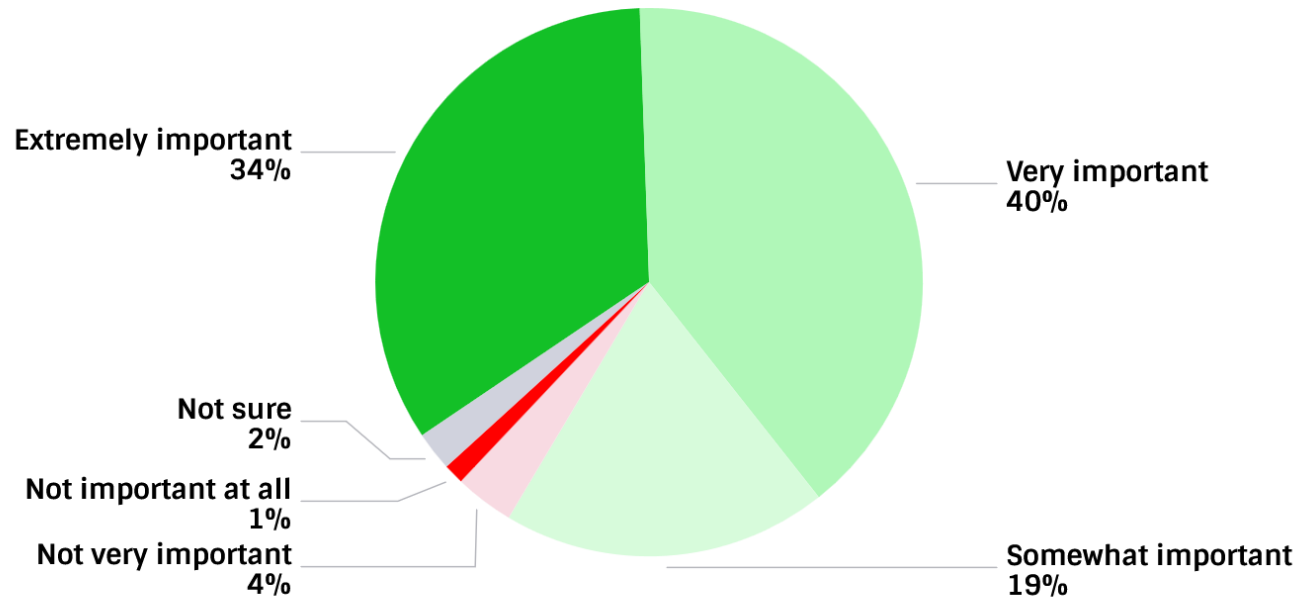- A few highlight cost reduction (8%), positive excitement (9%), and reskilling or compliance concerns (3–4%).

Tech Leaders Have Mixed Views On AI's Job Impact

49%

24%

18%

7%

2%

Create more jobs
overall

Reduce jobs overall

Both create and reduce
jobs

No impact on jobs

Not sure

G07. Do you expect AI to create or reduce jobs in your company over the next 3–5 years? Base: 516 leaders of small and mid-sized U.S. technology firms

- Nearly half (49%) believe AI will both create and reduce jobs.

- 24% expect it will create more jobs overall, while 18% expect it will reduce jobs overall.

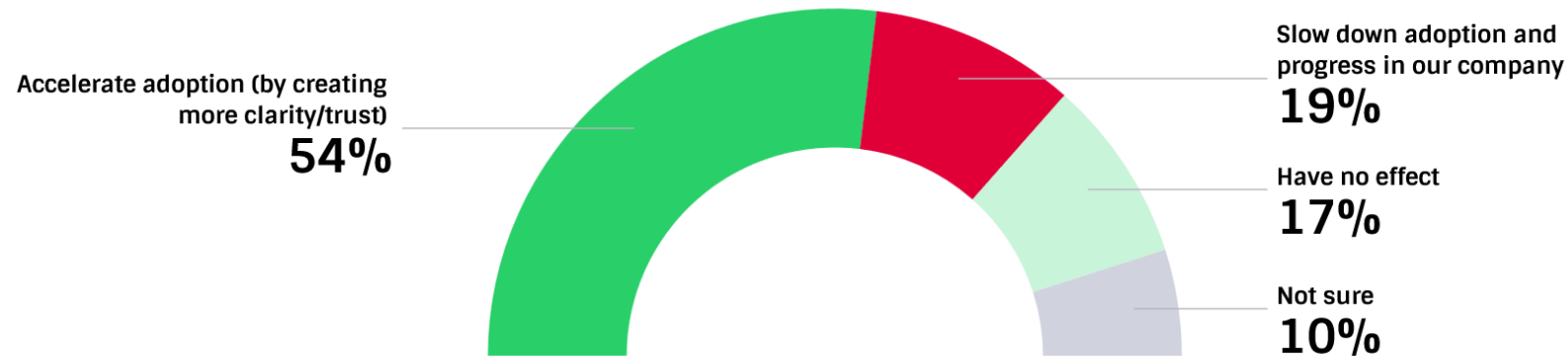- 7% foresee no impact, and 2% are unsure.

Tech Leaders See AI As Critical To Future Business Success

Extremely important
34%

Very important
40%

Not sure
2%

Not important at all
1%

Not very important
4%

Somewhat important
19%

G8. How important will AI be to your company's success three years from now? Base: 516 leaders of small and mid-sized U.S. technology firms, +/-4.4 PTS

- 74% say AI will be *Very or Extremely important* to their company's success in 3 years.

- 34% call it *Extremely important,* and 40% say *Very important*.

- 19% consider it *Somewhat important*.

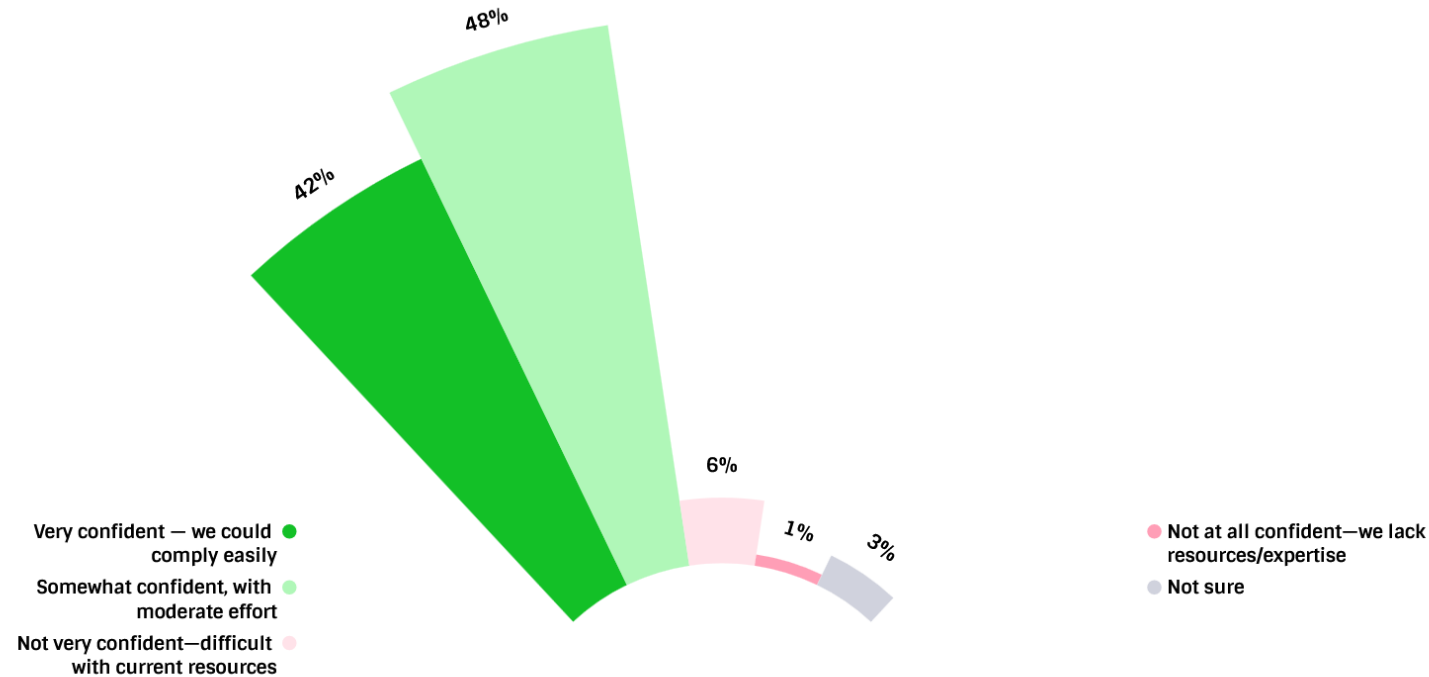- Only 5% say it is not important, while 2% are unsure.

Many See Regulation As An Accelerator, But Some Have Concerns About Slowdowns

Accelerate adoption (by creating more clarity/trust)
54%

Slow down adoption and progress in our company
19%

Have no effect
17%

Not sure
10%

G09. Over the next 3 years, how do you expect government regulations on AI — including overlapping or conflicting rules from different authorities — to affect your company's use of AI? Base: 516 leaders of small and mid-sized U.S. technology firms, +/-4.4 PTS

- 54% believe regulations will accelerate adoption by creating more clarity and trust.

- 19% think rules will slow adoption.

- 17% expect regulations to have no effect.

- 10% remain unsure.

Most Tech Leaders Confident In Handling New AI Regulations

Legend:
- Very confident — we could comply easily ●
- Somewhat confident, with moderate effort ●
- Not very confident—difficult with current resources ●
- Not at all confident—we lack resources/expertise ●
- Not sure ●

Chart values: 42%, 48%, 6%, 1%, 3%

G10. If new federal and state regulations on AI were introduced, how confident are you that your company could fully understand and comply with them given your current resources and expertise? Base: 516 leaders of small and mid-sized U.S. technology firms, +/-4.4 PTS

- 42% say they are *very confident* they could comply easily.

- Nearly half (48%) are *somewhat confident* they could comply with moderate effort.

- 6% are *not very confident*, 1% are *not confident at all*, and 3% are unsure.
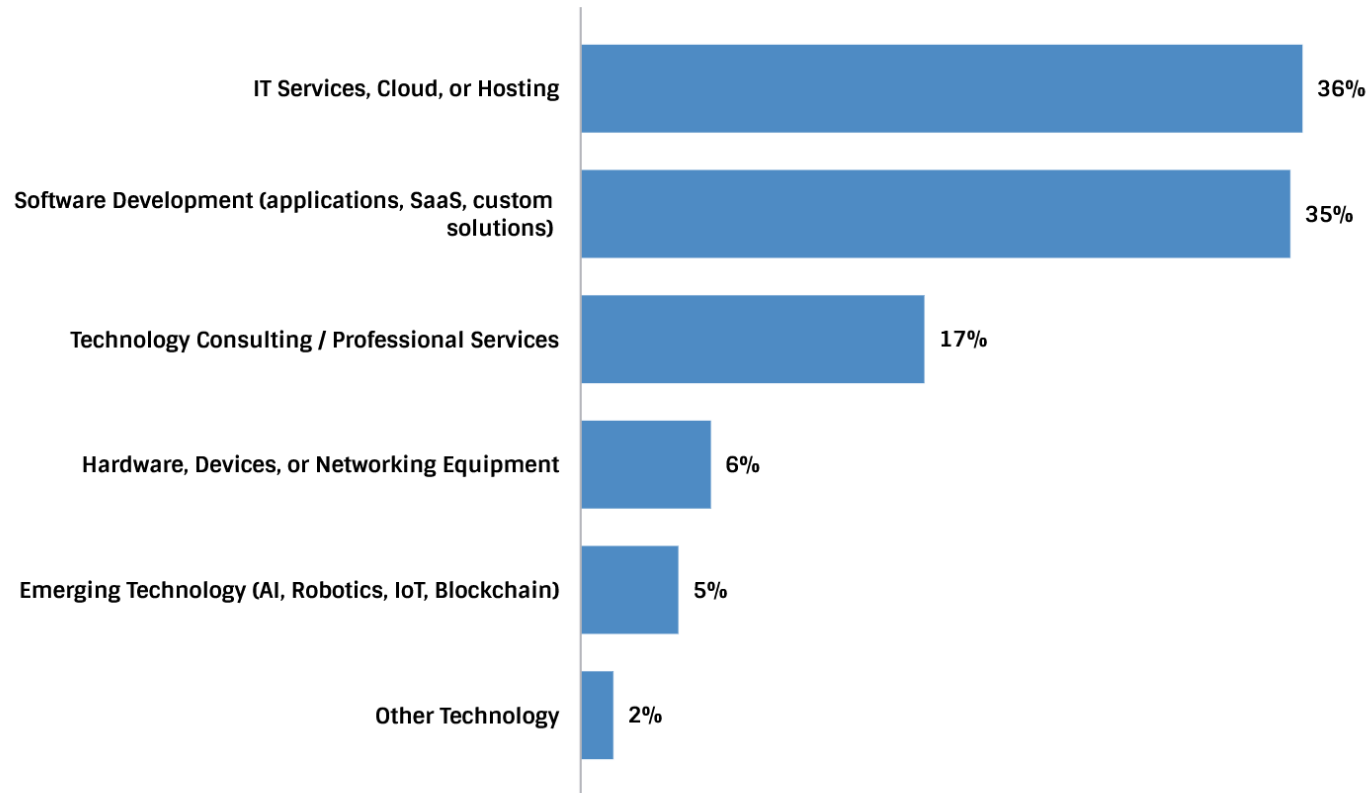
Firmographics

Region
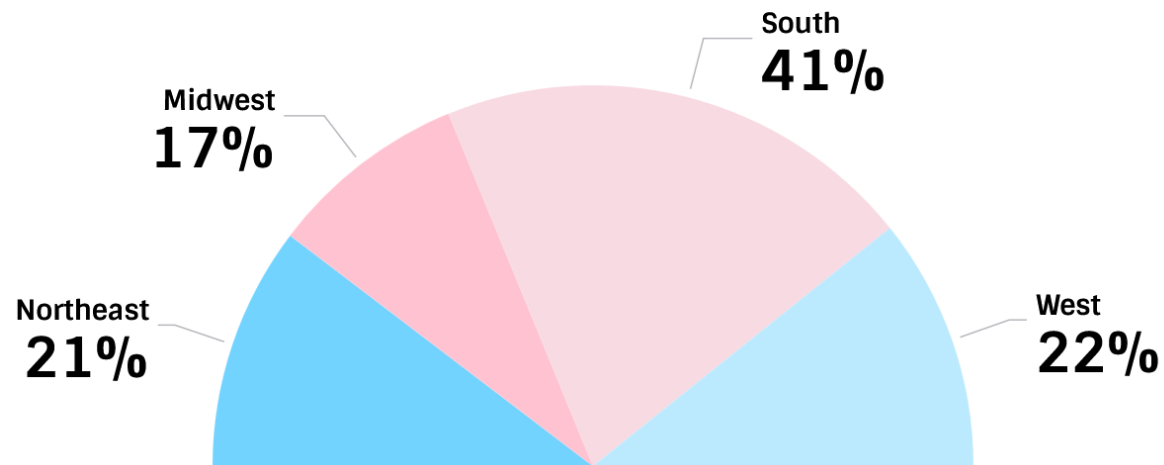
Reg: Region

- Respondents are broadly distributed across the U.S.

- South leads with 41% of firms.

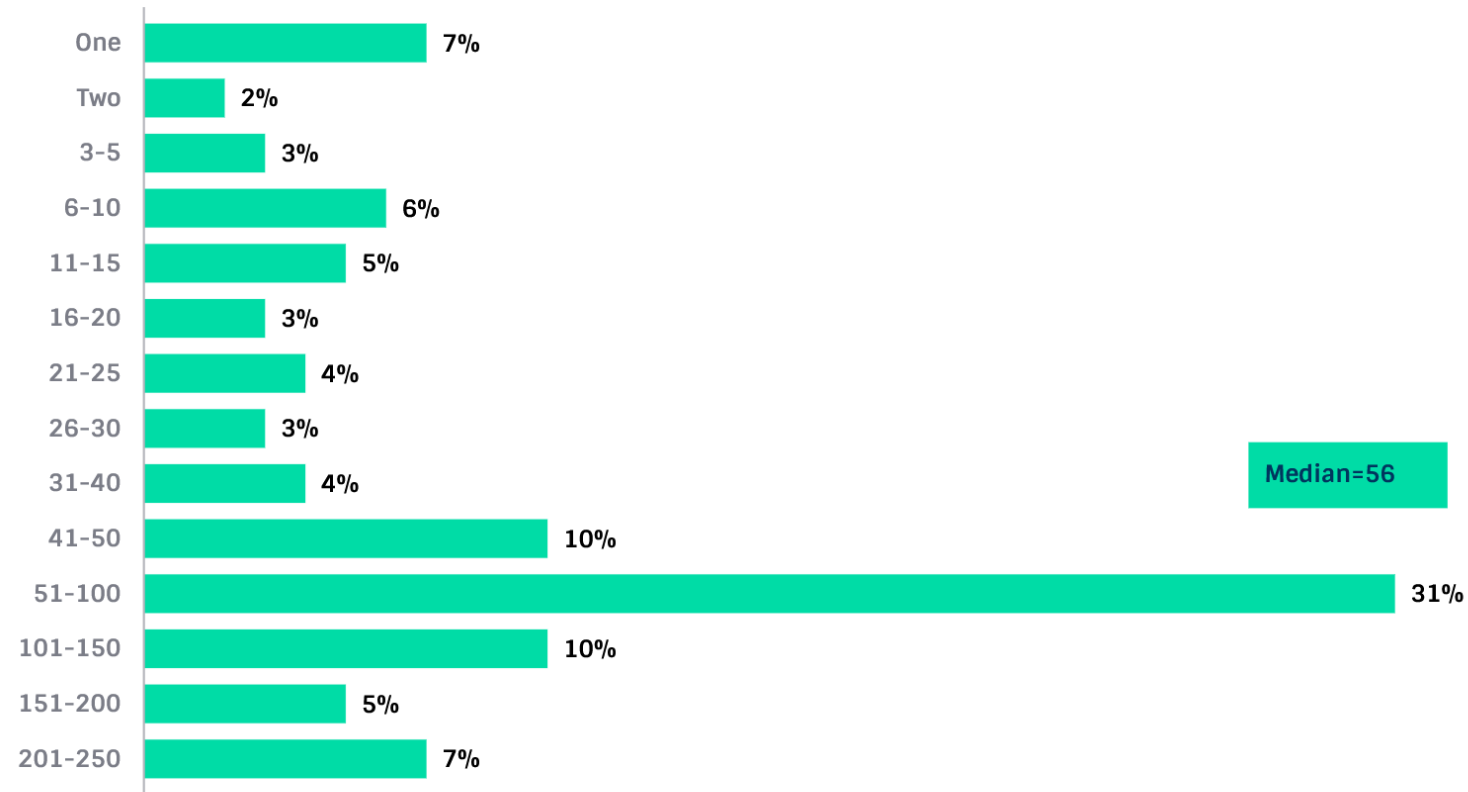- West accounts for 22%, followed by Northeast (21%) and Midwest (17%).

Primary Business Focus

S3. Which of the following categories best describes the primary business focus of your company?

- 36% operate in IT services, cloud, or hosting.

- 35% focus on software development.

- 17% are in consulting/professional services.

- Fewer are in hardware (6%) or emerging technologies like AI, robotics, and IoT (5%).

Employee Size

One 7%
Two 2%
3-5 3%
6-10 6%
11-15 5%
16-20 3%
21-25 4%
26-30 3%
31-40 4%   Median=56
41-50 10%
51-100 31%
101-150 10%
151-200 5%
201-250 7%

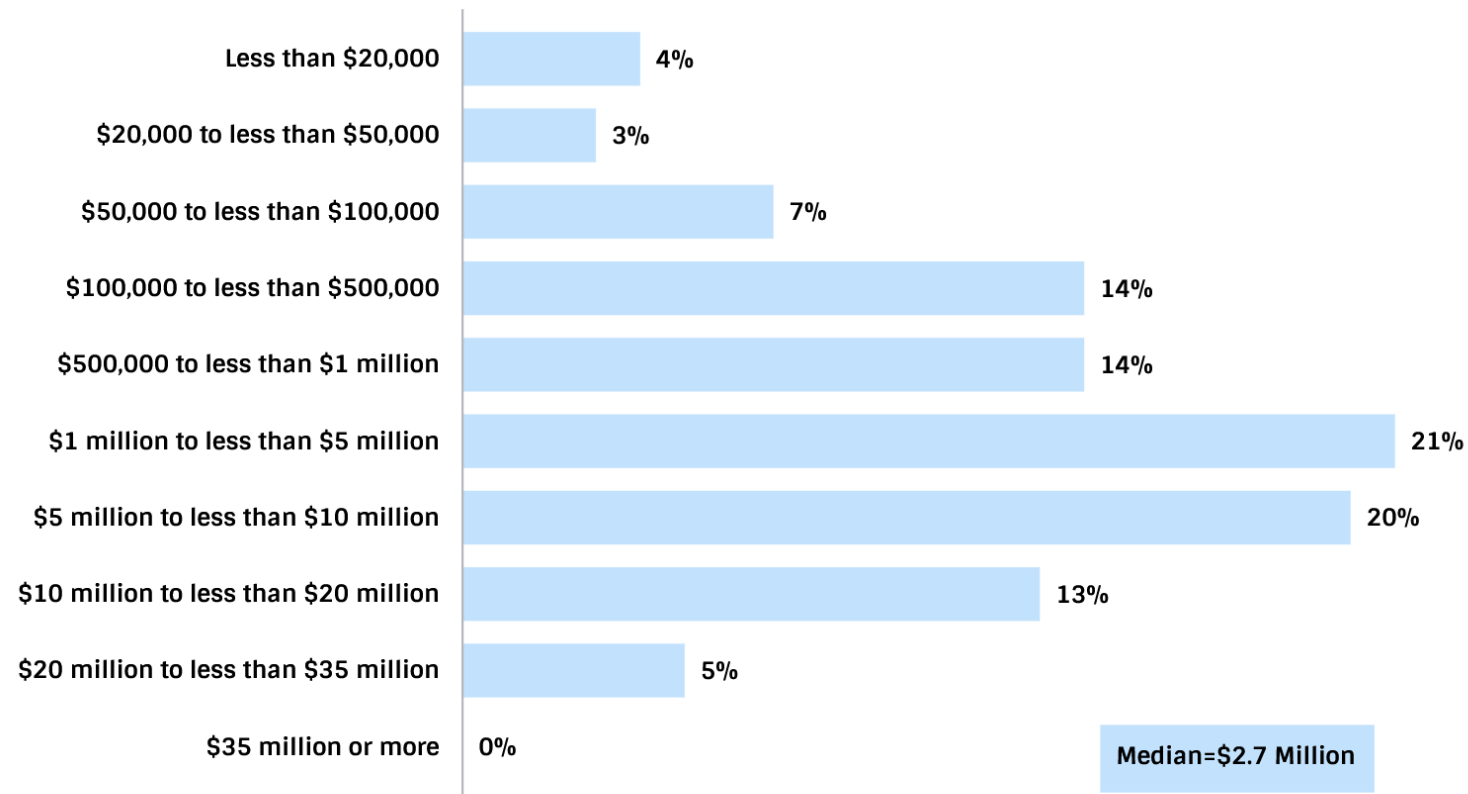*S4. Including yourself how many people are currently employed by your business?*

- 22% employ more than 100 people.

- 31% employ between 51–100 staff.

- 21% have between 21 and 50 people on their rolls.

- 26% have 20 or fewer.

- The majority are small to mid-sized firms.

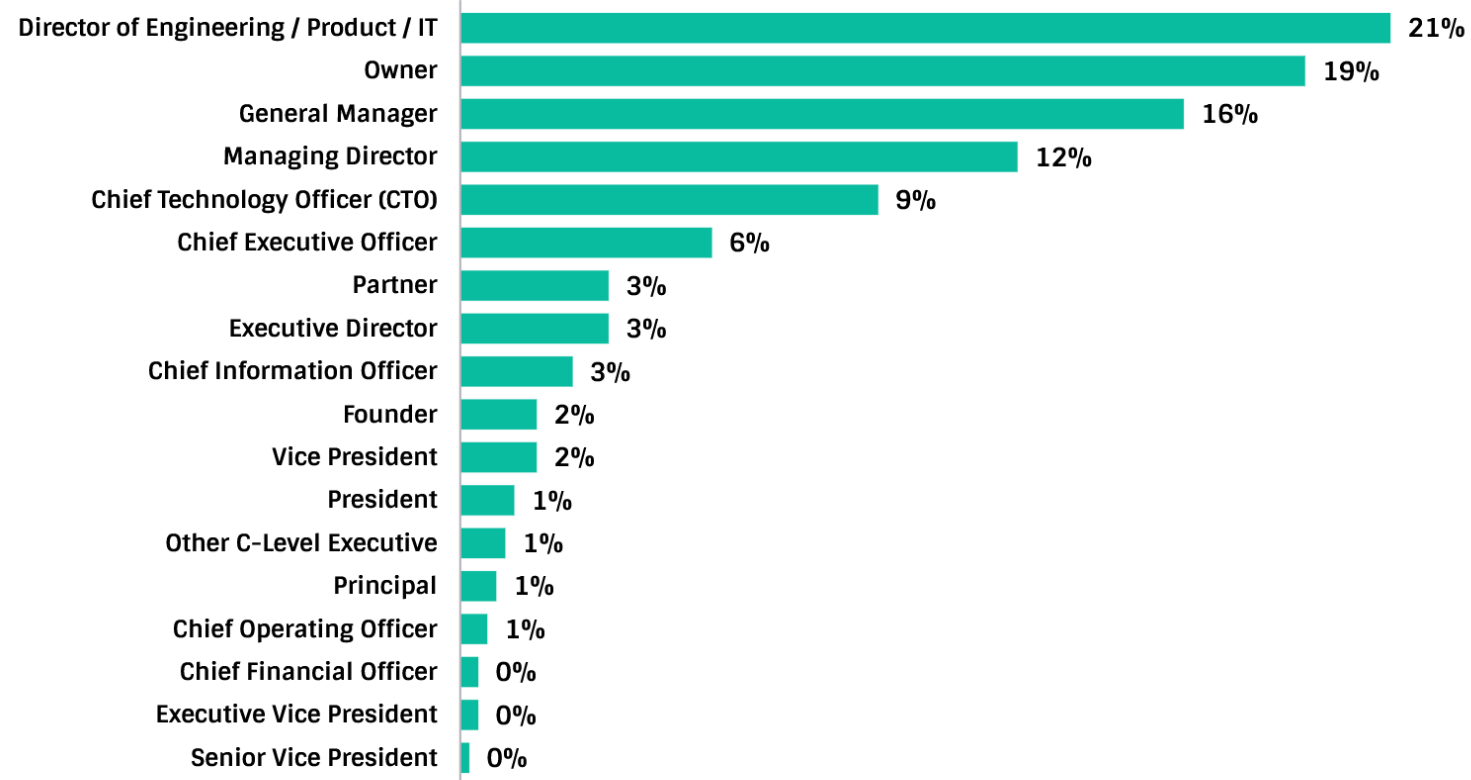- **Median firm size: 56 employees.**

Business Revenue

Less than $20,000 — 4%

$20,000 to less than $50,000 — 3%

$50,000 to less than $100,000 — 7%

$100,000 to less than $500,000 — 14%

$500,000 to less than $1 million — 14%

$1 million to less than $5 million — 21%

$5 million to less than $10 million — 20%

$10 million to less than $20 million — 13%

$20 million to less than $35 million — 5%

$35 million or more — 0%

Median=$2.7 Million

S5. What was your company's approximate revenue for 2024?

- About one-fifth (18%) report revenue above $10 million.

- Another 41% earned between $1 million and $10 million.

- More than a quarter (28%) fall in the $100K – 1 million bracket.

- 14% made less than $100,000.

- Revenue distribution varies significantly across firms.

- **Median revenue = $2.7 million.**

Job Title

Director of Engineering / Product / IT — 21%
Owner — 19%
General Manager — 16%
Managing Director — 12%
Chief Technology Officer (CTO) — 9%
Chief Executive Officer — 6%
Partner — 3%
Executive Director — 3%
Chief Information Officer — 3%
Founder — 2%
Vice President — 2%
President — 1%
Other C-Level Executive — 1%
Principal — 1%
Chief Operating Officer — 1%
Chief Financial Officer — 0%
Executive Vice President — 0%
Senior Vice President — 0%

S6. What is your job title?

- 21% are Directors of Engineering/Product/IT.

- 19% are Owners.

- 16% are General Managers.

- Senior technical and business roles dominate, with few C-suite titles.

Business Structure

36%
Limited Liability
Company (LLC)

27%
Partnership – LP,
LLP

9%
Corporation (C-
Corp)

8%
S Corporation (S-
Corp)

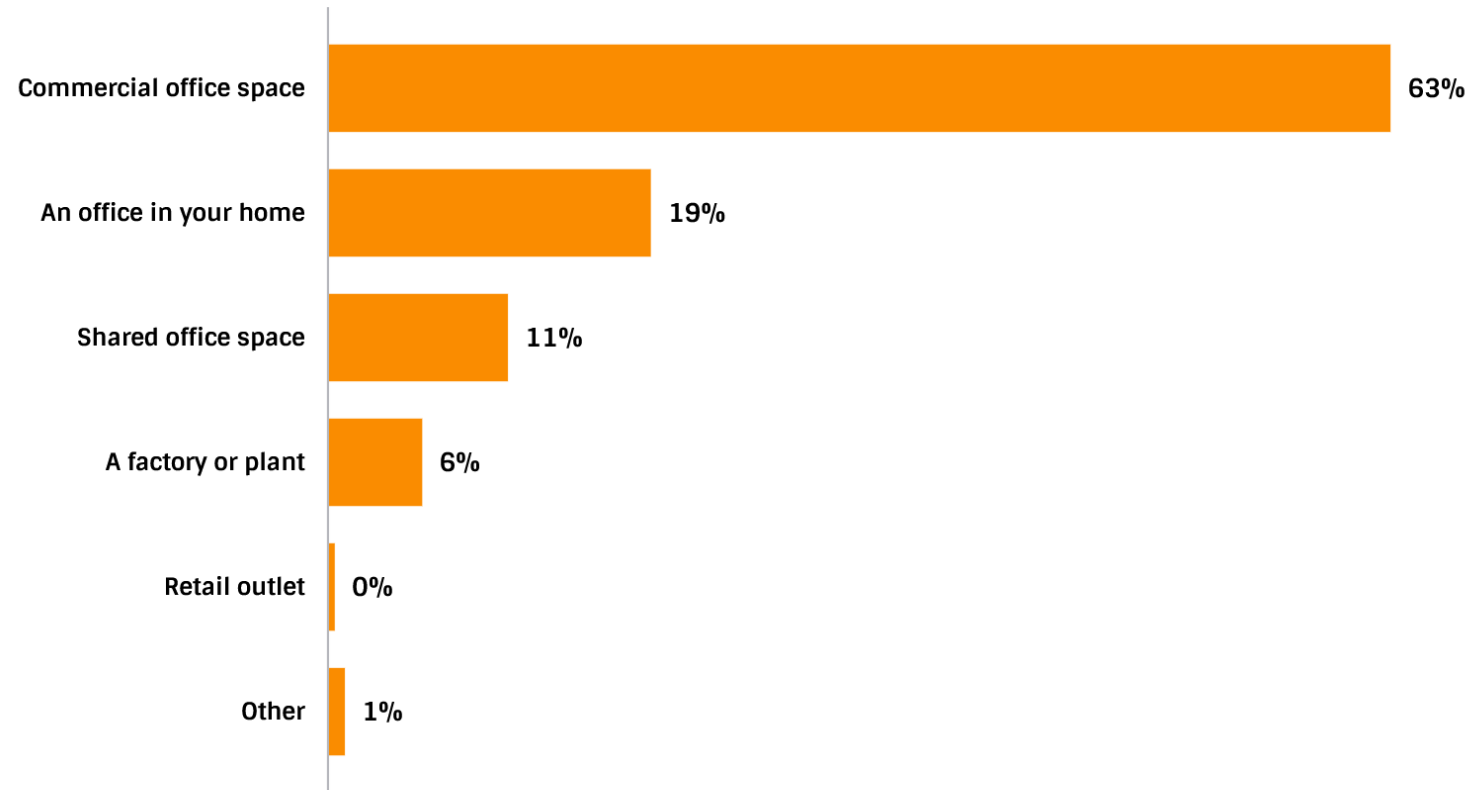**3%**
I don't know

F1. How is your small business legally structured?

- 36% are structured as LLCs.

- 27% operate as partnerships.

- 9% are C-Corps; 8% are S-Corps.

- 3% are unsure of their legal structure.

Business Location

Commercial office space — 63%
An office in your home — 19%
Shared office space — 11%
A factory or plant — 6%
Retail outlet — 0%
Other — 1%

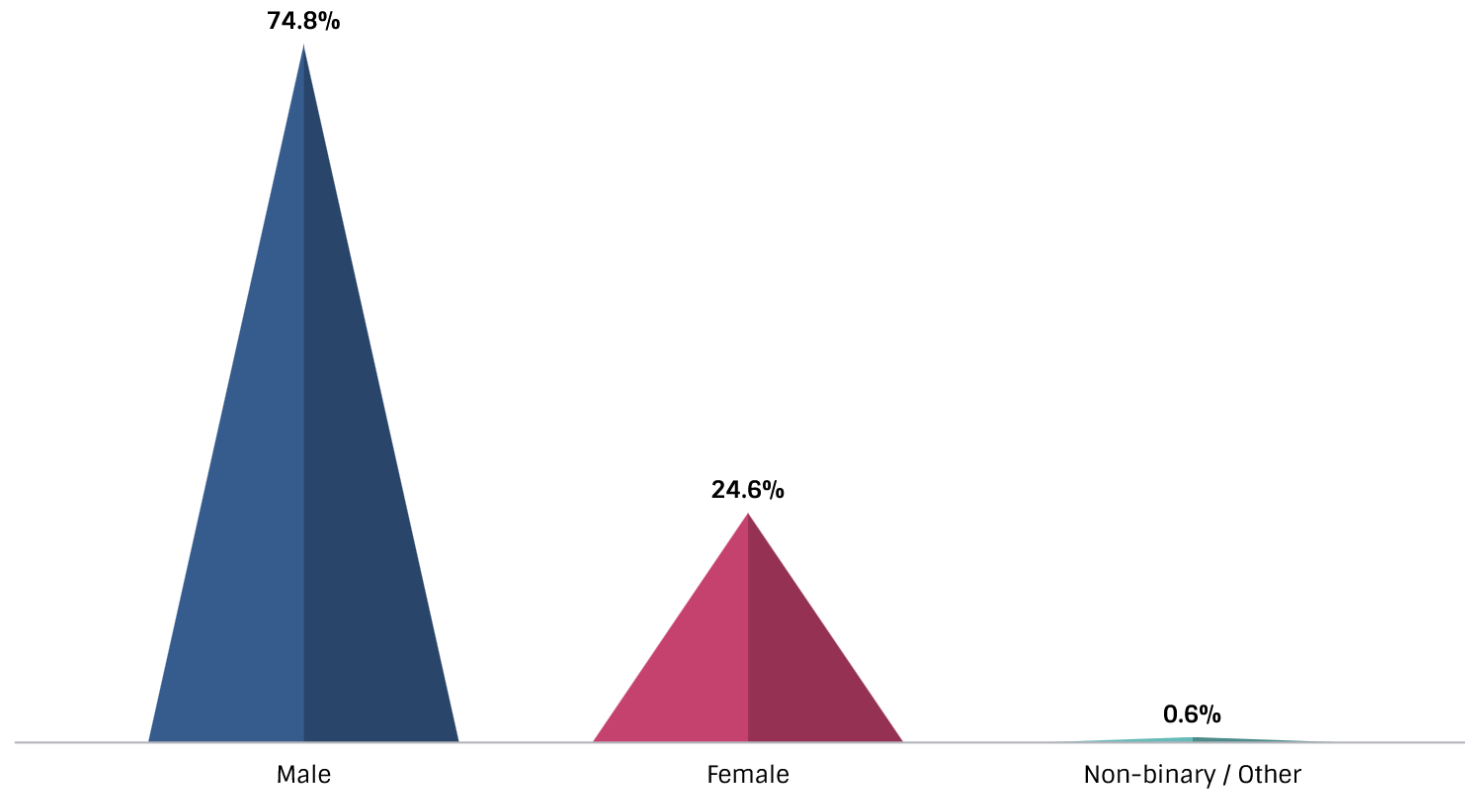*F2. Which of the following best describes your business location?*

- 63% work out of commercial office space.

- 19% operate from home offices.

- 11% use shared office space.

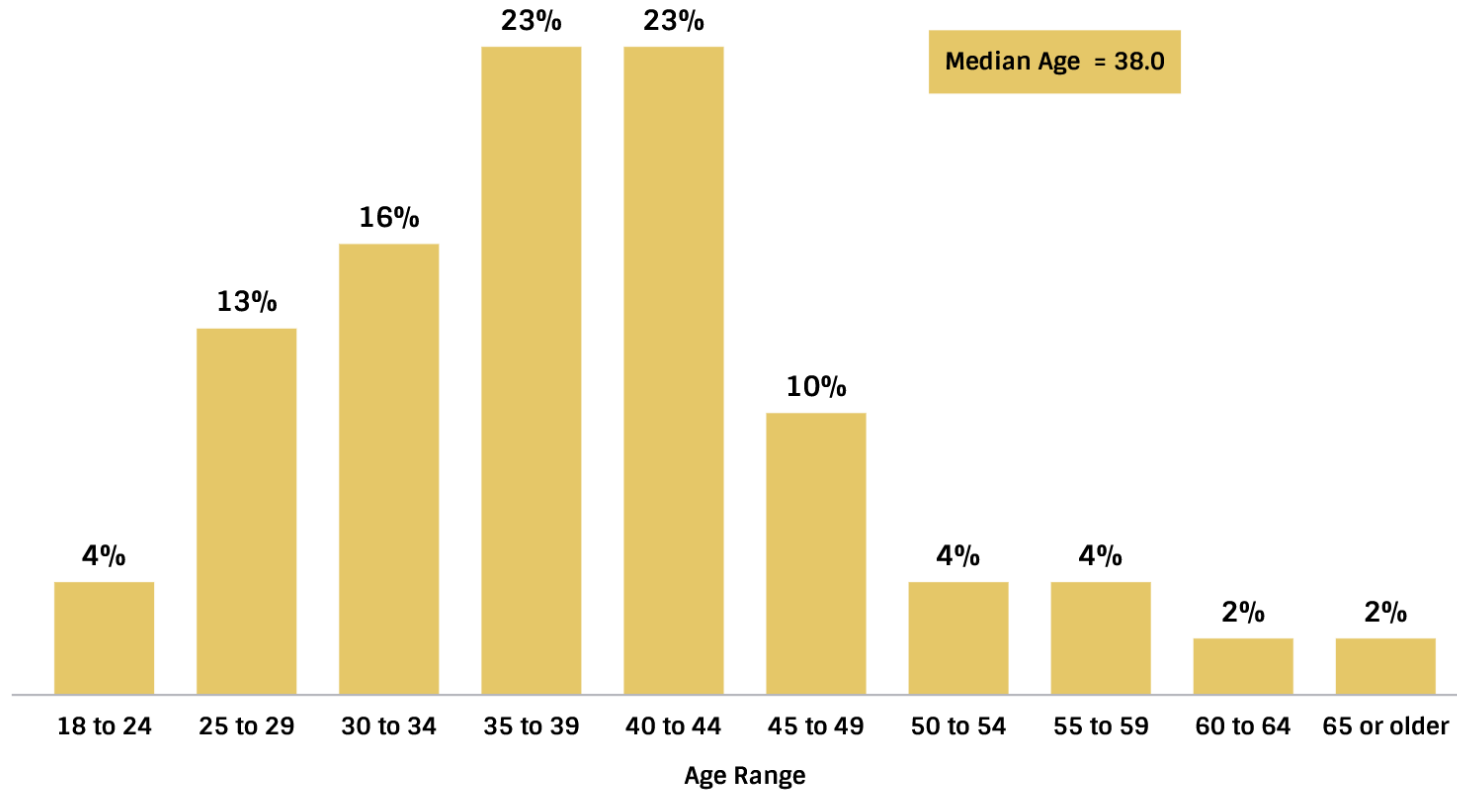- 6% are factories/plants; retail is negligible.

Gender

74.8%

24.6%

0.6%

Male   Female   Non-binary / Other

F3. Your Gender

- 75% male

- 25% female

- Less than 1% identify as non-binary/other.

Age

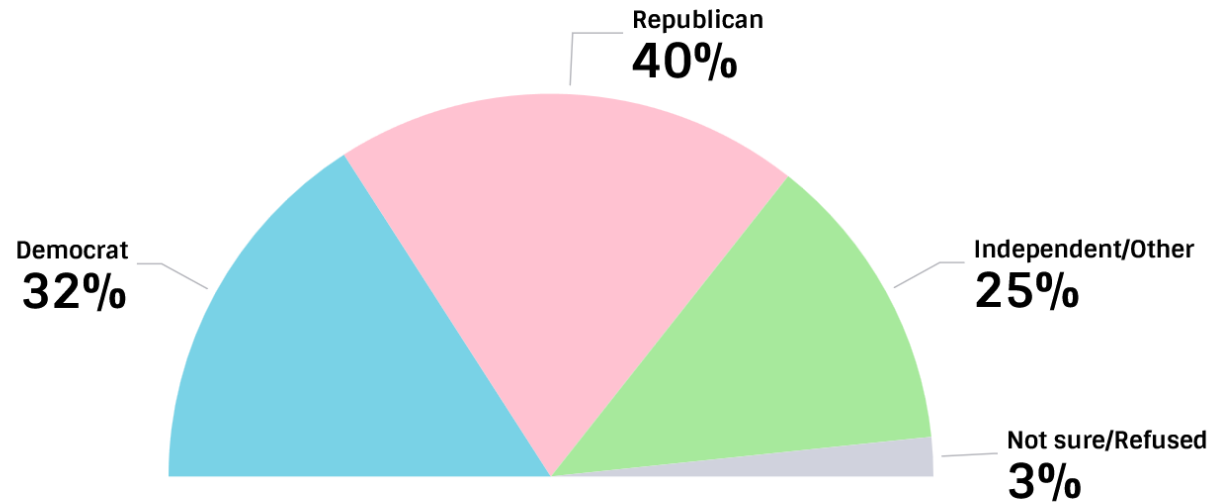Median Age = 38.0

- 62% are between the ages of 30 and 44.

- 12% are 50 and older.

- 17% are under 30.

- Younger leadership dominates the sample.
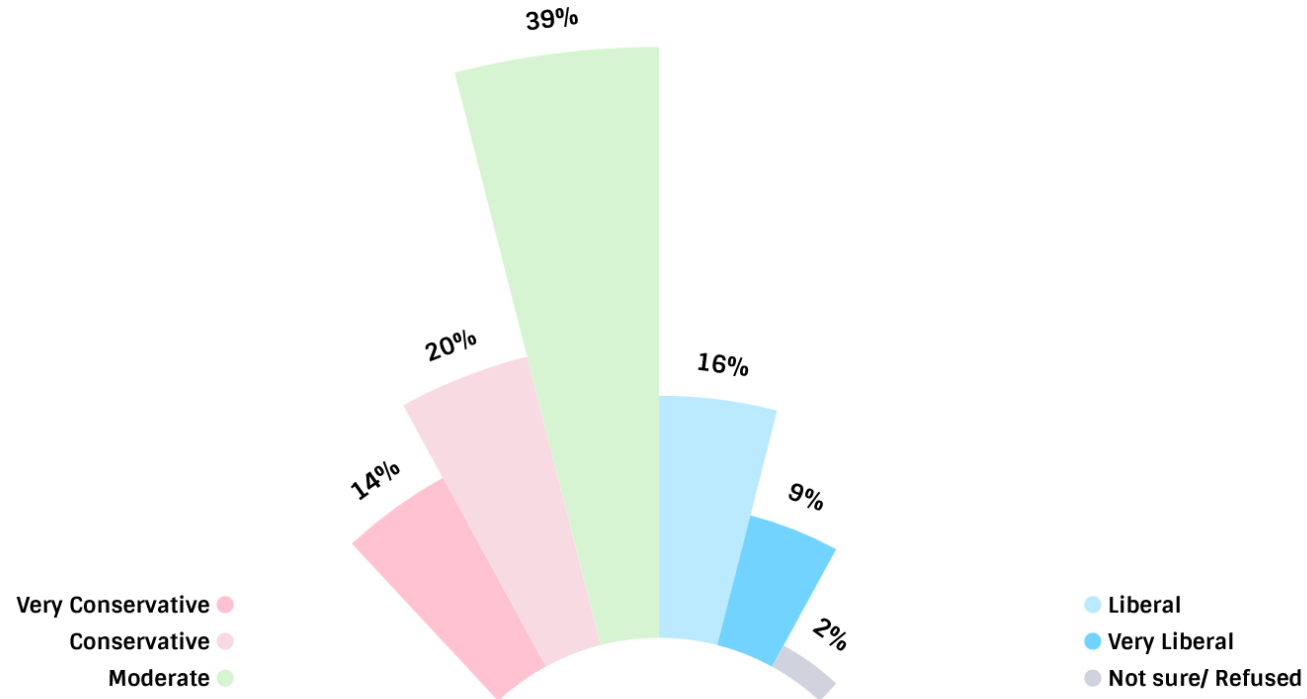
- **Median age: 38 years.**

F4. What is your age?

Party Identification

Republican
40%

Democrat
32%

Independent/Other
25%

Not sure/Refused
3%

F5. In politics, do you consider yourself to be a Democrat, a Republican, an Independent, or something else?

- 40% identify as Republican.

- 32% identify as Democrat.

- 25% are Independent/Other.

- 3% are unsure/refused.

Political Ideology

39%

20%

16%

14%

9%

2%

Very Conservative ●
Conservative ●
Moderate ●

Liberal ●
Very Liberal ●
Not sure/ Refused ●

- 39% identify as moderate.

- 34% are conservative.

- 25% identify as liberal.

- Only 2% are unsure/refused.

F6. In general, do you consider yourself to be…